

# Tentpoles and pixels

Developing a local digital cinema



J Ron Inglis

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J Ron Inglis  
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## Tentpoles and Pixels

**Tentpoles** are the films which the cinema industry anticipate will support the cinemagoing year by becoming massive worldwide box office hits.

**Pixels** are the individual picture elements which make up a digital cinema image.

## Contact

J Ron Inglis  
Mayfield Arts & Media  
Craigmount  
Bonnington Road  
Peebles  
EH45 9HF  
  
Tel: 01721 720040  
Email: [jri@mayfieldarts.co.uk](mailto:jri@mayfieldarts.co.uk)  
Web: [www.mayfieldarts.co.uk](http://www.mayfieldarts.co.uk)

# 1 Introduction

Cinemagoing is one of many different leisure and cultural pursuits that contemporary audiences can choose. Modern cinemas are luxurious, high quality leisure destinations complete with café bars or restaurants. But going to a cinema means different things to different people. For some it is a night out with friends to a city-centre multiplex and a fast food restaurant. For others it is a chance to go out as a family to see an animated film at their local cinema. Some want the ambience of a specialist or arthouse cinema showing independent and foreign language films. Everyone wants to enjoy the experience.

Cinema design has evolved significantly since the first multiplexes opened in the mid-1980s. Comfortable high back seating with generous legroom and an unobstructed view are expected by contemporary audiences in the same way that they expect excellent projection and sound. Multiplex cinemas are introducing innovations such as bean-bag seating, luxury seating areas with small tables for food and drink, and stylish bars and restaurants. Meanwhile specialised cinemas stress their individuality and attract cinemagoers who want to discuss films and talk with filmmakers over a glass of wine.

The recent introduction of high definition digital projection technologies offer radically improved programming flexibility as well as allowing cinemas to screen live cultural and sporting events such as operas, rock concerts, football or motor racing – sometimes in 3D. Business seminars or interactive computer gaming sessions may also be regular features of modern cinema venues.

Films can be watched at home on a high definition television, computer or mobile player screen, but the collective ‘theatrical’ screening of films in a cinema continues to be the preferred choice for many viewers – provided that the cinema is of sufficiently good quality, is showing the right films, and is easily accessible.

## 1.1 Target readers

This publication focuses on the local and independent cinema sectors and includes multi-use venues such as arts centres and community businesses. Certain sections may also be of interest to film societies, mobile cinema operators, and film festivals. Multiplexes are usually developed and operated by cinema circuits, often owned by multinational corporations, and are not the main concern here.

The aim of this publication is to provide a general overview of the issues involved in developing and running a modern cinema. Key issues are presented and sources of further information are detailed in the final section.

Although the development of a single venue is the main concern here, it is often beneficial to develop a partnership or agency relationship with other cinemas or companies in order to gain expertise or purchasing power. The most common situation where this occurs is in programming and film booking where a central office provides these services to a number of cinemas. Scottish Screen’s cinema exhibition strategy is built on a small number of ‘hubs’ who can work with other venues to provide specialist services including programming, marketing, education activities, and festival expertise.

## 1.2 What makes a successful cinema?

There are three fundamental characteristics of successful cinemas:

- they screen films which audiences want to watch
- they are desirable places for audiences to watch films
- they are efficiently run businesses

Sounds simple. The reality is that it can be a fickle occupation. Films can be unexpected hits or flops. Audience taste may shift unpredictably and quickly. A summer heatwave may turn audiences away, or if you have good air conditioning in your cinema, may bring them in. The smell of popcorn attracts some audiences but repels others. A film screening can breakdown or a guest fail to arrive on time. Sometimes you have to turn people away because the screening has sold out – will they come back for another screening? And should you invest in expensive new digital technologies such as 3D?

Nevertheless, a good local cinema is widely felt to be a desirable community facility. It can be a popular leisure destination for many different audiences and increasingly, due to digital projection systems, it can be a venue for a range of cultural and business events. A modern cinema will often have a café bar or restaurant which is successful in its own right as a secondary business.

Sceptics will question why audiences should choose to go to a cinema rather than see a film in the comfort of their own home. The answer lies in the capacity for a cinema screening to be distinct entertainment and cultural event, just as going to a restaurant is different from having a meal at home. It is true that home cinema systems can be very sophisticated and modern cinemas must offer at least as good a viewing experience in terms of comfort, picture and sound quality. Renting or downloading a film may be considerably cheaper than going to a cinema – especially for families – so the cinemagoing experience should deliver something better and more valued if it to be successful.

## 1.3 Structure of this publication

Chapter 2 looks at cinemagoing in Scotland and the UK. Important key statistics are introduced and a context provided for the cinema sector as it makes the transition from 35mm film to digital projection. Audience characteristics and trends are described.

Chapter 3 turns the focus on to the cinema building. Different types of venue and equipment are explained and development options outlined. Digital cinema issues and equipment are investigated in this section.

Chapter 4 is concerned with the core operational issues of film distribution, programming and marketing. Alternative content and screen advertising issues are also introduced here.

Chapter 5 looks at the financial and business aspects of cinema operation and outlines the main performance indicators that cinema operators must monitor.

Chapter 6 lists a range of organisations and web sites where the reader can obtain further advice or services.

## 2 Cinemagoing

### 2.1 The cinema marketplace

Audiences for films have a multitude of ways of accessing and watching films including:

- Multiplexes (modern venues with five or more screens)
- Traditional and independent cinemas (including smaller regional circuits)
- Specialist cinemas / Arthouses
- Arts centres (mainly part-time cinema provision)
- Film festivals
- Film societies
- Mobile cinemas (mainly in rural areas)
- Home/private viewing (VHS, DVD, satellite)
- Downloaded or streamed to computer, home media server, or mobile devices

This publication is principally concerned with independent, specialist and arts centre cinemas but in terms of attracting audiences all these options need to be taken into consideration.

#### 2.1.1 Number and type of cinema

In 2006 there were just under 700 cinema sites in the UK with over 3,400 screens. While the number of screens has gradually increased in recent years the number of sites remains static. The top five companies operate almost 75% of UK cinema screens. However a substantial number of smaller – often local – circuits, independent cinemas, arthouse, arts centres and other venues continue to provide public cinema screenings, mainly in less populous areas of the country.

Cinema operator	N° of screens	% of UK market
Odeon	840	24.4
Cineworld	739	21.5
Vue	553	16.1
National Amusements (Showcase)	237	6.9
Ward Anderson (Republic of Ireland)	198	5.8
Apollo	70	2.0
City Screen / Picturehouse	50	1.5
Smaller circuits	252	7.3
Others / Single sites etc	501	14.6

Source: Dodona Research

Although the modern multiplex is clearly the dominant model for contemporary cinemagoing, research by Mintel shows that only 28% of cinema-goers prefer modern multiplex cinemas while 10% prefer independent/arthouse cinemas<sup>1</sup>. This leaves 62% who are open to suggestion, usually by a combination of locality and the films being shown, but also by the quality of the cinemagoing experience.

<sup>1</sup> 'Cinemas – UK', Mintel research report, April 2006

Approximately 40% of mainstream cinemas are found in town centre locations, and another 40% in out-of-town locations, mainly retail parks. In contrast, over 80% of specialised cinemas are in town centres. Cinemas specialising in South Asian programming are mainly found in suburban areas or town centres. Cinemas in rural areas are three times more likely to screen specialised films compared to mainstream films.

## 2.1.2 Cinema admissions

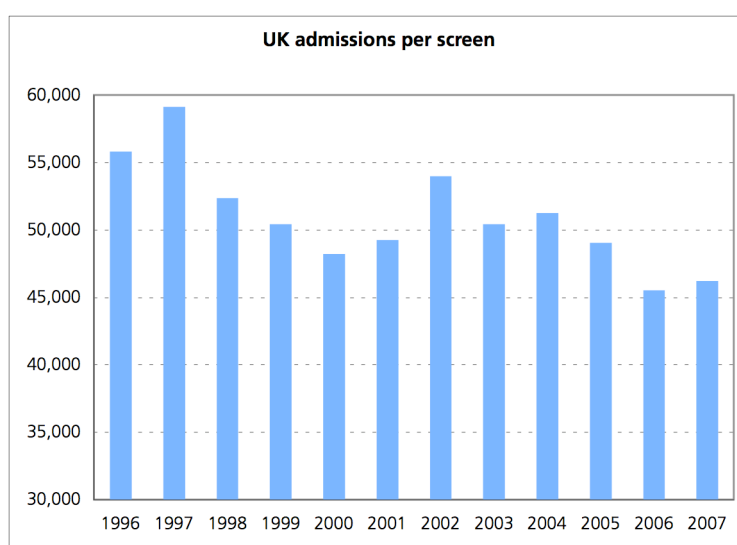
<b>UK Cinema admissions<sup>2</sup></b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Cinema admissions (millions)	175.9	167.3	171.3	164.7	156.6	162.4
Number of new releases	394	423	450	467	505	525

The UK average cinemagoing frequency per capita was 2.7 in 2007. In Scotland the figure was 3.1 visits per year. For cinemagoers living near a new multiplex or independent cinema the rate for regular cinemagoers can exceed 20 visits per year.

The average occupancy per cinema seat in the UK was 209 in 2006, and the average seating capacity of cinema auditoria was 218 seats yielding an average per screen attendance of 45,562. Based on a nominal performance schedule of 4 screenings per day, 363 days per year (closed on Christmas Day and New Year's Day) this means the average per screening attendance is just 31, approximately 14% of capacity.

In the multiplex sector seating capacities typically vary between 100 and 500 seats although only a few auditoria have more than 300 seats. Independent cinemas often have small auditoria – seating 50 to 100 – along with at least one larger auditorium.

The variation in the average attendance per screen is shown below. The declining trend is a concern for the overall viability of cinemas but is partly due to the construction of too many screens in some cities. Averages may also be misleading in the context of an individual cinema – some part-time cinemas may not record more than 10,000 admissions per year while the top performing multiplexes can exceed 100,000 admissions per screen.



Source: UK Film Council

<sup>2</sup> Source: Film Distributors Association

Screen averages vary substantially by nation or region. For example in 2006 London averaged 53,659 admissions per screen but the next best average was for Northern Scotland with 51,400. The poorest averages were for Northern Ireland (32,264) and South West England (32,911).<sup>3</sup>

### 2.1.3 Non-theatrical exhibition

Alongside public cinemas there are many different so-called 'non-theatrical' film exhibition providers. These include general public film societies, higher education film societies and student cinemas, mixed use arts centres, mobile cinemas in rural areas, and a large number of film festivals. These non-theatrical providers can be run on a commercial basis but many are not-for-profit organisations and may also be registered charities. Generally these organisations fill a gap in commercial cinema provision and provide access to films, including specialised films, which would otherwise be unavailable.

## 2.2 Audiences

There are many different audiences for the many different films that get shown each year in cinemas and at film festivals but there isn't "a cinema audience" which is universally accessible. Mass appeal, event films have a broad appeal and will attract a range of cinemagoers of all ages and interests. Specialised films on the other hand will naturally appeal to particular audience groups and interests – provided they know that the film is being shown at your cinema. And some younger audiences may prefer watching clips and short films on YouTube on their laptop computer rather than a feature film in a cinema.

### 2.2.1 Audience segments

#### *Four quadrants*

The commercial cinema sector often divides the cinemagoing public into four big segments, called quadrants. This basic grouping structure divides the audience into male and female and then again into ages over 25 and ages under 25. The concept is used to orient the broad marketing effort towards a particular quadrants, or ideally to find a film which "hits all four quadrants". Although widely used and understood, this movie-by-movie approach fails to provide much guidance for cinema operators trying to develop a successful venue.

#### *Age and social class*

The most common method of distinguishing different segments of the cinemagoing public is to use age groups: Under 7 years, 7-14 years, 15-24 years, 25-34 years, 35 years and above. This is methodology used for two decades by the Cinema Advertising Association for its annual CAVIAR audience research. This approach continues to have some usefulness for younger audiences but it in an era of "agelessness", researchers are increasingly finding that individuals are much less likely to "act our age".

Social class is also used to segment the cinemagoing audience. Screen advertising company Pearl & Dean provide a valuable service for cinemas by showing the expected age, gender

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<sup>3</sup> Source: UK Film Council Statistical Yearbook 2006/07

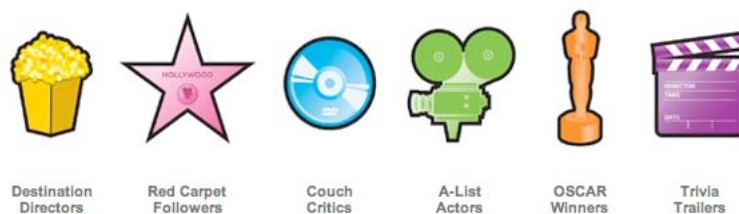
and social class profiles for new release films and compares the film with the actual data for another similar recently released film.<sup>4</sup>

### *Geodemographic segmentation*

Sophisticated systems of classifying consumer behaviour have been developed by CACI Ltd (ACORN) and Experian (MOSAIC). These schemes classify neighbourhoods into 50 or more types, each with particular consumer, lifestyle and economic characteristics. Working at postcode level, these schemes can be used to investigate the potential strength of cinemagoing in a particular catchment area. This type of analysis is widely used in the arts and in cinema development planning, but it is important to recognise the limits of the methodology. For example, is the data based on 'cinemagoing' as a single category or does it incorporate some distinctions between different types of cinema audience? And if there are competitor cinemas, how will this affect audience estimates for your cinema?

### *Cinema Advertising Association*

The Cinema Advertising Association undertook a segmentation analysis with TNS in 2007. Their research groups cinemagoers based on 'attitudes to film and cinema' rather than just demographics. Their research resulted in six clusters being identified:



Source: FAME 2008 Segmentation Study, Carlton Screen Advertising

#### *1 Destination directors*

Love the whole experience of going to the cinema. They love to take the kids to the cinema as a family outing so are likely to watch animation and family films. Watch ITV1 and BBC1

#### *2 Red carpet followers*

Always in the know when it comes to film gossip and celebrity news. Listen to their friends to find out what to see at the cinema. Prefer to watch comedy and adventure films.

#### *3 Couch critics*

Happy to watch films on DVD, but enjoy the hype surrounding new releases and sequels. They keep a close eye on film reviews and book their tickets ahead when they decide to venture off the couch and to the cinema.

#### *4 A-list actors*

Heavy cinemagoers who pride themselves on being in the know about movie gossip. Watch Channel 4 and E4 and will be the first to check out new developments such as 3D cinema or a new independent screen.

#### *5 OSCAR Winners*

Selective cinemagoers who prefer to visit independent cinemas and watch art house and Bollywood films. They are influenced by advertising and the media they consume.

