

# INNOVATION AND THE BIG SCREEN

**UNIC**

Union Internationale des Cinémas  
International Union of Cinemas

Exhibitors have diversified their offer to the preferences of modern audiences...

- ▶ BOUTIQUE CINEMA ★
- PREMIUM LARGE FORMATS ★
- ARTPLEX ★
- ARTHOUSE CINEMA ★
- POP-UP CINEMA ★
- GIANT SCREEN ★
- PREMIUM SEATING ★
- LOCAL COMMUNITY THEATRE

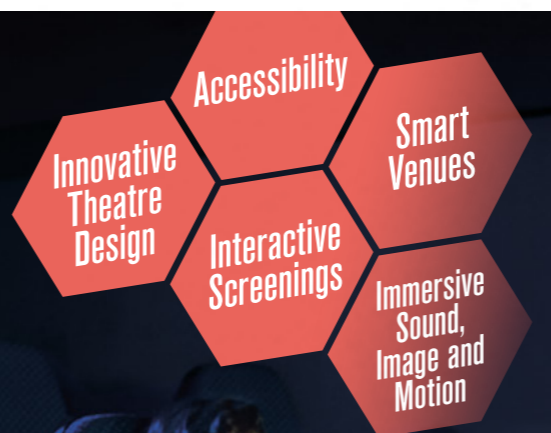
The cinema going experience starts days before your visit to the theatre – often on a mobile device



A increasingly diverse and engaging experience along all touch points of the customer journey



Cinemas continue to make huge investments in technology and innovation to offer ever more immersive experiences to audiences



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## PLACING CINEMAS AT THE CENTRE OF EUROPE'S GROWTH STRATEGY FOR FILM

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 <b>5 IN 10</b> EUROPEANS DISCUSS FILM ON SOCIAL MEDIA	 <b>8 IN 10</b> EUROPEANS WATCH TRAILERS ONLINE	 <b>3 HOURS A DAY</b> TIME TEENAGERS SPEND ON MOBILE	 <b>ROOM FOR GROWTH:</b> UNIC CINEMA VISITS PER CAPITA: <b>1.5</b> IRELAND AND FRANCE: <b>3.3</b>	 NUMBER OF FILMS SCREENED IN CINEMAS HAS ALMOST DOUBLED IN 15 YEARS	 ALTERNATIVE CONTENT FORECAST TO CONTRIBUTE <b>\$1 BILLION</b> IN 2019	 <b>98%</b> DIGITISED SCREENS WORLDWIDE	 <b>2100</b> PREMIUM LARGE SCREENS AND	 <b>3000</b> IMMERSIVE SOUND INSTALLATIONS WORLD WIDE
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# WELCOME

from Phil Clapp

Welcome to this, our latest report exploring innovation and change in European cinemas.

UNIC, the Union Internationale des Cinémas | International Union of Cinemas, is the European grouping of cinema trade associations and key operators, now covering 36 territories. We promote the social, cultural and economic benefits of a vibrant cinema-going culture across Europe and seek to provide an influential voice for cinemas on issues of shared interest.

Audience growth and box office results over recent years across UNIC territories clearly show that cinema-going in Europe is thriving, becoming an ever more engaging, diverse and immersive experience. This is thanks in large part to on-going investment in innovation by cinema operators and their partners. This report explores how the sector embraces new technological and consumer trends by exploring three key areas: creative audience engagement; the big screen experience; and social innovation.

As our partners in government and across the industry value chain consider the future of our industry, we hope that this report helps further to position cinema operators at the centre of their growth strategies.

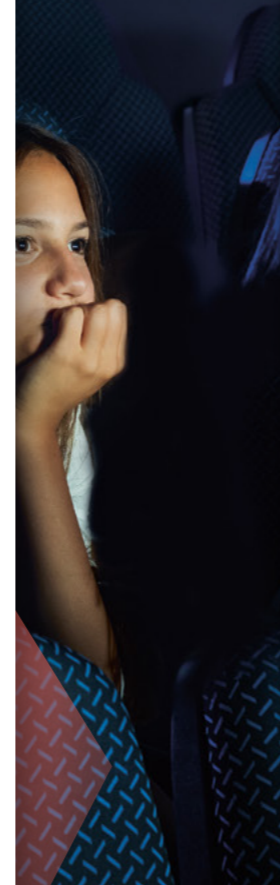
We hope you enjoy reading this report.

*Phil Clapp, CEO of the UK Cinema Association, is President of the International Union of Cinemas.*

LOCAL  
COMMUNITY  
THEATRE

Smart  
venues

Immersive  
Sound,  
Image and  
Motion



3000

IMMERSIVE SOUND  
INSTALLATIONS  
WORLD WIDE

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# WHAT'S NEW IN EUROPEAN CINEMAS?

Cinema-going in Europe is thriving, becoming an ever more engaging, diverse and immersive experience thanks to creative entrepreneurship and on-going investment in innovation by cinema operators and their business partners.

