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## Screen Counts

For the last 20 years or so screen counts have been a key statistic in the cinema business. Companies define themselves by their screen counts. At the industry level growing screen numbers have been an obvious and essential driver of rising admissions.

But for all its importance, as a statistic it is unsatisfactory. Screens are different sizes, running from tens to thousands of seats. Opening hours vary, from six shows a day to one a week or less. There are geographical variations. Small countries have smaller screens; in the Philippines multiplexes with an average of around 500 seats per screen are favoured, twice that found anywhere else.

Indeed, the only way screen counts work as statistics is because changes in the mix have been uncomplicated. Over the last 20 years increases have consisted essentially of more multiplex screens, offset to a varying degree by closures of traditional cinemas. Art cinemas went their own way, largely unaffected.

This simple scenario now belongs in the past. 70% of the world's top 40 cinema markets are now all but saturated as far as new multiplexes are concerned. And it seems likely that future changes in screen counts, especially in the short term, are going to be driven by the introduction of digital projection.

Not all of this is going to be bad. There are signs that the focus of expansion may be starting to shift to smaller cinemas. Digital makes small cinemas more viable because there are no projectionists and distributors are more willing to supply digital copies of their films to them because they do not cost as much as the old 35 mm prints.

Small cinemas with digital projectors tend to do well. Norwegian cinemas with less than 10,000 admissions saw business increase 15% in 2012, compared to 4% for all cinemas. This more even playing field regarding prints prompted Danish commercial cinema owners to complain to Europe's competition commission that subsidised art cinemas were abandoning their role and showing more profitable mainstream commercial films.

Of course, the long tail of small cinemas – whether they are subsidised or marginal commercial operations – doesn't always have access to funds to digitise. Then there are a number of possible outcomes once the supply of 35 mm prints runs out. The cinemas can close. If they are in a country with an established non-theatrical distribution sector,

and can run to the purchase of a low-end digital projector, they might survive playing domestic films or sub-runs. Or they may be able to lead a zombie existence for a while playing old 35 mm prints of classic films.

In some countries there will be some sharp discontinuities. The table below shows the screen counts of Portugal's leading exhibitors. There are two interesting things about it. The first is that the 96, or 18% of screens shown as being operated by 'other' operators accounted for just 0.9% of 2012 box office, or a fraction over €7,000 for each screen.

## Portuguese Exhibitors by Screens 2012

	Screens
ZON Lusomundo	210
Caastello Lopes	102
UCI	45
New Lineo	37
Vivacine	13
Cinemax	12
Medeia	10
SBC	9
Algarcine	6
Other	96
Total	540

The second interesting thing is that three months on from its compilation, the table is already out of date. Faced with claims from landlords and utility companies, the bankrupt Castello Lopes chain closed some, then all, of its cinemas; currently 35 screens have re-opened under the company's administrator. Nevertheless the 67 screens that remain closed represented one in eight of the country's screens at the start of the year.

With all the country's major circuits now fully digitised, and 35 mm prints disappearing from the market, there is a clear threat of further closures. As of now, it is possible to identify about a third of independent screens as still operating from listings websites. Being absent from a website and being closed are different things, however, and only time will tell how many of these screens survive, in one form or another, the digital transition.

Similar scenarios to that in Portugal will play out, in different ways, in many countries over the next few years, leaving behind in some cases a fundamentally changed cinema landscape. In many countries, it may be a poorer one.