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<sup>4</sup> <http://business.pearlanddean.com/filmplanner/>



### 2.2.2 Attracting new audiences

Research by The Henley Centre<sup>5</sup> identified five consumer currencies: information, energy, space, time, and money. How individuals spend their energy and time can be just as important as how they use their cash. Cinemagoing is one way for consumers to 'spend' their currency but it competes – sometimes successfully – with many alternatives.

The research concluded that the 18-35 year old sector is:

- Time pressured and price focussed
- Acts on word of mouth
- Connected in new way, connected in every way.

#### *New demographics*

When considering your potential audiences the traditional age and social class segmentation approach may be inadequate. New demographic concepts may be more revealing and helpful when developing programming, marketing and cinema development plans. For example for the 18-35 year old sector that the Henley Centre examined: Later childbirth; Single parents; Boomerang kids (keep coming back!); Kidults (adults behaving like kids); Child free; Friends come first.

#### *Risk taking*

Film festivals can face an especially difficult job attracting audiences for films which are usually little known and may be quite challenging. The Edinburgh International Film Festival has researched its audiences for many years and has developed an approach which aims to get audiences to attend films they know little about. Their research identified three main categories of cinemagoer:

- i Risk takers – will see anything
- ii Cautious gamblers – need validation from critics, friends, reviews, etc
- iii Safety first – only go to films with well known characteristics (adaptations of novels, stars, massively marketed Hollywood films)

Based on this information the EIFF promotes its programme with techniques such as "Like this? Try these..." and an online "suggest-o-tron" to guide prospective audiences. This risk reduction approach is broadly similar to the UK Film Council's 'removal of barriers' approach.

### 2.2.3 Arthouse

A commonly held belief is that the USA makes movies for young people, while Europe makes arthouse films for adults (although the USA used to make films for adults as well). Foreign language films (including Hindi films) account for over one third of UK releases but just 3.5% of box office income.

The term 'arthouse'<sup>6</sup> has become journalistic shorthand for a broad spectrum of films which due to their language, challenging subject matter, or unusual style don't easily fit into genres typically used by commercial cinema. The UK Film Council uses the broader term

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<sup>5</sup> Presentation by Tamar Kasriel, The Henley Centre, at the UK Cinema Conference, March 2007

<sup>6</sup> An article on Spiked online on "the problem of the arthouse ghetto" included the following comparison of Greek and Roman theatre: Greek theatre is "a cathartic and emotional journey that refreshes the audience's moral sense and place in the community". Roman theatre is "a place of spectacle of sex and violence pitched at the lowest common denominator of entertainment" The Greeks were arthouse, the Romans were multiplex. (www.spiked-online.com 29 Sept 2006)

‘specialised film’ and publishes a list of films it considers to fit their criteria.<sup>7</sup> 28% of specialised screens are located in London. Scotland has 13% of all UK specialised screens – higher than would be expected on the basis of population alone.

Most cinemas that mainly screen specialised or arthouse films will also show some mainstream films. Despite efforts by some cinema circuits and, most recently the UK Film Council, arthouse films generally perform poorly in multiplex cinemas. Audiences for these more specialised films typically prefer the individuality of independent cinemas, although that does not mean that they are willing to accept sub-standard facilities or service, in fact the opposite is more likely.



The ‘arthouse’ wine and espresso bar at the Eye Cinema in Galway

#### 2.2.4 The wired audience

According to Ofcom, UK consumers spent an average of 50 hours a week – more than the working week – watching television, listening to the radio, surfing the internet, and using a phone. Almost 2/3rds of the population have watched some video on demand<sup>8</sup> although the majority of this is user-generated short-form content, not feature length films.

The technology available to watch films in the home is increasingly sophisticated and high quality: domestic television screens are increasing in size<sup>9</sup>; high definition (HD) services, including BluRay disks and download services, are gaining popularity; and 3D television systems are being developed which do not require audiences to wear special spectacles.

Faced with this onslaught cinemas have to provide more than a technically perfect presentation on the big screen which is why cinemas are introducing high quality bars, cafes, restaurants, retail outlets, waiter services and other enhancements to make the visit to a cinema a complete leisure experience. As James Schamus, producer of several of Ang Lee films, says: *“Movies are a pretext for social interaction. So don’t think of the future in terms*

<sup>7</sup> [www.ukfilmcouncil.org.uk/specialisedfilms](http://www.ukfilmcouncil.org.uk/specialisedfilms)

<sup>8</sup> Source: Nielsen Online

<sup>9</sup> The Film Distributors Association 2008 handbook reports that the average domestic television screen is increasing in size by 1 inch per year.

*of technology. It's not a question of platforms but of how people want to use social spaces, how given ethnic and age groups want to interact".<sup>10</sup>*

### 2.2.5 The older audience

The changing age profile of the population is viewed in contrasting ways by different sectors of the cinema world. Hollywood studios continue to focus attention on the youth market while many European filmmakers take the opposite approach and concentrate on films which appeal to more mature audiences. Multiplex cinemas have, until recent years, focussed almost exclusively on the youth market whereas many independent, local cinemas have recognised (or been forced to accept) that they appeal mainly to young families and to older audiences who prefer a local venue and the more individual style.

In the mid-1980s, when cinemagoing was at its least popular in the UK, very few people over 35 years attended cinemas. Now, according to British Market Research Bureau surveys, around three-quarters of the over 35-year-old age group attend a cinema at least once a year and over 15% attend at least once a month.

New cinema developments and refurbishments now aim to create a leisure destination which is more suitable for the broader range of audiences that watch films. The most prominent changes are the growing importance of café bars, less brash concession areas in foyers, replacement of gaming areas with lounges, increasing availability of hearing assistance technology, more luxurious cinema seating, and the branding of up-market cinemagoing.

### 2.2.6 Catchment areas

One of the first tasks when planning a cinema development is to estimate the catchment area that the cinema will serve and from which it can expect to draw most of its regular audience. The most common method of defining a cinema's catchment is a drivetime boundary (based on the fact that the majority of people use cars to get to the cinema). The boundary takes into account the type and quality of road links as well as distance. If public transport is particularly important then a 'travel time' boundary may be more appropriate.

It is often helpful to examine two catchment areas, an inner one (for example 10-15 minute drivetime boundary) where the majority of the regular cinemagoers are expected to live, and an outer catchment (20 or 30-minute drivetime) where infrequent cinemagoers live. In rural areas the drivetime catchment boundaries can be quite different from those in metropolitan areas. It isn't unusual to find audiences in rural and remote areas travelling 45-60 minutes to attend screenings. Other relevant information about the potential catchment can be derived from travel to work data and from retail planning information.

Local circumstances can often modify the assessment of a particular cinema location and catchment area. Sentiment towards, or against, a particular building or area can be important as can the presence of a university or a summer tourist market. The tools available from ACORN and MOSAIC analyses are invaluable, but they should always be used along with a good understanding of the local situation.

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<sup>10</sup> Cited by David Denby in *The New Yorker*, 8 Feb 2007

### 3 Cinema venues

IN 2007 there were 727 cinema sites in the UK with a total of 3,514 screens of which 319 are in Scotland in 66 sites<sup>11</sup>. Only 3% of cinemas are situated in rural locations while 45% are in town and city centres.

In Scotland there are 6.2 screens per 100,000 population compared to the UK average of 5.8 screens. This is lower than in several other major film territories: USA 13.2, Spain 9.5, Australia 9.5, France 8.9, Italy 6.9 and Germany 5.9.<sup>12</sup> These figures, backed by the opinion of several cinema industry analysts, suggest that there is scope for more new cinemas in Scotland and the UK in general.

Today about 73% of cinema screens in the UK are in modern multiplex cinemas, in Scotland the figure is slightly higher at 75% multiplex screens. However there are over 900 screens in traditional and mixed use venues. The non-multiplex sector includes older cinemas, new-build independent venues with four or fewer screens, arthouse and specialist cinemas, arts centres, hotel cinemas, mobile cinemas, cinemas in hospitals, and cinemas in bars or restaurants.



Harbour Lights 2-screen cinema, Southampton



Odeon multiplex Dunfermline

High definition digital projection systems allow even more types of venue to be equipped for cinema screenings as well as allowing digital cinemas to be used for non-film screenings of operas, sporting events and business meetings.

#### 3.1 Great expectations

Audiences expect a high quality service and excellent facilities when they attend a cinema. The following extracts illustrate different aspects of these expectations:

Swiss architecture and design writer Roderick Höning wrote in *Frame* magazine *“The calling card of the contemporary cinema is the physical image it presents. Going to the movies has become more than a 110-minute-long flood of images... Moviegoers want to be immersed in a different world before and after the film as well. The public is satisfied only when the total experience is unforgettable.”*<sup>13</sup>

<sup>11</sup> Source: UK Film Council Statistical Yearbook 08

<sup>12</sup> Sources: Screen Digest and UK Film Council research

<sup>13</sup> Roderick Höning *Frame* magazine, Jan/Feb 2000

David Denby, film critic of the New Yorker, observed in a lengthy article about cinemagoing in 2007 that: *"A theatrical opening, for better or worse, will remain an event. The opening creates and aggregates the publicity – the ads, the magazine covers, the newspaper and television interviews, the cable 'documentaries' about the making of the picture, the hundreds of reviews, the ceaseless nattering of blogs"*<sup>14</sup>

More recently National Amusements president Shari Redstone on the opening of the Showcase Cinema de Lux in Derby in 2008, spelled out why the Cinema de Lux concept was so important: *"We want to give them a compelling reason to go to the movies and to create the experience that gives them that reason. Cinema de Lux is not just a movie theatre. We have the Studio One restaurant and bar, a trendy contemporary place where people can come and spend time. And the Director's Hall screens which I like to say creates a VIP experience for the masses. If we do our job right the movie is almost secondary. We can't control the product but we can create the experience."*<sup>15</sup>

These three quotes illustrate some of the expectations, interest and excitement that audiences have about cinemagoing. Although the film is the main reason why people attend a cinema, the venue itself can make a big difference to the overall experience. In the early days of cinema the fabulous picture palaces took escapism and grandeur to extraordinary lengths<sup>16</sup>. After a barren period during the 1960s to 1980s cinemas are once again being designed with style and imagination – and audiences are reacting favourably to the new emphasis on luxury and the quality of cinemagoing<sup>17</sup>. Conversely venues with poor, substandard facilities – especially seating and sound quality – will find it very difficult to retain audiences.

The style and range of facilities in cinemas is also changing. A survey of leading cinema architects in 2001 by Box Office magazine pointed to the end of the dominance of the "youth audience". The designers suggest that cinemas will cater more to older audiences, enticing them with more comfortable seats, more elegant surroundings and more sophisticated concessions. The designers and architects also expected to include a broader range of leisure facilities such as bookshops, café bars, and areas where live music can be performed. These concepts can be seen in several specialist cinemas such as Greenwich Picturehouse<sup>18</sup> or in the latest generation of multiplex cinemas.<sup>19</sup>

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<sup>14</sup> Big Pictures: Hollywood looks for a future. By David Denby The New Yorker, Jan 2007

<sup>15</sup> National Amusements president Shari Redstone on the opening of the Showcase Cinema de Lux in Derby, May 2008, cited in the Derby Evening Telegraph. See: [www.cinemadelux.co.uk](http://www.cinemadelux.co.uk)

<sup>16</sup> See: [www.cinema-theatre.org.uk](http://www.cinema-theatre.org.uk) (Cinema Theatre Association) and <http://cinematreasures.org/>

<sup>17</sup> See for example: [www.lighthousecinema.ie](http://www.lighthousecinema.ie) (Dublin), [www.kinocinemas.co.uk](http://www.kinocinemas.co.uk) (Hawkhurst, Kent), [www.myvue.com/evoConcept/](http://www.myvue.com/evoConcept/) (Hull), [www.mk2.com](http://www.mk2.com) (Bibliothèque artplex, Paris), [www.picturehouses.co.uk](http://www.picturehouses.co.uk) (especially Southampton, Stratford East, and York), [www.everymancinema.com](http://www.everymancinema.com) (Hampstead, London)

<sup>18</sup> [www.picturehouses.co.uk](http://www.picturehouses.co.uk)

<sup>19</sup> See for example Vue's Hull Princes Quay all-digital multiplex which opened in December 2007 and includes Vue's experimental Evolution auditorium design.

## 3.2 Core competencies

### 3.2.1 Technical excellence

Modern cinemas must present bright, in-focus, flicker-free, large moving images accompanied by high quality multi-channel sound. Although the picture quality is often felt to be most important, deficiencies in sound quality are more likely to produce complaints from audiences.

#### *Sightlines*

It seems obvious to state that everyone must have an unobstructed view of all of the screen but this has not always been the case. The seating in many older or poorly designed cinemas can result in obstructed views for audiences and, in an era of steeply raked 'stadium' seating, cinemagoers find this unacceptable.

#### *Comfort*

Seating standards have risen considerably over the past 20 years and again audiences will not tolerate poorly designed or maintained seating. Cinema seats differ considerably from theatre or concert hall seating and compromises utilised at multi-use venues and arts centres can often fail to provide the level of comfort that cinemagoers require for 2-3 hours of viewing. Non-tipping designs with widely spaced rows are increasingly popular.

More generally auditoria should be well ventilated and temperature controlled, toilets kept clean and fresh, and foyers should ideally have areas with seating for cinemagoers who have arrived early or are waiting for others.

### 3.2.2 Food and drink



Buccleuch Centre cafe bar, Langholm



FACT cinema bar, Liverpool

Concession sales (confectionery, popcorn, ice cream, soft drinks, etc) are considered an essential part of a visit to the cinema by many audiences, especially younger cinemagoers. Well stocked and displayed concession sales areas contribute to both the cinemagoer's enjoyment and, importantly, to the cinema's profits.

A licensed bar and a café and/or restaurant are increasingly important to modern cinemas of all sizes and styles. In some instances these are directly operated but they may be leased out to a third party operator. The quality and range of the food and drink offering should be consistent with the style of programming and the types of audience that the cinema attracts.

### 3.2.3 Accessibility

The Disability Discrimination Act (1995 & 2005) has had a significant impact on the design and operation of cinemas. The Cinema Exhibitors Association has been particularly active in promoting good practice and publish comprehensive guidelines for cinema operators.<sup>20</sup>

While the most visible provision for disabled cinemagoers is often lifts and ramps, many people will benefit from comparatively inexpensive assistive technologies such as inductive loops and infra-red systems for hearing impaired audiences, or audio-description for sight impaired audiences, or screenings for autistic cinemagoers.

A cornerstone of disability access legislation is the concept of “reasonable adjustments”. So while new buildings can reasonably be expected to have exemplary standards of access, owners of refurbished cinemas may be able to claim that some access modifications to their building would be unreasonable.