In 2015, the 36 European territories represented by UNIC saw admissions increase by six per cent and box office revenue by 12.5 per cent. This positive growth trajectory is reflected around the World: in 2016, industry analysts IHS Markit reported a box office rise of 9.1 per cent for 20 selected countries when compared to already record breaking results in the previous year.

European cinemas were among the first in the industry to commit to digitising their businesses. Over the past 10 years, cinemas across UNIC territories – in partnership with colleagues in film distribution – invested more than € 1.5 billion in the digital transition of their theatres.

The introduction of digital technology has led to a paradigm shift across the cinema landscape. Massive improvements in sound and projection quality, more flexible and efficient operations and sophisticated audience engagement strategies continue to transform the experience and attract increasing numbers of guests to our theatres.

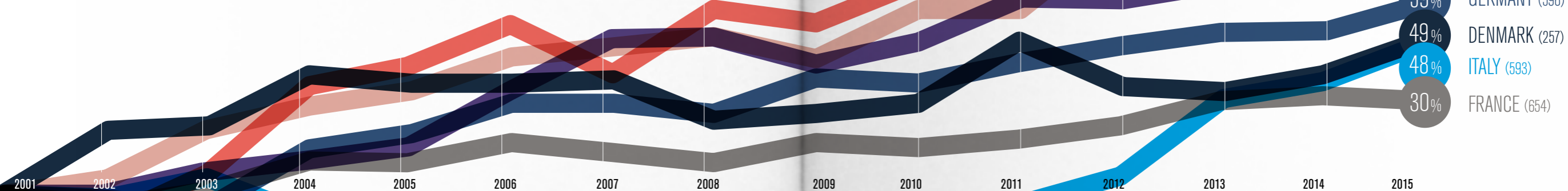
Moreover these changes have led to a significant increase in the number of international and local films screened in cinemas.

European cinema operators of all sizes and locations continue to embrace innovation and experiment with new ways to engage audiences. As cinema-going becomes an increasingly eventful and digitally-connected experience, the sector confidently competes with the myriad of online entertainment options available to consumers today.

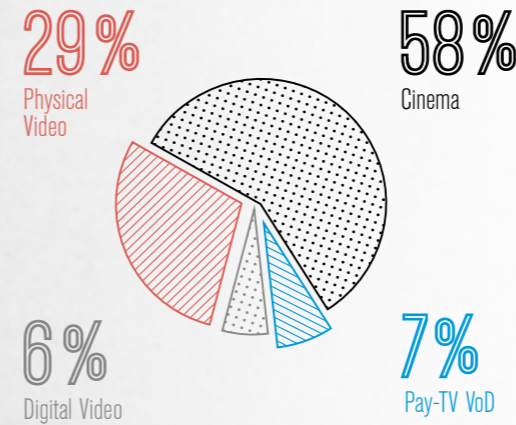
Cinemas are engaging with those who love the big screen in an ever more personal and seamless fashion, as we will show in this report.

