
For cinema 2014 is about technology

Cinemas are one of a number of ways consumers can watch films. Today both these elements, cinemas and films, are being changed by technology.

Bigger pictures, bigger screens

It's nothing new to observe that the Hollywood studios are increasingly focusing on spectacular and expensive films at the expense of medium budget pictures. The re-introduction of 3D technology alerted them to the fact that such films could attract higher ticket prices, while film piracy and the growing popularity of cheaper alternatives to DVD for ancillary viewing posed continual challenges to their high cost base in the medium budget sector.

Today, although 3D seems to have reached at least a pause in its growth, if not its widest point, the technological push from the studios continues in the shape of their support for formats like IMAX and similar large format concepts developed by numerous cinema chains.

Art house cinema is reborn

Someone had to fill the gap in the market left by the studios, and the independent producers who did so often made films skewed towards an older audience. By a happy chance, the digital technology which knocked out home video also allows live broadcasts into cinemas of operas and other cultural content which appeal to this same older demographic group.

Today's art house cinema-goers are less likely to be impoverished students than their well-off parents. And the experience offered is more wine and canapes than edgy new wave cinema. Once marginal hangers-on at the fringes of the cinema business, the new art house cinemas are serious and lucrative businesses.

Prints are suddenly abundant

The introduction of digital projection has resulted in the marginal cost of extra film copies dropping close to zero. Far more

cinemas find themselves able to play the films they want. And the flexibility of digital projection means that they can play more films on each screen than before, and adjust to the audiences available at different times of day: children in the afternoons, older adults in the early afternoon, teenagers later on.

This not only makes small traditional cinemas more profitable, it also opens up opportunities for new cinemas in small towns. At its simplest, you now need only as few as one or two screens to show pretty well all the films your audience might want to see. And, with no projectionist, your wage bill is low.

Non-theatrical is growing

Like any change, digital conversion caused a lot of anxiety, much of it focused on economically marginal cinemas. But, as they say, every threat is an opportunity, and in this case the opportunity lay in expanding non-theatrical distribution. Like many terms used in the film industry, non-theatrical in this context is not entirely intuitive. It can encompass settings like film society screenings and film shows in cultural centres as well as the more obvious airline and cruise ship markets.

Digital technology means film distributors can get films onto Blu-ray quickly and cheaply to exploit this market. And anyone with the wherewithal to acquire an inexpensive digital projector can set themselves up to screen films not very far off release, with the lucrative option of adding alternative content as well. Halls and amateur theatres in all sorts of places are taking their chance.

Much of the above is based on research undertaken for our new report on the cinema market in the **UK & Ireland** published in March. See our web site for full details, or contact us at the contact points below.

For enquiries:
www.dodona.co.uk
customer.service@dodona.co.uk
+44 116 270 2765