## 3.3 Location and design

### 3.3.1 Site

Cinemas have often been situated on prominent town centre sites, sometimes on street corners which allow striking entrances to be created. Newer independent cinemas are found in a variety of occasionally surprising locations such as converted Victorian or Edwardian schools or community halls<sup>21</sup>, or in spaces created by combining several buildings<sup>22</sup>, or on sites that have not previously been considered for a cultural or entertainment destination<sup>23</sup>.

Future expansion of the building should be considered at the outset and the design of the building or the conversion carried out with this possibility in mind. It is particularly important to try and avoid constructing some part of the building in a way which makes it difficult, or even impossible, to expand and redevelop the venue at a later date.

The catchment area for most cinemas is predominantly local, many living within a few miles of the cinema. Nevertheless the majority of cinemagoers travel to cinemas by car and adjacent or nearby car parking is generally essential for most cinemas.<sup>24</sup> Multiplexes on out-of-town retail parks stress the extensive free car parking they offer whereas a town centre cinema should ensure that a range of travel options are clearly marketed.

### 3.3.2 Style

While multiplexes can develop and trade successfully on their brands, independent cinemas have to create a distinctive style and quality which in many cases differentiates them from the multiplex circuits. Independent cinemas provide a local service and may provide a clearly alternative ambience to nearby multiplexes.

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<sup>20</sup> [www.cinema.uk.org.uk](http://www.cinema.uk.org.uk) See: *Best Practice Guidelines for the Provision of Services to Disabled Customers and the Employment of Disabled People* (2007 edition)

<sup>21</sup> For example New Park Cinema & Arts Centre in Chichester or the Kino Digital Cinema in Hawkhurst

<sup>22</sup> For example the Irish Film Institute in Dublin or Cinema City in Norwich

<sup>23</sup> For example the former garages used to create Showroom Cinema in Sheffield or Dundee Contemporary Arts, or the former glove factory converted into the excellent All Star Factory 2-screen cinema in Thurso.

<sup>24</sup> City Screen York is a notable example of a successful modern cinema with no vehicle access or parking, see: [www.picturehouses.co.uk](http://www.picturehouses.co.uk)

The exterior design of cinemas has generally concentrated on the entrance area – from the celebrated Odeon designs of the 1930s to the current hi-tech imagery of many multiplexes. Where a stand-alone venue is being created it is possible, and perhaps highly desirable, to create a distinctive building which can establish the image and identity of the cinema.



Winner of two Irish architecture awards, the Eye 9-screen cinema, Galway ([www.eyecinema.ie](http://www.eyecinema.ie))

### 3.3.3 Design considerations

The detailed design of a successful cinema venue involves an considerable amount of detailed design, careful planning and co-ordination of specialist equipment suppliers. Basic information about auditorium configuration can be found in the *Metric Handbook: Planning & Design Data*<sup>25</sup> but detailed designs should be developed in collaboration with your architect, the seating and screen manufacturers, and the projection and sound suppliers. In a similar manner the foyer areas, café bar and retail areas should be developed with the assistance of appropriate specialists and product suppliers.<sup>26</sup>

Where the venue is planned to accommodate other uses in addition to cinema screenings, it is essential that design priorities are established at the outset. For example if the venue is predominantly a live arts venue which only occasionally screens films, the demands of live performance will clearly predominate. However if the venue is dependent on significant earned income from cinema screenings, the venue should be designed with the modern cinemagoer clearly in mind – too many multi-use venues are unappealing for cinema audiences due to inappropriate seating and substandard technical presentation.

## 3.4 Venue development

### 3.4.1 Development team

Whether you are developing a new build cinema, converting existing premises or refurbishing a cinema you will usually require an architect and a quantity surveyor, electrical and heating contractors, possibly structural engineers, and a number of specialist suppliers/installers for cinema equipment and perhaps bar and catering equipment. Ideally

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<sup>25</sup> *Metric Handbook: Planning & Design Data*, 3rd edition 2008 edited by David Littlefield, published by the Architectural Press, 816 pages. See Chapter 33 on auditoria design

<sup>26</sup> For the design and manufacture of box office and concession sales units, see for example [www.martek.co.uk](http://www.martek.co.uk)

you should work with a team who have a track record of working on cinema projects. If the team members are new to cinema development it is strongly advisable to bring the cinema equipment suppliers into the design process at an early stage in order to guide the project and ensure that the many different factors involved in creating a successful cinema are taken into consideration. Some mistakes are easy to correct, others are impossible. An example of the range of specialist services available from the companies listed in section 6 later in this publication is:

- Specialist design advice on the layout of the cinema, including accessibility issues and sightlines
- Detailed equipment specifications and budget report
- Liaison with the project team to develop the cinema layout and infrastructure (mechanical and electrical), including coordination of the various elements
- Detailing the specialist wiring schedules and schematics
- Set out, specify and procure the screen installation
- Supply, install and commission the sound, projection and audio-visual equipment.

### 3.4.2 Comparator venues

When developing, or re-developing a cinema venue it is usually helpful for the key members of the project, including if possible the architect, to visit a range of other cinemas, arts centres, cafes, and so on in order to get ideas about the concepts you want to incorporate into your venue. It is important to critically examine these comparators and to try and find both good and bad points.

If possible, arrange to meet the staff and to be shown around the venue including the non-public areas such as the projection room, storage rooms, staff offices and rest rooms. To avoid excessive travelling it can be instructive to visit the web sites of a range of cinemas where some publish information and photographs about their building and equipment.

### 3.4.3 Planning permission

Planning permission is required for new construction and also for substantive changes of use of a property. Legislation in town and country planning acts governs the uses to which buildings can be put. When redeveloping a building for cinema purposes it may therefore be necessary to get 'change of use' permission from the relevant local authority. In some circumstances it is advisable to seek the assistance of a planning consultant to ensure that the correct procedures are followed and the necessary permissions obtained.

In Scotland the *Town and Country Planning (Use Classes) (Scotland) Order 1997* specifies how buildings may be used according to a classification scheme. Class 11 'Assembly & Leisure' includes cinemas; Class 3 'Food & Drink' includes cafes, bars and restaurants; and Class 1 'Shop' includes retail elements. The more recent *Planning etc. (Scotland) Act 2006* amends certain parts of the 1997 Act but the 1997 Act remains the principal legislation.<sup>27</sup>

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<sup>27</sup> In England and Wales the *Town and Country Planning Act 1990* together with the *Planning and Compulsory Purchase Act 2004* govern the use classification of buildings. Class D2 'Assembly & Leisure' includes cinemas; Class A3 'Restaurants & Cafes'; Class A4 'Drinking establishments'; and Class A1 'Shops'.

#### 3.4.4 New build cinemas

The new build approach gives you considerable freedom to design the venue exactly the way you want and to ensure that the allocation of space to auditoria, the foyer, bar and catering facilities, and to staff rooms and offices is appropriate to your requirements. Modern cinemas are increasingly luxurious places and audiences expect excellent auditoria as well as high quality foyer and catering services.

A new build cinema should also aim to be energy efficient and economical to staff and operate. Consideration should also be given to how the building operates during quiet period as well as during sell-out screenings. For example by making it possible for one member of staff to sell tickets and concession products from one service point.<sup>28</sup>

#### 3.4.5 Redeveloped, adapted and converted venues

A considerable variety of buildings have been converted into cinemas, some very successfully. Developing an acceptable, and hopefully creative solution to your requirements is often a substantial challenge and inevitably a number of compromises will be made along the way. It is vital to keep a clear focus on the main requirements of your cinema development, most notably: will the auditoria provide the kind of viewing and sound experience that your target audience expect?

Potential benefits of adapting an existing building include: favourable location; lower development costs; access to funding programmes; and the ability to capitalise on the reputation or local knowledge of a well known building.

#### 3.4.6 Refurbished cinemas

Over time cinemas need to be refurbished for a variety of reasons. Some refurbishments are simply designed to rectify wear and tear, others aim to bring the cinema up to contemporary standards, and in some instances an extensive reworking of the venue is planned. The scope of the refurbishment will depend on individual circumstances, especially the available budget and the scope of any redevelopment, but refurbishment work is often done in a piecemeal fashion with inadequate thought given to a longer term vision. Is refurbishment the most suitable approach or would relocation to different or newly built premises provide a better solution? Over the past 20-30 years the major cinema circuits, rather than refurbishing their venues, have abandoned these buildings in favour of creating entirely new venues which are more appropriate to contemporary cinemagoing and more economical to operate. Independent cinemas rarely have this luxury but in certain circumstances the cost of a major refurbishment can approach the cost of a new build.

#### 3.4.7 Capital funding

Raising the finance to carry out capital developments can be a lengthy and complex business involving a diverse range of funding sources. There is no standard source of capital funding for cinemas, each development tends to be financed individually.

Private sector cinema developments may include combinations of private investment, loan capital, and share issues as well as more complex schemes such as 'sale and lease back' which may result in tax advantages.

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<sup>28</sup> Sometimes referred to as "ticket at any till" systems

Public sector or social enterprise cinema developments can access a range of funding from national bodies such as the Lottery, from regional enterprise funds, from local authorities perhaps via Section 106 'developer gain' agreements or low cost provision of a site or building, and from charitable trusts and foundations. A number of cinemas developed in the 1990s and 2000s benefited from European Regional Development Funds (ERDF). The nature of public funding is that the rules and availability of funding constantly changes – Arts Lottery and ERDF funds helped many independent specialist cinema developments in the late 1990s but these sources of funding are no longer generally available.

Small amounts of capital funding are often available through one-off programmes such as the UK Film Council's Small Capital Fund which has been used to assist a broad range of private and public sector cinemas with improvements to their facilities.

Sponsorship of capital developments for cinemas is comparatively rare compared to the funding that has been provided for theatre, opera and music.

### *Scottish Screen/Regional Screen Scotland: Digital projection equipment fund<sup>29</sup>*

Large parts of Scotland have limited or no access to the cinema experience. Scottish Screen – with the support of Scotland's rural and remote exhibition development hub, Regional Screen Scotland – are launching a fund which aims to increase and improve access to the cinema experience across Scotland by providing a three strand funding programme which aims to:

- Equip or upgrade venues with quality digital projection equipment that will allow them to have regular, high quality, public film screenings
- Increase opportunities to show specialised, short and archive film across Scotland
- Grow audiences for specialised, short and archive film across Scotland
- Bring communities together to enjoy a shared moving image experience

The three funding strands are:

- 1 Small scale (maximum investment £5,000) – aimed at small venues and film societies presenting screenings every 2-4 weeks. Administered by Regional Screen Scotland
- 2 Mid scale (maximum investment £15,000) – intended for existing venues seating up to 200 people, such as a school, village, or town hall or small arts centre and multipurpose venues which are used to presenting public performances. Capable of screening films every week, possibly including special children's performances and occasional festival events. Administered by Scottish Screen.
- 3 Large scale (maximum investment £35,000) – intended for existing venues seating up to 300 people, such as a well-equipped arts centre or multipurpose venues. Capable of screening films every week, possibly several times during certain weeks, some matinees and occasional festival events. Administered by Scottish Screen.

### *Leasing*

Most commercial cinemas lease their premises, although a few circuits prefer to own their buildings. In contrast many independent cinemas are owned outright and can use the value

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<sup>29</sup> For further details please contact Scottish Screen, Market Development Department, 249 West George Street, Glasgow G2 4QE. Also see [www.scottishscreen.com](http://www.scottishscreen.com)

of the building to strengthen their balance sheets and access loan capital. Some cinemas (and arts centres) are owned by local authorities and are leased under a service level agreement to independent companies to operate the venue. These operators may be private sector companies or organisations with charitable status.

### *Regular re-investment*

In common with other leisure and cultural facilities, cinemas need a regular input of funds to maintain and develop the facilities to standards that the public demand. Restaurants, cafes and bars regularly refurbish their premises to ensure that they continue to be attractive and comfortable places and in a similar fashion cinemas should plan a cycle of refurbishment.

Apart from general refurbishment of seats, carpets, décor, and toilets, modern cinemas have to continually re-invest in technical equipment. In recent years this has tended to focus on improvements to the sound systems and to box office ticketing equipment, but the advent of digital cinema projection, and especially 3D digital, raises the requirement for regular re-investment.

## **3.5 Equipment and fittings**

See section 6 for contact details of manufacturers and distributors of cinema equipment.

### **3.5.1 Projection equipment**

#### *35mm film projection*

35mm film has been the worldwide standard for the first 100 years of cinema. The 16mm format used by film societies for decades has largely died out and been replaced by DVDs. Large formats such as 70mm and IMAX are usually only found in specialised venues in larger cities. But throughout the world, most cinemas rely on tried and tested 35mm projection equipment, some of which is running well after almost 50 years of continual use.

Copies of 35mm films are distributed on a number of small reels or containers to cinemas in transit boxes by a variety of couriers. A typical film will arrive in 5-6 parts which can be shown either on a 2-projector system with synchronised changeovers between projectors, or more commonly the parts are joined together on a long play system – typically a horizontal ‘platter’ or a vertical ‘tower’ – for uninterrupted projection by a single projector.

Cinemas operating with 35mm film projectors require a projection room or suite with space for all the image projection and sound reproduction equipment. Contemporary cinema design aims for a single projection suite to cover all the auditoria. The projection and sound equipment is often linked to an automation system to allow complete performances to be screened with minimal staff input. Automation systems are less commonly found in specialised cinemas and lecture halls where the programme is typically more varied.

#### *Digital cinema projection & DCI*

In March 2002 the seven major Hollywood Studios<sup>30</sup> set up an organisation called the Digital Cinema Initiative (DCI) in order to develop an open architecture system with for the distribution of cinema films. Three years later an agreed specification was published and,

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<sup>30</sup> Metro-Goldwyn-Mayer, Paramount Pictures, Sony Pictures Entertainment, 20th Century Fox, Universal Studios, The Walt Disney Company, Warner Bros. Pictures

with some subsequent modifications, this has effectively been agreed as the format for distribution and exhibition wherever major US/Hollywood films are screened. Most other major cinema territories including the UK have adopted the same specification.

The DCI specification aims to remove problems of incompatibility between competing digital projection systems and make it possible for a 'digital print' to be screened in any appropriately equipped cinema. However the specification has very high technical demands and includes high level security systems aimed at preventing film piracy. These demands have resulted in digital projection systems which are 2-4 times as costly as conventional 35mm projection equipment. Nevertheless these new high-technology digital projector systems have several critical advantages over 35mm film systems:

- The projected image is perfect every time, the image is rock-steady, it never gets scratched. Every screening is as good as at the film's premiere.
- The cost of producing and distributing a 'digital print' is approximately one-tenth of the costs for a 35mm print. This can mean that film distributors are more willing to supply new films to a wider range of cinemas, especially those in less populous areas.
- It is a simple process to switch from one film to another. This makes it easier for cinemas to offer a programme which suits different audiences.
- Digital projection systems are capable of projecting films and live events in 3D, something that has never been widely successful with 35mm film (although 3D has also been successful in IMAX theatres).

The DCI specification requires a '2K' resolution (2048 x 1080 pixels per image) while aiming for '4K' as the ultimate goal (4096 x 2160 pixels). The 2K systems are effectively an industry standard at present with over 7,000 systems installed from manufacturers such as Christie, Barco, Kinton, NEC, Strong, and Cinemeccanica. There are less than one hundred 4K systems operating worldwide, all utilising Sony's SXR40 4K projector although more manufacturers are expected to offer 4K systems in the future.



Barco DP2000 digital projector



Christie CP2000-M digital projector

New and refurbished cinemas are continuing to install 35mm projectors but increasingly cinemas are either installing digital projectors alongside their existing 35mm equipment or they are choosing to install only digital equipment. The independent single-screen Kino in Hawkhurst opened in May 2006 as the first digital-only cinema in the UK. Eighteen months later Vue opened the UK's first digital-only multiplex in Hull. Similarly there are cinemas in the USA, Belgium, France and in Japan that are operating as digital-only venues.

**Screenings of new release films to the general public in UK cinemas – usually referred to as “theatrical releases” – are only permitted on 2K or 4K DCI standard equipment.**

### *Digital cinema servers*

Digital films currently arrive at cinemas on secure hard disk drives. The content is transferred (“ingested”) to digital cinema servers which in turn provide the digital data to the digital cinema projectors. These servers are highly specialised items of equipment which can generally hold 10 hours of 2K cinema quality programme material (feature films, short films, adverts, trailers, etc).

The servers will only ‘screen’ a film to the projector when the appropriate digital permission has been obtained from the film distributor. This ‘key delivery message’ (a small text file) unlocks the film which is distributed in highly encrypted format in order to prevent film piracy.

The choice of film server, and any associated equipment such as automation control or theatre management systems – both of which allow the operation of the cinema to be automated – may be influenced by specific capabilities such as a match with other projection equipment or a particular 3D system.

It is important to note that software upgrades may be required during the life of the digital cinema server. An annual allowance of perhaps 5% of the capital cost should be allowed for necessary upgrades.

### *Non-DCI standard digital projection*

A lower standard of digital projection equipment – for example Panasonic’s hugely successful 1.3K resolution digital projectors – can be used for many non-mainstream films, relays of live cultural and sporting events, business conferences, and most types of HD (High Definition) video content.

Film festivals have used a range of non-DCI systems for many years with excellent results. Cinemas in China, India and South America rely mainly on these lower cost systems and film societies can use non-DCI systems very effectively.

### *Power and ventilation requirements*

Some projectors require a 3-phase electrical supply while others, including some of the more recent smaller digital projectors, work with single-phase supplies. It is important to check with your supplier the power requirements for the projector, the lamps, the sound equipment, and any other ancillary equipment such as digital servers or long play film equipment.

Both 35mm and digital cinema projectors use high power xenon lamps to produce the bright on-screen images. The lamps are delicate, expensive items costing several hundred pounds each and are available in a range of power levels, most popularly from 1.0Kw up to 6.0Kw although more powerful lamps are available. 3D digital systems generally require higher output lamps for a given auditorium compared to 2D projection. The lamps need cooling and most projector lamphouses require a dedicated forced air ventilation system. The cooling

requirements can vary significantly between different projector and lamphouse manufacturers.<sup>31</sup>

### 3.5.2 Digital cinema financing

Digital cinema projection equipment is acknowledged to be relatively expensive. Apart from outright purchase it may be possible to finance the acquisition of digital cinema projectors and servers through either a special leasing arrangement or, if the venue is already equipped with 35mm equipment and screens a significant quantity of commercial films, through a special arrangement known as the virtual print fee.

There are no established guidelines for the amount of additional capital expenditure that should be planned for a digital cinema, but the general expectation is that digital projectors will need to be replaced within 10 years and that during the lifetime of the projector a further 10%-15% of the purchase price should be allocated to software and hardware upgrades. For a £50,000 projector and digital server this implies an annual allocation of £5,000 – £7,500 simply to keep the system up to date. (Running costs and maintenance contracts are additional to this allocation.)

#### *Digital cinema leasing*

Arts Alliance Media (UK based) and XDC (Belgian based but working in the UK in collaboration with Sound Associates) provide special leasing packages consisting of equipment supply, installation, training and support. Apart from the benefits of a comprehensive and integrated package of equipment and services, the financial costs are generally lower compared to standard commercial lease finance.

A typical lease and support package would include the following:

- 1 Equipment and installation
  - DCI-specification 2K digital projector, lens, base unit, multimedia switcher
  - Digital cinema server
  - All software upgrades to the projector and server
  - 5 Year warranty on projector and server
  - Installation and integration with any existing cinema systems
  - Commissioning and projectionist training
- 2 Annual maintenance and support
  - Telephone helpline, 7 days a week
  - 1 preventative maintenance visit per year
  - Provision and maintenance of dedicated ADSL connection for remote diagnostics
  - Onsite call out when required

#### *Virtual Print Fee*

The virtual print fee model (VPF) was developed in the US to promote the conversion of cinemas from 35mm to digital projection. Both Arts Alliance Media and XDC offer VPF

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<sup>31</sup> The ventilation/air extraction requirement of the popular Christie CP2000 is 600 cubic feet per minute – a considerable volume to be extracted. In contrast the newer, small Christie CP2000-M does not require special ventilation systems at all, although the ambient temperature in the projection room must remain below 35 degrees C.

schemes. Arts Alliance Media launched their scheme in summer 2007 and described the VPF model as follows<sup>32</sup>:

- A third party pays up front for the digital equipment.
- Distributors and exhibitors pay over time to recoup the cost.
- Exhibitors sign up to agreed service & maintenance commitments, as well as paying a 'usage fee' to cover cost of lease.
- Distributors save money every time a digital (rather than 35mm) print is shipped, therefore;
- Every time a digital print is shipped, distributors pay a Virtual Print Fee towards recoupment of equipment. Approximately 80% of costs will be paid for by Hollywood studios.
- When cost is recouped, the cinema will own the equipment.

The standard VPF agreement runs for 10 years during which the cinema exhibitor is entitled to any manufacturer upgrades to the digital projector and server.

The VPF is a transitional arrangement and is not expected to be available once the majority of high earning cinemas have been converted to digital.

VPF finance is only available for cinemas that are currently operating with 35mm equipment. New build venues are not eligible for VPF finance.

#### *Partial conversion of a multi-screen cinema*

One of the significant problems encountered by early adopters of digital cinema has been the difficulty of programming and scheduling a single digital screen. Multi-screen cinemas must decide whether they convert one or all of their screens. Both distributors and exhibitors are experiencing difficulties and additional costs during this early phase of the digital transition. For example with only a single DCI projector per cinema, there are inevitable problems:

- When several distributors have new releases available as digital prints in the same week there is competition to get access to the single projector in the cinema.
- There are potential mismatches between the type of film being released and the seating capacity of the auditorium with the DCI projector (e.g. minority interest film in the largest auditorium or vice versa).
- If a film opens in the digitally equipped auditorium but then in subsequent weeks has to be moved to another, usually smaller capacity, auditorium then a 35mm print will often be required.

In the opinion of some distributors and exhibitors, at least 50% of the screens in a cinema – or both screens in a 2-screen venue – need to be converted to digital in order to at least partially solve these problems and gain the benefits of flexible programming that digital cinema potentially offers.

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<sup>32</sup> [www.artsalliancemediacom/vpf/](http://www.artsalliancemediacom/vpf/)

### 3.5.3 3D options

Digital projectors can be used to produce highly effective 3D moving images. A single projector rapidly alternates between images for the left eye and the right eye and the viewer – who currently must wear special spectacles – experiences a vivid 3D image. Audiences have shown considerable interest in 3D and cinemas using these systems during 2007 achieved 2-3 times the attendance levels of 2D cinemas showing the same films.

The four (incompatible) systems currently available are:

System name	Type of spectacles	Type of screen	Digital server	Fee and/or Licence
RealD	Passive. Disposable	Silver (e.g. Spectral 240)	Any	Fee + annual licence
Master Image	Passive. Disposable	Silver	Any	One-off fee
Dolby 3D Digital Cinema	Passive. Reusable	Matt white or Perlux 220	Dolby preferred <sup>33</sup>	One-off fee
XpanD/NuVision	Active. Reusable	Matt white or Perlux 220	Any	One-off fee + fee per pair of spectacles

“Active spectacles” require battery power and must be charged and checked by cinema staff before each performance. “Passive spectacles” do not require power and so are simpler from a cinema management perspective. Reusable spectacles must go through a sterilising wash after each use.

#### *Pros and cons of each system*

The RealD system uses cheap disposable plastic spectacles which are easy to hand out at the box office and are generally supplied free of charge by the film distributor *but* the system requires a silver screen which may not be suitable for 2D films. In practice this effect is not always as troublesome as might be expected, especially if one of the newer screen surfaces is used<sup>34</sup>, but specialist advice should be sought before deciding what screen to install.

The usual cinema screen is matt white and in most instances it is not practical to change between a silver and a matt white screen. Multiplexes solve this issue by simply designating one auditorium as a full-time 3D screen. Smaller cinemas normally cannot do this but may opt to install a second matt-white screen which is rolled-down in front of the silver screen.

Both the Dolby and the XpanD systems use matt white screens or a high gain screen such as Harkness Screens’ Perlux 220 *but* they both use expensive reusable spectacles. The extra costs for the Dolby and XpanD systems are:

- a) Spectacles costing perhaps £30–£50 a pair. Some will break, others may be stolen.
- b) A room is required for a sterilising screen wash facility.
- c) Extra staff are required to hand out and collect back spectacles as well as carry out the washing cycles.

<sup>33</sup> The Dolby 3D Digital Cinema system is specifically designed for the Dolby Digital Server but the technology is being licenced to other digital server manufacturers. Check the current situation before specifying your digital server.

<sup>34</sup> Harkness Screens, the UK’s leading manufacturer of screens, manufacture a silver screen with a lower ‘gain’ than is usual for silver screens. This minimises the effects of uneven illumination experienced when watching a 2D film on a silver screen.

### Light loss

All current 3D systems introduce some loss of brightness due to the special projection systems and the spectacles that audiences must wear – it is a bit like watching a film through sun spectacles. Depending on the particular size and characteristics of the auditorium, it may be advisable to install a higher power projector lamp. Large auditoria can even be equipped with twin-projector systems<sup>35</sup> to ensure a bright image. (See also comments about high-gain screen surfaces below.)

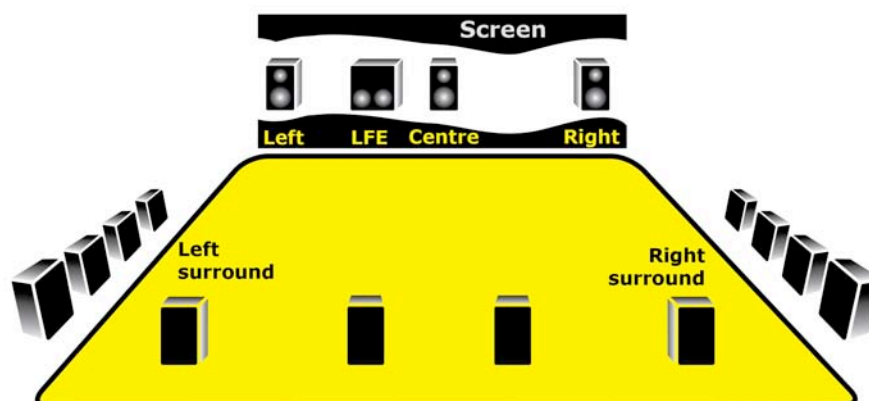
### Licence fees

Alongside the technical issues each of the systems require licence fees to be paid and these vary considerably in scale and way in which they are levied. These fees may surpass the other operational costs indicated above, making the choice of system more complex. The

## 3.5.4 Sound equipment

The sound quality of a film is at least as important as the picture quality and can be a major differentiating factor between a home cinema set up and a public cinema.

Cinema surround sound is typically achieved by three main loudspeakers placed behind the cinema screen (left side, centre screen, right side – all placed mid-way up the height of the screen), a low frequency subwoofer speaker generally placed centrally behind the screen, and a number of smaller wall-mounted surround speakers. See diagram below:



The placement of cinema loudspeakers is designed to create the impression that the sound is coming from a position on the screen that is appropriate to the dialogue or action. Partly for this reason it is not advisable for multi-use venues and arts centres to use an existing stage PA system because the loudspeakers are often sited beyond the edges of the screen. The absence of a central loudspeaker – the main dialogue source – is usually the most obvious problem for cinemagoers when just two widely separated loudspeakers are used. Similarly it is not advisable to use loudspeakers or amplifiers which are used for live music or theatre. Cinema sound systems require a specific set-up and should be considered as a separate system within the venue.

Multi-channel cinema sound systems require acoustically dead auditoria; the ideal is a zero reverberation time. All finishes – floor, walls, ceiling and seats – need to be sound

<sup>35</sup> For example: Christie 3D2P Dual-Projector 3D Digital Cinema Solution

absorbent. Ideally the side walls should not be parallel, a fan shape is preferred. The auditorium should be acoustically insulated from external noise including adjacent auditoria and services such as air handling and plumbing equipment.

A wide range of cinema amplification and loudspeaker equipment is available for cinemas and the precise details will usually be specified by your chosen cinema equipment supplier (see section 6.5). All contemporary cinemas use multi-channel surround sound systems although the particular variant installed will depend on the available budget, the size of the auditorium and to some extent the other projection equipment being installed.

The Dolby brand is widely known and respected with many cinemas publicising the fact that they have, for example, Dolby Digital sound systems, in their auditoria. However there are alternatives which arguably sound better and may be more economical, for example the highly regarded Ultrastereo range of sound processors.

### 3.5.5 Alternative content

See section 4.3 for further details.

Digital video can be supplied in a bewildering range of formats apart from the standard specified by the DCI and the Hollywood Studios. Issues to contend with include differing frame rates, non-standard colour-space, different source materials (hard disc, laptop computer, tape, DVD, satellite feed, etc), and differing sound formats.

With the appropriate interface units, for example the Barco ACS2048 or the Christie Cine-IPM switcher/scalers, most of these non-DCI sources can be projected using a cinema digital projector. The BFI, supported by SkillSet and BKSTS, run a detailed technical training course<sup>36</sup> for cinema projectionists who need to learn how to handle a variety of non-cinema alternative content events.

Cinemas presenting film festivals should also consider installing similar alternative content technology because many films presented at film festivals are supplied on broadcast high definition (HD) formats or other non-DCI standard formats.

A HD satellite system may be required for some alternative content programming such as live relays of operas or sporting events. The equipment required is likely to cost £2,000 - £2,500.

### 3.5.6 Assistive technology

The Disability Discrimination Act (1995 & 2005) requires cinema operators to provide a non-discriminatory service to people with disabilities. The ways in which this affects your proposed new build, redeveloped or refurbished cinema should be carefully examined with you architect and a disability access specialist.

Designing auditoria to accommodate mobility disabled audiences can be challenging, especially if a retractable seating is installed, but wherever possible a choice of locations should be provided.

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<sup>36</sup> BFI 'Multimedia Box Projectionist Training', certified course lasting 1 ½ days.

It is essential that whatever facilities are incorporated into the cinema, they are properly promoted to audiences through special brochures and sections of web sites and through appropriate staff training.

Equally it is important to ensure that the facilities are checked regularly to ensure that they are functioning as intended. One particular problem concerns hearing assistance systems such as inductive loops or infra-red based devices which are often poorly maintained and consequently provide an inadequate service to hearing impaired audiences.

Digital projectors employ a technology known as CineCanvas™ which overlays subtitles on digital film images for foreign language films as well as English language films subtitled for hearing impaired audience screenings.

### 3.5.7 Screens

#### *Size*

The size of the screen is determined by a combination of factors including the auditorium shape, the position of the front row of seats, and the range of image ratios offered. Contemporary cinema design favours large screens which occupy most of the fourth wall but this may not always be practical or even desirable if it means that audiences at the front of the auditorium are too close to the screen and find it uncomfortable to view the whole image.

#### *Shape*

Film and digital projectors may be required to project material in a variety of width-to-height ratios. Typical ratios for commercial cinemas are 1.66:1 (widely used for European films) 1.85:1 (the normal widescreen format for Hollywood films) and 2.39:1 (popularly known as 'Scope' due to its similarity to the CinemaScope format). Specialist cinemas and lecture halls may require ratios as low as 1.33:1 (described as 4:3 in video terminology) for archive, independent or standard television material. High definition television normally uses a 1.78:1 ratio (16:9 for video).

#### *Fixed or roll-down/demountable*

Most cinema screens are fixed to a flat or gently curved steel frame. In multi-use venues and arts centres the flexibility of use often means that screens have to be retracted when live performances and other activities take place. In most instances this is achieved by installing a roll-down screen although other methods of demounting the screen are possible including 'flying' the entire screen frame.

#### *Perforation size*

All cinema screens are perforated to assist the transmission of sound from the loudspeakers which are located behind the screen surface. The standard perforation size (1.0 – 1.2mm) used by most cinemas with 35mm equipment can interfere with the digital pixels and in some instances cause moiré effects. Generally it is advisable to install a mini-perforation screen type (0.5mm perforation) where digital projection will be used. These screens are more expensive than the standard perforation screens but produce a brighter picture and minimise visual interference effects.

Standard size screen perforations are visible when the viewer is closer than 4-5 metres, so in smaller auditoria, regardless of the projection system being used, it is advisable to install mini-perforation screen surfaces.

### *Types of screen surface*

Cinema screens are made from a PVC material and are available with various surfaces which offer difference reflectance (“gain”) characteristics. The normal screen surface is matt white but high-gain surfaces such as Harkness Hall’s Perlux range<sup>37</sup> can produce a brighter image in appropriate circumstances. 3D systems which rely on polarised light, notably the RealD and Master Image systems, require a silver surface high-gain screen but as indicated above (3.5.3) these can be inappropriate for 2D screenings, especially if installed in a wide auditorium where some audiences will be seated more than 30° to the left or right of the projection centre line.

### *Masking systems*

In order to produce a clean straight edge to the projected image, cinemas use black edge masking. In order to accommodate the different image shapes (screen ratios) the masking is often adjustable. Full control of each edge is usually only provided in specialist cinemas. More commonly adjustable side masking with 3-5 preset positions is installed along with fixed top and bottom masking. Roll-down screen usually have the top and bottom portion of the screen surface painted matt black to achieve a similar effect.

Masking systems can be expensive to install and occasionally troublesome to maintain. For many years some commercial multiplexes have abandoned moveable masking and simply projected on to a screen which is large enough for the maximum picture size they desire, usually a Cinemascope image. The disadvantage of this approach is that with smaller picture sizes the image edges are fuzzy – exactly what masking systems are designed to prevent. However digital projectors are capable of producing a clean sharp edge to the screen image and the absence of masking in these situations is much less disturbing to the viewer.

The overall recommendation continues to install moveable edge masking if it is affordable and practical. If only digital projection is planned, then an unmasked screen is generally acceptable.

## **3.5.8 Seating**

Modern cinema seats are very different from those used in concert halls, in theatres, and in sport centres. High back, wide seating designs, perhaps with a tilting back or raising armrest (to create a double seat) are the norm in contemporary cinemas. Increasingly non-tip-up seats are being chosen for new or refurbished auditoria and in some luxury cinemas min-tables alongside each seat substitute for the more common cupholders.

The choice of seating is a combination of cost, physical size, design, and individual preference. Good comfortable seats win praise from audiences, after all they will be spending 2-3 hours sitting on the seats. Poor quality seats will be strongly criticised and can affect the popularity of a cinema.

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<sup>37</sup> Harkness Screens Perlux 220 is specifically designed for non-polarised 3D systems such as Dolby 3D Cinema and XpanD/NuVision.



Quinette Gallay Paradise Club seats



Seating in Dublin's Lighthouse Cinema 3

### *Seat width and row spacing*

Fashion and changing body shapes have resulted in wider seats being preferred in modern cinemas. A seat width of at least 550mm should be specified, although 600+ mm is better especially if a non-tip-up design is chosen.

Row spacing affects leg room and again modern cinemas and theatres are expected to provide generous space between seating rows. For tip-up seats allow 900+ mm between rows, and for non-tipping seating allow 1200+ mm.

Whenever possible try to avoid having a central aisle for the seating area – the centre line is the best position to view a film, why give it up to a row of steps!

### *Seating for retractable platforms*

Multi-use venues such as arts and community centres often install retractable seating systems so that the auditorium can be used for a variety of purposes in addition to cinema and live performances. Retractable systems are common in sports halls and education institutions. However the seating for a sports hall is entirely different from the seating that cinema audiences expect and it is a costly mistake to choose a seat which is not primarily design for cinemas. Some manufacturers such as Jezet (Belgium) and Quinette Gallay (France) produce high quality cinema-standard retractable seating systems and can even produce retractable platforms with curved seating rows.

## **3.5.9 Ticketing and cinema management technology**

Box office ticketing systems have evolved into more comprehensive cinema management systems which provide a full range of box office functions as well as concession sales, web site management, email marketing, customer relationship management, reporting and accounting functions. Some systems can be integrated with the cinema projection systems to provide a high degree of automation for operation of the venue.

When specifying and assessing a ticketing and cinema management system it is essential to look at how it operates from the customer's perspective – is the information clearly presented? can the system be accessed by audiences using mobile phones as well as computers? what happens if "the computer crashes"? can the customer buy concessions and cinema tickets in a single transaction? can weekly or monthly emails be tailored to the interests of the subscriber? can special promotions be easily accessed? will the system allow film enthusiasts to find out more information about films and watch trailers?

Simplicity of operation for customer service staff is also essential, you don't want queues forming as an operator struggles to take a credit card payment and issue tickets. Some venues use touch screen technology<sup>38</sup> while others, usually specialist cinemas and arts centres with complicated programmes, use keyboard and mouse control.

A fundamental benefit of an integrated cinema management system is that it allows programme information to be entered once and used everywhere, for example when a film is booked all the relevant details, photographs, reviews and so on can be entered and then automatically used on the web site, in customised emails, on large screen foyer displays, and at the ticket desk.

The cost of a cinema management system varies widely and depends mainly on the range of functions that you require. Some systems charge annual licence fees, some will host your web site and on-line ticketing system, several systems have a background in theatre or sporting venues and may not be tailored to the needs of a cinema, some systems allow loyalty-card type rewards to be earned, and some systems may provide much more than you really need. But beyond the initial cost the future costs of additional training, maintenance and software upgrades, technical and operational support, and the overall quality of support are at least as important to the buying decision and you should try and talk to other venues and organisations who are operating similar systems before making your final decision.

See section 6.11 for details of currently available systems.

### **3.6 Key points**

- Quality matters – everything about the venue and the cinemagoing visit should aim to provide a high quality experience, from the design of the venue, to the technical presentation, to the services provided.
- Digital cinema is taking over – 3D and alternative types of screening are increasingly important and the increased flexibility offered by digital technologies is only just starting to be exploited.
- The experience counts – Cinemas must offer a social and leisure experience, not simply a film screening. The café bar and the foyer facilities are very important to many different types of cinemagoer.

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<sup>38</sup> See for example: [www.j2retailsystems.com/560ex.asp](http://www.j2retailsystems.com/560ex.asp)

## 4 Programming and marketing

### 4.1 Film distribution

Most films shown in public cinemas come via film distributors. There were 73 suppliers or distributors operating in the UK in 2007 but the sector is dominated by a small number of companies owned by the Hollywood major studios. Films distributed by the top five companies<sup>39</sup> accounted for over 2/3rds of cinema admissions in 2007. Many smaller distributors only handle a few films each year, perhaps only a single title. The major distributors usually release 20-30 titles per year.

#### 4.1.1 Number of films released

The number of new films released each year – over ten new films released every week in 2007, a rise of 33% since 2002 – is putting considerable pressure on cinemas to choose which films to offer local audiences, especially since just 10% of these films will attract 75% of the annual box office. At the same time film distributors are under pressure to get the most screen time for each film they distribute and, for major releases, will often insist on “all screenings, all days” contracts for their film in a particular cinema. This demand from distributors can be difficult for multiplexes to handle but the situation is very much worse for smaller cinemas with only a few screens available for the flood of new releases each week.<sup>40</sup>

#### 4.1.2 Opening weekends and ‘long tails’

It is very important for any individual cinema to ensure that it screens the year’s big earning films at a time when they are popular, usually the first week of release<sup>41</sup>. Similarly this is relevant for local (UK produced) or specialist films where there are also a small number of ‘hits’ each year<sup>42</sup>.

Although many films have a short, possibly undistinguished shelf life, some specialist films such as *Cache (Hidden)* or UK produced films like *The Queen* develop strong word of mouth reputations and continue attracting audiences for a considerable period after their release – described as a ‘long tail’. According to research on the 2007 cinema year by the UK Film Council, “drama and musical genres built audiences over a longer period of time [compared to other genres such as sci-fi, action and adventure, horror] and attracted a greater midweek audience.” Digital cinemas are in a good position to benefit from this infrequent but welcome phenomenon because they can retain digital copies of the films long after the initial release period and, subject to film rental terms being agreed with the distributor, can

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<sup>39</sup> The top five distributors (by market share) in 2007 were: Warner Brothers, Paramount Pictures, 20th Century Fox, Universal Pictures, and Walt Disney Studios Motion Pictures. A full list of current film distributors and suppliers operating in the UK is available at the Independent Cinema Office web site ([www.independentcinemaoffice.org.uk](http://www.independentcinemaoffice.org.uk))

<sup>40</sup> 10 releases per week is the average but occasionally the figure is much higher. In autumn 2007 there was a “pileup of serious dramas on the weekend of Oct. 19” when 16 new films were released at the same time. (Report in the Los Angeles Times 12/6/08)

<sup>41</sup> According to figures released by the UK Film Council, on average opening weekends (Fri-Sun) accounted for 29% of the total box office of films released in 2007. However on some particular weekends a single saturation release can account for over 75% of all UK box office receipts. *Spiderman 3* accounted for 80% of all box office income in the UK when it opened.

<sup>42</sup> In 2006, the top 5 non-Hindi foreign language films (i.e. French, Spanish, German, Japanese, etc) accounted for 86% of all the box office for such films. A further 116 films accounted for the remaining 14%. Foreign language film distribution and exhibition is a high risk business.

play the film for a few screenings each week over several months. This is an important benefit for digital cinemas, especially in less populous areas where it can take several weeks for a film to become known and successful with the local audience.

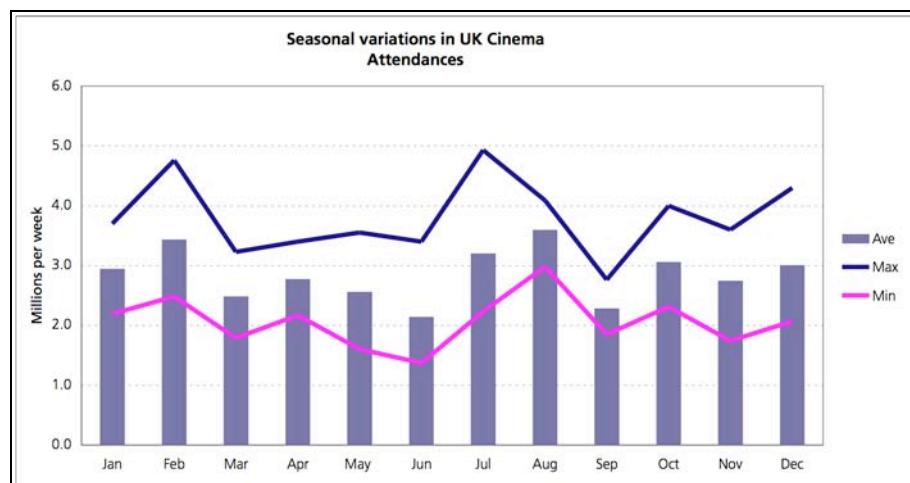
### 4.1.3 Release strategies

The usual range of 35mm film release strategies are listed below but digital releasing has the potential to change this scheme because digital prints can cost 1/10th of film prints making it possible to produce more copies for a given budget or to make a marginal release more affordable.

- Saturation release (almost all mainstream cinemas in the UK)
- Wide release (50-200 prints playing in most of the larger multiplexes and major cities)
- Limited release (<50 prints) / regional release (for example Scotland or the Midlands, often used to coincide with school holidays)
- Platform release (opens in West End and gradually expands as word of mouth develops).

### 4.1.4 Seasonality

For commercial mainstream films, the summer is now the biggest season for cinemagoing. This is the period when the major Hollywood studios release their big films of the year. July 2007 was the best month for cinemagoing in over 40 years. In contrast, the autumn is often the peak season for 'quality' releases in the pre-BAFTA/Oscar award nomination period. Winter/Spring is frequently a good season for arthouse and foreign language releases. The chart below shows the monthly variations in UK cinema attendances over the period 1995 to 2008.



### 4.1.5 Genre






Action/adventure films, comedies and animated films tend to be the most popular genres, typically accounting for around 60% of annual box office from 40% of the titles released. A similar number of dramatic films are released annual but these account for 12%-18% of ticket income.

According to research on the 2007 cinema year by the UK Film Council, “drama and musical genres built audiences over a longer period of time [compared to other genres such as sci-fi, action and adventure, horror] and attracted a greater midweek audience.”

[See the Film Distributors Association handbook or the UK Film Council Statistical Yearbook for more detailed analyses of how the genre of a film can affect its box office performance.]

#### 4.1.6 Certification

Feature films, short films and trailers cannot be shown in public in the UK unless they have a British Board of Film Classification (BBFC) certificate, or the permission of the local authority for the cinema.

BBFC Certificate	BBFC Description	N° films released in 2007	% films released in 2007	% box office in 2007
	Universal – suitable for all audiences aged 4yrs or over	29	6%	11%
	Parental Guidance – suitable for general viewing, but some scenes may be unsuitable for younger children. A ‘PG’ film should not disturb a child aged around eight or older.	82	17%	24%
	Accompanied & Advisory – ‘12A’ means that anyone aged 12 or over can go and see the film unaccompanied. Children younger than 12 may see the film if they are accompanied by an adult (over 18 yrs), who must watch the film with them.	131	27%	35%
	No-one under 15 is allowed to see a ‘15’ film at the cinema	207	42%	24%
	No-one under 18 is allowed to see an ‘18’ film at the cinema	45	9%	6%

Although the proportion of films in each certification category changes from year to year the pattern shown for 2007 is reasonably representative. Relatively few films are released with a ‘U’ certificate although these tend to substantially out-perform the average release. In contrast, although the largest number of films are released with a ‘15’ certificate the majority of these titles tend to be comparatively poor performers at the box office.

Many film festivals liaise with their local authority to ensure that films without a BBFC certificate are allowed to be screened. In some cases an ‘advisory’ certificate is stated by the film festival when publicising non-certificated films, in other instances the guidance is contained in the text describing the film.

#### 4.1.7 Upcoming releases

Details of films due for future release are published on the Film Distributors Association web site ([www.launchingfilms.com](http://www.launchingfilms.com)) and, for specialist films and touring packages of films, the Independent Cinema Office web site ([www.independentcinemaoffice.org.uk](http://www.independentcinemaoffice.org.uk)).

#### 4.1.8 Film rental terms

The terms of film rental contracts are negotiated between a cinema and a film distributor with the cinema wanting to offer the best programme to its local audience and the film distributor wanting to get the maximum income for their particular film. For cinemas the number of people attending is usually the most important outcome, for the distributor the maximum earned income is paramount. The most common terms for film rentals are:

- A straight percentage of the box office income, for example 35% of ticket income for a new release film. The percentage will normally decrease after a film has been on release for some time, for example at a Silver Screen matinee for senior citizens. For major new releases the percentage paid can be more than twice the normal figure for the first week of release, usually dropping in the second and subsequent weeks.
- A sliding scale of rental terms where the percentage paid to the distributor increases in line with the box office income at the particular cinema
- A system known as the nut system. This is based on an agreed value for each seat in the auditorium which, multiplied by the number of seats, gives the 'house nut'. If a film earns less than this figure they pay only 25% of the ticket income, but if the 'house nut' is exceeded the cinema may pay 90% of the excess or 25% of the overall income, whichever is the greater. This can result in high overall rental percentages but the system is designed to protect cinemas when films under perform while allowing distributors to recoup a substantial amount on the relatively few films which become box office hits.

For the individual cinema, especially in the commercial sector, the rental terms on offer play an important role in determining what films to play. Additionally the cinema has to balance the terms on offer with their own judgement about how well a particular film will perform – will it attract large audiences in the opening week only to drop away sharply, or will it sustain a longer run and perhaps even build an audience?

#### 4.1.9 Cinema attendance data

Information about the performance of recently released films is published in Screen International, on the UK Film Council's web site and on a number of other web sites such as Pearl & Dean and Carlton Screen Advertising. Comprehensive cinema-by-cinema and film-by-film box office data is available on subscription from Nielsen EDI.

### 4.2 Print distribution

#### 4.2.1 Film prints

Copies of 35mm films are distributed on a number of small reels or containers to cinemas in transit boxes by a variety of couriers. A typical film will arrive in 5-6 parts which can be shown either on a 2-projector system with synchronised changeovers between projectors, or more commonly the parts are joined together on a long play system – typically a horizontal platter or a vertical tower – for uninterrupted projection by a single projector. After screening the film is repackaged and returned to the film distributor, or in some instances crossed-over to another cinema for their screenings.

Ensuring that these heavy (20Kg or more) transit boxes of films arrive on time, correctly labelled and packaged, and undamaged is one of the major operational tasks for cinema projectionists. Quite often some part of the process goes wrong. A film may arrive late, or damaged, or a part may be missing – in each instance the public screening can be affected or even cancelled.

The typical cost of a 35mm is usually stated as being around £1,000 per copy.

#### 4.2.2 Digital prints

Currently DCI standard digital films are usually distributed using computer hard drives. This is considered to be relatively inexpensive, easy to produce and despatch, robust and simple to use in the cinema environment. Hard disks suitable for this method cost £80-£100. Current practice is for distributors to levy a charge per disk despatched. All disks are returned to the distributor for reuse.

Satellite distribution of DCI-standard cinema releases is considered to be too expensive and too slow to be practical for most film releases at present. It is estimated that once 1,000 or more cinemas are receiving a satellite download of the same film at the same time then the costs will become more favourable compared to hard disk delivery.

##### *Encryption and digital keys*

Fundamental to the DCI approach is a military standard encryption scheme which is intended to prevent films from being used except in contractually agreed situations, that is, in a particular cinema on specified dates on identified and certified equipment.

When a digital cinema release is supplied to a cinema it cannot be played until the appropriate digital key (the 'key delivery message', KDM) is entered into the cinema server. Each KDM is supplied as a small computer text file separate from the digital film. Various methods have been used to deliver the KDM – email, USB memory sticks, and CDs have all been employed.

Each KDM is related to a particular film booking contract. If a cinema wants to extend or change its screening schedule for a film then it must obtain a new 'key' to allow the equipment to play the film.

### 4.3 Alternative content

Digital projection technology gives suitably equipped cinemas the opportunity to screen a wide variety of non-cinema material in the cinema auditorium. Live relays of operas<sup>43</sup> and rock concerts have been screened to enthusiastic audiences in cinemas throughout the UK and the USA. Live sporting events including Formula 1, American Football and Six Nations Rugby have also been successfully screened – in some instances using 3D systems.

Additionally a digitally equipped cinema auditorium can be used for business conferences, for screenings of locally produced films, for interactive computer gaming, and for organisational training sessions and video conferencing. In many instances, these alternative

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<sup>43</sup> For example see: [www.picturehouses.co.uk/metropolitan\\_opera](http://www.picturehouses.co.uk/metropolitan_opera) or [www.odeon.co.uk/fanatic/odeon-plus/](http://www.odeon.co.uk/fanatic/odeon-plus/). Other cinemas including several Vue multiplexes and a number of specialised cinemas also present alternative content events. See also [www.more2screen.com](http://www.more2screen.com) and [www.ddcinema.net](http://www.ddcinema.net) for more information on the supply of alternative content.

uses can be scheduled for times of the day when cinema screenings would not normally take place.

Within the cinema sector, digital cinema can enhance screenings by including live question and answer sessions with the director or screenwriter, or can relay film festival events to audiences in rural or distant communities.

The programming of the cinema can also be enhanced by introducing films not in general distribution, for example short films, archive films, locally produced work from schools or youth groups – many of which are of considerable interest and can help build relationships with the cinema's local community.

Opening up the cinema venue to a broader range of uses, as well as making use of the screen time more intensively, means that the business model can change and the cinema can be more of a social, entertainment and community resource.

While some cinemas relish the thought of a new income stream and a break from the perceived stranglehold that film distributors have over their businesses, it is important to recognise that alternative content will normally be supplied at a price and in some instances the price may be too high to be economical for particular cinemas. Also, in order to include alternative content screenings the cinema may have to take out one or more regular cinema screenings – something which film distributors may be unhappy about or even prohibit (depending on the terms of the film hire contract).

The major cinema circuits are enthusiastic supporters of alternative content but nevertheless don't believe that it will account for more than 1%-3% of annual box office revenue. This situation may be substantially different for independent venues, especially arts centres or mixed use venues where a range of non-cinema activities may form a significant portion of annual income. Note however that while booking, marketing and screening a cinema film is relatively straightforward, some alternative content presentations can be resource intensive, demanding a considerable commitment from technical and marketing staff.

See also section 3.5.5 for information on technical issues associated with alternative content

## 4.4 Programming and booking services

It is essential that cinemas establish and maintain a good relationship with film distributors. The two parties need to understand each other and the opportunities available to develop audiences and maximise the financial return to the distributor. The cinema operator knows their local market and the film distributor knows the film.

Individual stand-alone cinemas will invariably face greater difficulty booking new films than will a chain of cinemas who can offer a large number of screens to the distributor. There are three main options for booking films:

- **Direct booking** – The cinema books films directly with film distributors
- **Film booking agents** – The cinema contracts a film booking agent who works for several cinemas and therefore may have a better knowledge of films and be able to negotiate better film rental terms

- **Hubs** – The cinema teams up with a ‘hub’ cinema which has greater booking power. The hub cinema would typically be a larger cinema offering a range of local and regional programme enhancements or alternatively a range of programme and management services.

#### 4.4.1 Direct booking

The decision to programme and book films ‘in house’ depends on many factors including personal knowledge and motivation, the bargaining power of the cinema, reputation, and staff time available.

The Independent Cinema Office runs courses for programmes and film bookers at venues wanting to develop a specialist or cultural programmes, including a 2-week summer school ‘Cultural Cinema Exhibition’.

A list of all the current UK film distributors is maintained by the Film Distributors Association and by the Independent Cinema Office. (See section 6.2 for contact details.)

#### 4.4.2 Film booking agents

There are a small number of agents who can provide a programming/booking service. In practice the agent becomes a partner for the cinema and should be capable of acting flexibly, sensitively and with a degree of entrepreneurial or curatorial flair. Agents are paid according to the range of services that the cinema requires, but the core film booking service is likely to be charged as either an annual fee or a fee plus a percentage of ticket income.

- **City Screen Virtual** – the programming services arm of the UK’s leading independent cinema circuit. The company has programming relationships with 39 independent and specialist cinemas and arts centres throughout the UK.
- **Independent Cinema Office** – formed by staff from the BFI Programming Unit and part-funded by the UK Film Council, the ICO has specific skills in specialist film programming, film festival tour management and cinema staff training.
- **Filmbank** – the main provider of non-theatrical films, that is films not shown to general public audiences by organisations such as film societies.<sup>44</sup>

#### 4.4.3 Hubs

A number of cinemas have developed specialist skills and knowledge which they make available to generally smaller cinemas or to cinemas which seek specialist assistance. The hub and its ‘spokes’ can operate as a local or regional circuit, or the hub can be a centre of expertise to be called on when assistance is required for a film festival, a film education programme, work with cinemas in rural areas, or even mainstream programming.

Scottish Screen’s Exhibition Strategy launched in 2007 aims to create four cultural cinema hubs, one each in Edinburgh, Glasgow, Dundee and Inverness. These four hubs will be centres of expertise for cinema exhibition which will work within, and reach beyond, their

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<sup>44</sup> Filmbank is a joint venture company owned by Warner Bros. Entertainment and Sony Pictures Releasing. It represents many of the leading Hollywood and independent film studios in the area of film usage outside the cinema and home, the sector known as ‘non-theatrical’ exhibition. [www.filmbank.co.uk](http://www.filmbank.co.uk)

geographic boundaries to build effective partnerships with stakeholders and audiences. Each hub will provide a distinctive service in its chosen field of expertise.

The hubs will provide exhibition services to smaller exhibitors and to other organisations including local authorities, community groups, festivals, film societies and others.

Alongside the four geographically located hubs there are two Scotland-wide hubs: one based on the Edinburgh International Film Festival and the other focussed on rural and remote cinema provision including mobile cinemas.

## 4.5 Screen advertising

Screen advertising in the UK is controlled by two companies, Carlton Screen Advertising<sup>45</sup>, and Pearl & Dean. Both companies negotiate advertising contracts on an individual basis but take seating capacity, number of screenings per week, projected annual admissions, and type of programming into account.

For decades cinemas received a weekly 35mm compilation of adverts for screening. Typically these 'ad rolls' would run for 10-15 minutes depending on the particular contract the cinema had with the advertising supplier. Starting in 2008, cinemas can now receive their weekly advertising in a digital format.

Digital projection offers the potential to radically alter screen advertising by tailoring the selection of adverts precisely to match the demographic of the audience for particular films. If the cinema operates with a repertoire programme as can be done with D-cinema equipment, then in the near future each film could have its own selection of adverts easily programmed on the cinema server.<sup>46</sup>

A further opportunity for digitally equipped cinemas is the possibility of screening locally produced advertising. This might be still images, a slide show, or a video and would provide a good link with local businesses and organisations.

## 4.6 Marketing

### 4.6.1 The marketing journey

#### *The producers and distributors – stimulation*

The Film Distributors Association estimated that in 2007 UK distributors invested approximately £179.5 million in advertising to drive public cinemagoing.<sup>47</sup> This equates to £342,000 for each film released, or £1.10 for every cinema admission that year. However averages can be misleading and the scale of the marketing efforts is massively different between a major summer release and a small scale independent documentary which may rely on the filmmaker going around with the film to every screening.

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<sup>45</sup> A new joint venture company owned equally by Odeon and Cineworld cinemas acquired Carlton Screen Advertising assets early in 2008. The new company, called Digital Cinema Media, will start operations in summer 2008.

<sup>46</sup> The tailoring of adverts to films is not currently available due to the lack of digitally equipped cinemas. As the number of D-cinema installations rise the advertising sector will offer tailored advertising as described above.

<sup>47</sup> Source: Film Distributors' Association Yearbook 2008

Although the major film studios have well tried marketing methods, films come from such a diverse range of sources that even within the mainstream sector the ways in which film producers and distributors develop interest in their film are increasingly innovative. From a cinema's perspective, it is important to be aware of upcoming films and the way in which they are being positioned and promoted. Good advance sources of information include film festival reports (especially from major film festivals such as Cannes, Berlin, Edinburgh, Toronto, London, and Sundance for independent films), trade publications such as Screen International and its associated online service Screen Daily, general film magazines (for example Empire or Sight & Sound), and a wide range of web sites including the celebrated Ain't It Cool News.<sup>48</sup>

### *The critics – validation*

The role of the newspaper, radio or television film critic has changed over the years and now, with a few notable exceptions, been reduced to someone who produces a short review and a star rating. The so-called film of the week is usually the film which has had most advertising money thrown at it rather than the most interesting film released that week – which is why these prominent films often have mediocre star ratings.

Nevertheless the role of trusted (or simply popular) film critics/reviewers is important to the cinemagoing public. The comments and recommendations of these individuals provide validation for the cinemagoer and can have a powerful effect on attendances.

Alongside the decline in the number of traditional media critics and reviewers there has been an explosion in the quantity of online comment about films. Some comes from sources aiming to provide substantial information and informative comment on films, others come from less reliable sources and include social networks, blogs and internet chats.

The benefits and pitfalls of the democratisation of criticism online are important factors that cinemas should be aware of – is there an unexpected rush of interest in a particular film, or has a much anticipated tentpole release been dismissed even before it has been officially released? For some cinemas this online activity can significantly affect film programming and booking decisions.

### *The cinema – showmanship and contextualisation*

When a major film is released, a massive amount of interest will have been generated by all the work that producers and distributors have done over many months or years before the release. Critics and media coverage at the launch of the film effectively press the 'Go' button for audiences and cinemas only have to make sure that local audiences know two things: firstly that the cinema is showing the film, the title is usually adequate; and secondly the times of screenings. This can all be easily communicated in a simple newspaper advert or listing.

With less well known films, simply publicising a film title and hoping audiences will turn up rarely works. Specialised films and events such as film festivals or film tours require a much more substantial and planned marketing effort by the cinema. This can be summarised as firstly generating excitement about and interest in the film(s); and secondly providing opportunities for audiences to discover and learn more about the film(s).

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<sup>48</sup> [www.aintitcool.com](http://www.aintitcool.com)

#### 4.6.2 The shift to online cinema marketing

The major trend in cinema marketing in recent years has been the shift from traditional print and broadcast media to web sites and email marketing integrated with ticket selling systems. Now film productions begin their online marketing during the pre-production and production stages, gradually building their internet presence and supplying a wide range of information and material including video interviews, rough-edit extracts, script background, festival reviews, and even interactive 'discover-the-film' games. Cinema web sites should aim to offer a variety of ways for audiences to find out more about the films being screened through links to other web sites and, if possible, through in-depth articles and media<sup>49</sup>.

##### *Access and control*

Online marketing offers cinemas considerable advantages in terms of being able to reach audiences over a wide area instantly and at very low cost. Late changes to programmes or special promotions to boost slow selling titles can be easily targeted through email systems such as PatronMail<sup>50</sup>.

However in contrast to traditional media marketing, web based cinema marketing is not all controllable by the film producers, distributors and cinemas. Independent web sites, social networking web sites, and blogs play an important part in developing interest in films or in some instances killing off potential interest through negative comments. The lack of control over some aspects of film marketing is a significant new development which individual cinemas need to be able to respond to on a weekly or even day-by-day basis.

##### *Online or print?*

Although the most active users of film and cinema online marketing are younger audiences, all age groups are increasingly turning to web sites and email newsletters to get their cinema information and services. At the same time the pocketable, physical brochure remains a vital part of specialist and independent cinema marketing, although the allocation of staff time and financial resources should now emphasise online marketing.

In the same way that visiting comparator venues is a valuable part of the physical development process for your cinema, examining comparator web sites and printed materials is an invaluable part of marketing planning.

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<sup>49</sup> For example *Picturehouse Recommends* on [www.picturehouses.co.uk](http://www.picturehouses.co.uk), or podcasts on [www.watershed.co.uk](http://www.watershed.co.uk)

<sup>50</sup> [www.purpleseven.co.uk](http://www.purpleseven.co.uk)

## 5 Cinema business

### 5.1 Ownership and governance

Earlier (see section 2.1) the cinema sector structure was shown as:

- Major circuits controlling 75% of UK screens
- Smaller circuits controlling 10% of UK screens
- Others, mostly single site cinemas, controlling 15% of UK screens.

#### 5.1.1 Governance options

The most usual options for a cinema (and most other arts venues) are:

- Commercial management (PLC or company limited by shares)
- Company limited by guarantee
- Company limited by guarantee with Charitable Status
- Community Interest Company (CIC)
- Company limited by guarantee with a commercial trading subsidiary and/or a CIC

The decision to adopt a particular style of company organisation and governance will depend on many factors including access to funding, tax reliefs available to charities, community involvement, and the objectives of the company.

Cultural cinemas and arts centres usually opt for the 'company limited by guarantee with charitable status' option. This is a well-recognised structure which usually entitles the organisation to 80%, or even 100%, business rate relief and exemption from corporation tax.

#### *Community Interest Companies*

The CIC is a relatively new corporate form and has been designed to allow social enterprises to attract commercial investment alongside public funding. A CIC can make payments to shareholders subject to certain constraints and the assets of the organisation are 'locked' and can only be used or sold for the benefit of the community (rather than the shareholders).

#### 5.1.2 Partnerships and hubs

Cinemas vary widely in scale of operation from 18 screen multiplexes attracting 2 million admissions per year to part-time independent cinemas with under 10,000 admissions per year. At the smaller end of the scale, cinemas often need to bring in additional expertise with, for example programme booking or venue management.

In section 4.4.3 the emergence of hubs of expertise was outlined. In some instances this is simply a service contract between a large venue or organisation and a smaller, usually stand-alone, cinema. The hub-and-spoke concept can be developed further and become both an extension of the hub organisation as well as an enhancement for the 'spoke' which may choose to market the relationship in order to gain credibility with cinema audiences.

## 5.2 Income sources

Cinemas usually earn income from the following sources:

- Ticket sales
- Confectionery, ices, popcorn, soft drinks sales
- On-screen advertising (see section 4.5)
- Ancillary advertising – brochure advertising, back-of-ticket advertising
- Hire of the venue and/or facilities
- Café and/or bar profits

And if the cinema is operated as a community business or registered charity:

- Sponsorship and donations
- Revenue and/or project funding from local authorities and national cultural agencies

### 5.2.1 Ticket pricing

Ticket pricing policy can be a contentious issue with fine divisions between differing price categories. In general however audiences tend to be indifferent to these small differences and instead consider the overall cost of attending a film screening – the tickets, the confectionery and ices, the drinks or meal before or after (which may not be within the cinema) and the cost of getting to the cinema.

Cinemas with a small seating capacity can use a “load balancing” pricing policy which offers lower price tickets at less popular times of the day. For example a low lunchtime and afternoon price and a full price evening ticket. This approach can be extended to days of the week, for example “Low price Tuesdays” but its important to monitor attendance patterns and try and establish if your ticket pricing policy is encouraging additional attenders or simply shifting current attenders to another time or day or day of the week.

#### *Average ticket price*

For budgeting purposes it is the ‘average ticket price excluding VAT’ that matters and this can be significantly lower than the main ticket price charged to customers. In 2007 the average UK cinema ticket cost £5.05 (£4.30 excluding VAT). Note however that this ‘average’ is skewed by two factors: the fact that 70% of the cinema screens are in multiplexes which generally charge higher prices than local cinemas; and over one-quarter of cinemas are in Greater London where, again, ticket prices tend to be higher.

#### *Concessionary ticket pricing*

Nationally concession prices average around 70% of the main Adult ticket price although there are considerable variations to accommodate local circumstances, for example a large student audience. Some cinemas restrict the availability of concessionary tickets to specific screenings, although this can be confusing. A few cinemas have dispensed with concessionary ticket pricing and instead offered a specific day of the week when an audience category, for example senior citizens or students, pay a reduced ticket price.<sup>51</sup>

Many cinemas operate family tickets (2 adults + 2 children, or 1 adult + 3 children), Saturday Kids Matinees, special prices for school parties, discounted tickets for senior citizens and students. Cineworld offers an “Unlimited Card” which for an monthly

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<sup>51</sup> See for example Dundee Contemporary Arts cinema pricing structure.

subscription of £11.99 per month<sup>52</sup> gives access to as many films as you want to see at any time of day.

The amount cinemas earn from concession sales – confectionery, ices, soft drinks, etc – typically amounts to between 25% and 35% of the ticket income<sup>53</sup>. At average ticket prices, the typical customer spends £1.25 – £1.75 on concession food and drink.

### *Ticket booking charges*

Some cinemas, arts and entertainment venues, and ticket agencies make a supplementary charge for various aspects of the ticket buying process. Typically this may include a charge if payment is made by credit card, if the booking is made over internet, or more recently if the ticket is delivered direct to a mobile phone<sup>54</sup>. The justification for the supplementary charges should be made clear to potential purchasers.

## 5.2.2 Confectionery, ices, soft drinks and popcorn

Within the cinema sector the sale of confectionery, ices, soft drinks, popcorn and other snack foods is referred to as “concession sales”. There is a widespread “rough rule of thumb” that “if concessions account for 25% of a cinema’s revenues, they will represent around 50% of its profits”.<sup>55</sup> Concession sales are clearly important to the financial viability of most cinemas. In effect operating a cinema is two very distinct businesses: the business of acquiring and marketing movies; and the business of selling concessions.



Coca-Cola promotion at Cinema Expo 2008



Concession sales at the Eye cinema, Galway

Independent, specialised or smaller cinemas may achieve lower than average sales of confectionery, ices, soft drinks and snacks due to:

- a) the smaller foyer area that local cinemas typically devote to concession sales
- b) the general tendency for specialist and older cinema audiences to spend substantially less on concession purchases (although tea, specialist coffee, wine, mineral water, and quality ice cream can be very popular and profitable)
- c) the poorer terms single cinemas or smaller circuits can negotiate with suppliers of concession products.

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<sup>52</sup> Price current at June 2008.

<sup>53</sup> KPMG ‘Specialised Exhibition & Distribution Strategy’ for The UK Film Council, 2002

<sup>54</sup> One early adopter of tickets being sent as a text message to mobile phones makes a 75p charge per ticket for the service. In part this covers the cost of setting up the technology plus the cost of sending the text messages – currently around 20p per text ticket sent.

<sup>55</sup> Screen Digest, July 2002

The average spend on concession sales is between 25% – 30% of the cinema ticket price.<sup>56</sup> According to Screen Digest 70% of confectionery purchases at a cinema are made on impulse, so ease of purchase and good displays are essential.

### *Categories of products*

The highest margin ranges are: post-mix soft drinks/mineral water; popcorn; tea and coffee. Confectionery and ice cream generally produce lower profits.

Branded products are usually favoured by young audiences but older audiences can show a marked preference for local products such as locally made ice-cream. If there is adequate sales and storage space in the cinema, offering both a branded product and a local product can be a successful strategy.

### *Concession buying behaviour*

Research on Australian cinema-going habits found that “only one out of every three visitors to a cinema go to the concessions area directly from the box office, while the remaining two-thirds move straight to the cinema. Of this one third, a third of them buy either a food or drink item, but not both.”<sup>57</sup> A similar survey in Europe found that the average number of items per transaction ranges from 1.6 to 2.4.

Addressing the problem of “lost concession sales”, some cinemas such as the Vue circuit have adopted a new style of foyer operation where cinemagoers can buy a ticket and concession from any till point, the so-called ‘ticket at any till’ approach. For a smaller cinema this simply means designing the box office and concession sales area so that one person can sell tickets and concessions during quieter periods. Additionally it may be useful to install one or two vending machines (which can be recessed into walls to minimise obstructions in the foyer area).

### *Type of audience and concession spend*

The type of cinema audience affects concession sales. Young cinemagoers are the main target group for most cinema operators for several reasons:

- Younger cinemagoers are less resistant to higher prices
- In general, they are less health conscious
- They have a higher per capita concessions spend
- Generally, they are the most frequent cinemagoers
- They turn up earlier and therefore have more potential time to spend.

### *Threats from internet and advance ticket purchasing*

Concession sales are strongly related to the amount of time that cinemagoers spend in the cinema foyer area. If customers have bought tickets in advance, research has shown that they may simply go straight through the foyer and not purchase anything from the concession area. With an increasing number of cinemagoers purchasing their tickets over internet<sup>58</sup> the threat to concession sales is real so cinemas are now considering new

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<sup>56</sup> Dodona Research data reported in Screen International, Dec 2004.

<sup>57</sup> Cited in Screen Digest’s report on cinema concessions, 2002

<sup>58</sup> For example in 2002 Warners found that over 1/3rd of the audience for *Harry Potter* and *Lord of the Rings* films were purchased on-line. Since then on-line advance ticket sales have grown substantially for a broad range of films. The Kino in Hawkhurst estimates that over half its ticket sales are made through its web site.

approaches to concession sales, for example by providing a money-off voucher for on-line purchasers to use at the concession area.

### 5.2.3 Funding and sponsorship

#### *Public funding*

A small number of specialist cinemas and arts centres receive public revenue or project funding from screen agencies, arts councils and local authorities. In most instances these cinemas are operated as no-for-profit companies but some funding schemes are open to all cinemas, for example the capital funding schemes operated by the UK Film Council during 2002–08.

A persistent barrier to public funding for cinemas is the dual nature of cinema: part commercial entertainment; part cultural and artistic expression. Individual cinemas will tend to lean towards one or other of these aspects, but since the majority of cinemas (that is multiplexes) are owned and operated by multinational entertainment corporations it is often very difficult to persuade public authorities that the world of cinema can have cultural, artistic and social merits.

#### *Sponsorship*

Sponsorship is comparatively rare in the cinema sector and where it is available it is usually linked to a film festival. A small number of cinemas have received sponsorship for their capital development.

#### *Fundraising*

As for the arts and social enterprise sectors in general, fundraising is a challenging and diverse activity. Apart from approaches to major funders and trusts, a number of cinemas and arts centres have successfully run small scale fundraising programmes through seat sponsorship and similar activities.<sup>59</sup>

## 5.3 Expenditure

### 5.3.1 Major areas of expenditure

Certain expenditure areas are directly related to income levels – film rental, concession cost of sales and Performing Rights Society payments being clear examples. Other areas such as marketing and especially staffing costs are not in practice linked to income although there often are broad industry targets for particular types of cinema.

- **Film rental** – the annual amount paid by an average UK cinema varies between around 38% to 44% of ticket income. Individual films may attract much higher percentages. (See 4.1.8)
- **Payroll costs** including fees paid to agents – the figure varies widely from 15%-30% for a multiplex cinema to 30%-35% of turnover for an independent cinema. Complex buildings are always more expensive to staff than efficiently designed venues.

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<sup>59</sup> Seat sponsorship can raise £150 to £300+ per seat. If the scheme is designed to allow groups of people to jointly sponsor or dedicate a seat then it may be easier to attract a broad range of participants into the scheme.

- **Concession cost of sales** – around 50% for independent cinemas with modest size concession sales areas. Larger cinemas should achieve cost of sales of 35%-40%. Popcorn can be sold at high markups, resulting in cost of sales for this product of 15%-25%.
- **Marketing** – if the cinema programme is predominantly based on mainstream new releases the amount spent on marketing by the venue can be very small, especially given the increasing importance of web and email based marketing linked to ticketing systems. If the programme is more specialised and printed brochures are required then marketing costs can rise to 10-15% of turnover.
- **Power** – new buildings should be designed to be energy efficient but nevertheless power for heating, cooling, lighting and operation of equipment can be significant.
- **Building occupation costs** (lease charges, rates, maintenance, etc) – variable but can be the second highest cost area after film rental.

### 5.3.2 Staff costs

As indicated above, staff costs can be of the largest variables in a cinema operating budget. Local cinemas have for decades relied on minimal staff levels with the cinema manager frequently doubling as the projectionist as well as looking after all the administrative, programming and marketing duties. Nowadays a thoroughly integrated digital cinema can be successfully operated by a minimal number of staff due to the use of internet marketing, computerised box office and administrative systems, and digital cinema projection systems which can be operated from the front desk (although appropriately skilled technical service and operation will usually be still required at some point in the day, especially if there is a technical fault to be rectified or maintenance to be carried out).

Comparative information on pay rates can be found from job adverts and in some instances from specialist publications or web sites such as Arts Professional<sup>60</sup>.

### 5.3.3 Viability

Most individual independent cinemas operate on relatively small gross profits and depend a lot on the profits from concession sales and contributions from a café bar or restaurant. The fragile nature of such an enterprise emphasises the need to build the cinema operation into the social, economic and cultural fabric of the town and surrounding area in order to ensure continued good use of the venue and its facilities.

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<sup>60</sup> [www.artsprofessional.co.uk](http://www.artsprofessional.co.uk)

## 6 More information...

### 6.1 Public sector interventions

Cinemas are widely considered to be commercial businesses but film is also an artform and an important part of cultural life. In the UK, public sector support for cinema is delivered through a mix of national, regional and local agencies.

#### 6.1.1 National agencies

Agency	Contact information	Exhibition department & funding
Scottish Screen	249 West George Street Glasgow G2 4QE Tel: 0845 300 7300 Email: <a href="mailto:info@scottishscreen.com">info@scottishscreen.com</a> <a href="http://www.scottishscreen.com">www.scottishscreen.com</a>	Market Development dept. Funding available for: <ul style="list-style-type: none"><li>• Audience development</li><li>• Festivals</li><li>• Exhibition</li><li>• Moving image education</li></ul>
Scottish Arts Council	12 Manor Place Edinburgh EH3 7DD Tel: 0131 226 6051 Email: <a href="mailto:help.desk@scottisharts.org.uk">help.desk@scottisharts.org.uk</a> <a href="http://www.scottisharts.org.uk">www.scottisharts.org.uk</a>	Distributes Arts Lottery funding for equipment and capital projects (including cinemas and mixed use venues)
UK Film Council	10 Little Portland Street London W1W 7JG Tel: 020 7861 7861 Email: <a href="mailto:info@ukfilmcouncil.org.uk">info@ukfilmcouncil.org.uk</a> <a href="http://www.ukfilmcouncil.org.uk">www.ukfilmcouncil.org.uk</a>	Distribution & Exhibition dept. One-off funding schemes including: capital awards for smaller cinemas; digital cinema; access technology
British Film Institute	21 Stephen Street London W1T 1LN Tel: 020 7255 1444 <a href="http://www.bfi.org.uk">www.bfi.org.uk</a>	Operates the BFI Southbank & IMAX and provides a range of education, film archive, and publishing services.

#### 6.1.2 Enterprise companies

Scottish Enterprise ([www.scottish-enterprise.com](http://www.scottish-enterprise.com)) and Highlands & Islands Enterprise ([www.hie.co.uk](http://www.hie.co.uk)) are potential supporters of cinema related activity and venues. Often these agencies have been more active supporters of cinema related developments based in rural or remote areas.

#### 6.1.3 Local authorities

Local authorities throughout the UK have a long tradition of supporting cultural activities and have funded thousands of organisations. In some instances venues are owned and directly operated by local authorities. More generally local authorities provide support for cinema related activities and organisations through a variety of project and revenue funding schemes. While specialised or cultural cinemas in larger towns and cities are often generously funded by local authorities, cinemas in smaller towns and rural areas may find it difficult to obtain support from their local authorities.

The rationale for local authority involvement in cinema exhibition, including film festivals and film societies, is usually to ensure that their local communities have access to an appropriate range of cinemagoing options. In larger towns this may mean supporting specialised cinemas while in rural areas support typically goes to local commercial cinemas, community enterprises, and arts centres. In each instance the local authority is acting to either compensate for some form of market failure (no local cinema) or a desire to develop their communities (regeneration).

## 6.2 Organisations

UK Film Council	<a href="http://www.ukfilmcouncil.org.uk">www.ukfilmcouncil.org.uk</a>
British Film Institute	<a href="http://www.bfi.org.uk">www.bfi.org.uk</a>
Scottish Screen	<a href="http://www.scottishscreen.com">www.scottishscreen.com</a>
Film Agency for Wales	<a href="http://www.filmagencywales.com">www.filmagencywales.com</a>
Northern Ireland Screen	<a href="http://www.northernirelandscreen.co.uk">www.northernirelandscreen.co.uk</a>
Arts Council of Ireland	<a href="http://www.artscouncil.ie">www.artscouncil.ie</a>
Film Distributors' Association	<a href="http://www.launchingfilms.com">www.launchingfilms.com</a>
Cinema Exhibitors' Association	<a href="http://www.cinemauk.org.uk">www.cinemauk.org.uk</a>
Association of Independent Film Exhibitors	<a href="http://www.aife.org.uk">www.aife.org.uk</a>
Independent Cinema Office	<a href="http://www.independentcinemaoffice.org.uk">www.independentcinemaoffice.org.uk</a>
City Screen Virtual	<a href="http://www.picturehouses.co.uk/city_screen_virtual.aspx">www.picturehouses.co.uk/city_screen_virtual.aspx</a>
Ian Rattray Films	<a href="mailto:ianrattray@blueyonder.co.uk">ianrattray@blueyonder.co.uk</a>
Europa Cinemas	<a href="http://www.europa-cinemas.com">www.europa-cinemas.com</a>
Film Education	<a href="http://www.filmeducation.org">www.filmeducation.org</a>
British Federation of Film Societies	<a href="http://www.bffs.org.uk">www.bffs.org.uk</a>
BFFS Scotland	<a href="http://www.bffsscotland.co.uk">www.bffsscotland.co.uk</a>
Pearl & Dean (Public)	<a href="http://www.pearlanddean.com">www.pearlanddean.com</a>
Pearl & Dean (Trade)	<a href="http://business.pearlanddean.com">http://business.pearlanddean.com</a>
Carlton Screen Advertising	<a href="http://www.carltonscreen.com">www.carltonscreen.com</a>
Nielsen EDI (Market data)	<a href="http://www.nielsenedi.com/corp/unitedkingdom.html">www.nielsenedi.com/corp/unitedkingdom.html</a>

## 6.3 Publications & web sites

Screen International	<a href="http://www.screendaily.com">www.screendaily.com</a>	Weekly + daily web news
Cinema Business	<a href="http://www.cinemabusiness.co.uk">www.cinemabusiness.co.uk</a>	Monthly
Cinema Technology	<a href="http://www.bksts.com">www.bksts.com</a>	Quarterly
Screentrade	<a href="http://www.screentrademagazine.co.uk">www.screentrademagazine.co.uk</a>	Quarterly
Sight & Sound	<a href="http://www.bfi.org.uk/sightandsound/">www.bfi.org.uk/sightandsound/</a>	Monthly, specialist
Empire	<a href="http://www.empireonline.com">www.empireonline.com</a>	Monthly, generalist
UK Film Council Statistical Yearbook	<a href="http://www.ukfilmcouncil.org.uk">www.ukfilmcouncil.org.uk</a>	Annual (published July on-line and in hard copy). Comprehensive review of film and cinema in the UK.
Film Distributors Association Yearbook	<a href="http://www.launchingfilms.com">www.launchingfilms.com</a>	Annual review of cinemagoing in the UK. Statistical tables.
Media Salles European Cinema Yearbook	<a href="http://www.mediasalles.it">www.mediasalles.it</a>	Annual statistical survey of cinemas throughout Europe

My Films	<a href="http://www.myfilms.com">www.myfilms.com</a>	UK Film Council-backed
Variety	<a href="http://www.variety.com">www.variety.com</a>	Hollywood's trade paper
D-Cinema Today	<a href="http://www.dcinematoday.com">www.dcinematoday.com</a>	Portal for digital cinema news and equipment

## 6.4 Conferences and exhibitions

UK Cinema Conference	London, <a href="http://www.landorconferences.co.uk">www.landorconferences.co.uk</a>	Annual
Screen International Conferences	London, <a href="http://www.screendaily.com">www.screendaily.com</a>	Various
Cinema Expo Europe	RAI Conference Centre, Amsterdam <a href="http://www.cinemaexpo.com">www.cinemaexpo.com</a>	June
RAAM Conferences	London, <a href="http://www.raamconference.co.uk">www.raamconference.co.uk</a>	Various

## 6.5 Cinema equipment suppliers and installers

Arts Alliance Media	<a href="http://www.artsalliancemedia.com">www.artsalliancemedia.com</a>
Bell Theatre Services	<a href="http://www.bell-theatre.com">www.bell-theatre.com</a>
Future Projections	<a href="http://www.fproj.com">www.fproj.com</a>
Jack Roe Cinema Supplies	<a href="http://www.cinemasupplies.co.uk">www.cinemasupplies.co.uk</a>
Omnex Pro Film	<a href="http://www.omnexprofilm.co.uk">www.omnexprofilm.co.uk</a>
Sound Associates	<a href="http://www.soundassociates.co.uk">www.soundassociates.co.uk</a>
Western Cinema Services	<a href="http://www.westerncinemaservices.co.uk">www.westerncinemaservices.co.uk</a>
XDC Digital Cinema	<a href="http://www.xdcinema.com">www.xdcinema.com</a>

## 6.6 Projector manufacturers

Barco	<a href="http://www.barco.com/digitalcinema">www.barco.com/digitalcinema</a>	Digital projectors
Christie Digital	<a href="http://www.christiedigital.co.uk">www.christiedigital.co.uk</a>	Film & digital projectors
Cinemeccanica	<a href="http://www.cinemeccanica.it">www.cinemeccanica.it</a>	Film & digital projectors
Kinoton	<a href="http://www.kinoton.com">www.kinoton.com</a>	Film & digital projectors
Strong Cinema	<a href="http://www.strong-cinema.com">www.strong-cinema.com</a>	Film & digital projectors
Veronese	<a href="http://www.veronesepaolo.com">www.veronesepaolo.com</a>	Portable film projectors

## 6.7 Digital cinema server manufacturers

DoReMi	<a href="http://www.doremicinema.com">www.doremicinema.com</a>
Dolby	<a href="http://www.dolby.com/professional/motion_picture/solutions.html">www.dolby.com/professional/motion_picture/solutions.html</a>
Kodak	<a href="http://www.kodak.com/US/en/motion/hub/dcinema.jhtml">www.kodak.com/US/en/motion/hub/dcinema.jhtml</a>
QuVis	<a href="http://www.quvis.com">www.quvis.com</a>
GDC	<a href="http://www.gdc-tech.com">www.gdc-tech.com</a>
XDC	<a href="http://www.xdcinema.com">www.xdcinema.com</a>

## 6.8 Digital audio processor manufacturers

Dolby	<a href="http://www.dolby.com/professional/motion_picture/solutions.html">www.dolby.com/professional/motion_picture/solutions.html</a>
UltraStereo	<a href="http://www.uslinc.com/products-sound-JSD80.html">www.uslinc.com/products-sound-JSD80.html</a>

## 6.9 Cinema screens

Camstage	<a href="http://www.camstage.com">www.camstage.com</a>
Chris Hitchens Screen & Stage	<a href="mailto:chrishitchens@tinyworld.co.uk">chrishitchens@tinyworld.co.uk</a>
Cinema Screens Ltd	<a href="http://www.cinemaservices.co.uk">www.cinemaservices.co.uk</a>
Harkness Screens	<a href="http://www.harkness-screens.com">www.harkness-screens.com</a>
Powell LED (Cinema Screens)	<a href="http://www.powellLED.com">www.powellLED.com</a>

## 6.10 Cinema seating

Seating is a highly subjective topic and it is advisable to investigate several options before selecting a seat for your venue. Some manufacturers specialise in cinema and theatre seating, some emphasise their retractable platform systems, and of course there is considerable variation in pricing. Always remember that audiences will spend most of their time at your venue sitting on the chosen seats and that cinema audiences are generally seated for 2-3 hours at a time, much longer than audiences for most theatrical or musical performances.

Audience Systems	<a href="http://www.audiencesystems.com">www.audiencesystems.com</a>	UK
Euro Seating	<a href="http://www.euroseating.com">www.euroseating.com</a>	Spain
Figueras Seating	<a href="http://www.figueras.com">www.figueras.com</a>	Spain
Inorca	<a href="http://www.inorca.com.co">www.inorca.com.co</a>	Columbia
Irwin Seating	<a href="http://www.irwinseating.com">www.irwinseating.com</a>	USA
Jezet	<a href="http://www.jezet-seating.com">www.jezet-seating.com</a>	Belgium
Lino Sonogo	<a href="http://www.linosonogo.it">www.linosonogo.it</a>	Italy
Quinette Gally	<a href="http://www.quinette.fr">www.quinette.fr</a>	France
Skeie	<a href="http://www.skeie.no">www.skeie.no</a>	Norway
Specialists in Seating	<a href="http://www.specialists-in-seating.co.uk">www.specialists-in-seating.co.uk</a>	UK

## 6.11 Ticketing and cinema management systems

<b>Company</b>	<b>Web site</b>	<b>Product</b>
Blackbaud	<a href="http://www.blackbaud.com">www.blackbaud.com</a>	Patron Edge
City Screen	<a href="http://www.newmanonline.org.uk">www.newmanonline.org.uk</a>	Newman
iTicket	<a href="http://www.iticket.com">www.iticket.com</a>	iTicket Cinema
Jack Roe Cinema Supplies	<a href="http://www.cinemasupplies.co.uk">www.cinemasupplies.co.uk</a>	TaPoS ticketing and concession sales
SiTec	<a href="http://www.sitec.com">www.sitec.com</a>	Front Office Sinema
SwiftPass	<a href="http://www.swiftpass.com">www.swiftpass.com</a>	Mobile ticketing
Ticketing.org.uk (linked to the Arts Marketing Association)	<a href="http://www.ticketing.org.uk">www.ticketing.org.uk</a>	Independent advice about ticketing systems
Tickets.com	<a href="http://provenue.tickets.com/UK/">http://provenue.tickets.com/UK/</a>	ProVenueMax & ProVenueDataBox
VCS Timeless	<a href="http://www.vcstimeless.com">www.vcstimeless.com</a>	Vista Cinema