**1.26**  
BILLION  
ADMISSIONS

**+6%**  
INCREASE  
FROM 2014



## EU 10\* BOX OFFICE VS. HOME ENTERTAINMENT REVENUE IN 2015

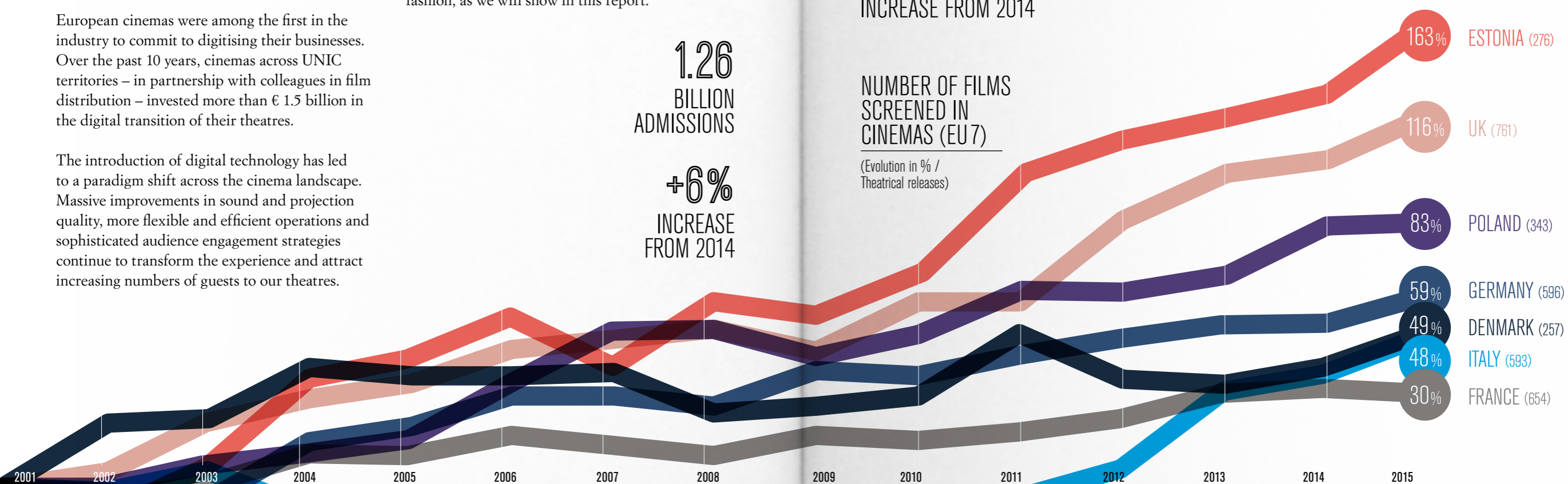


**€ 8.8 BILLION**  
BOX OFFICE REVENUE

**+12.5%**  
INCREASE FROM 2014

## NUMBER OF FILMS SCREENED IN CINEMAS (EU 7)

(Evolution in % / Theatrical releases)



### SECTOR INITIATIVE

## Cinemathon International

UNIC helped establish 'Cinemathon International', a design thinking-led initiative with the aim of creating innovative business strategies for European cinemas. The first workshop brought together a diverse group of business strategists, technologists, architects, festival organisers, designers, artists, food entrepreneurs, VR creators, and leading experts from many other fields. With the help of experienced design thinkers, five multidisciplinary teams worked on different opportunity areas, each developing a prototype for the cinema-going experience of the future.

Take a look at the 'Cinemathon International' initiative and its five prototypes:



[cinemathon.squarespace.com](http://cinemathon.squarespace.com)

# CREATIVE AUDIENCE ENGAGEMENT



Changing consumption habits and audience demographics present cinemas with a huge opportunity to engage in more innovative and personal ways with those who love the big screen.

Creative and collaborative use of technology – combined with exclusive theatrical experiences and the long tradition of showmanship in the sector – offers a unique opportunity to significantly increase audience reach as well as frequency of cinema visits. As illustrated by the data below, there is huge potential for growth in attendances across Europe.

Why is there this confidence in the continued appeal of the big screen? The shared experience of cinema-going with friends and family grows in value as consumers have access to a multitude of online distractions, while media consumption in the home increasingly happens in solitude.



AVERAGE VISITS  
TO THE CINEMA  
PER YEAR:

EUROPEAN  
UNION:

1.9

UNIC  
TERRITORIES:

1.5

FRANCE: 3.3  
IRELAND: 3.3  
SPAIN: 2.0  
POLAND: 1.2

Cinema operators continue to experiment with new audience development and marketing approaches to attract more film fans to their theatres, their efforts being driven by a few key trends:

▶ A visit to the cinema is part of the wider 'experience economy', and as such has to deliver value along the customer journey.

▶ Cinemas – with the help of digital innovation – have turned into smart venues, enabling operators to track, analyse and predict audience behaviour.

▶ Mobile devices and social media are today a central element of the cinema-going experience.

▶ The cinema 'offer' has become increasingly diversified, catering for changing and more fragmented preferences.



MORE THAN  
**50%**  
OF CINEMA-GOERS  
DISCUSS THEIR  
EXPERIENCE ON  
SOCIAL MEDIA  
PLATFORMS



MORE THAN  
**80%**  
OF EUROPEANS  
WATCH FILM  
TRAILERS ONLINE



**87%**  
OF CINEMA-GOERS  
USE THEIR MOBILE  
PHONE AFTER  
SEEING A TRAILER



Abaton Kino, Hamburg, Germany, courtesy of vierfotografen

## Examining innovative engagement strategies along all 'touch points' of the cinema-going journey enables us to establish a picture of how the sector is currently working to transform its relationship with audiences.

Rather than starting in the cinema lobby, the cinema journey begins days or even weeks before, most likely on a smartphone or a tablet. Research confirms that around 80 per cent of Europeans watch film trailers online. Similarly, evidence from the US confirms that an even greater share of cinema-goers – 87 per cent – use their mobile phone after seeing a trailer or an advertisement for a film elsewhere. The role of social media in activating cinema-going is constantly growing: more than 50 per cent of cinema-goers discuss their experience before, after and sometimes – to the irritation of some – during the film screening!

This has profound impacts on promoting the theatrical experience as operators and their business partners increasingly shift marketing investment and innovation efforts online.

Dedicated mobile solutions by both large and small operators enable consumers to discover, share and buy tickets for films.

### Odeon Booking Chatbot

In December 2016 leading European cinema operator Odeon launched a 'chatbot' allowing cinema-goers to find a cinema and book tickets for a film of their choice using Facebook Messenger. The technology was introduced by Facebook in April 2016. The chatbot was developed by social technology company Gruvi.

[facebook.com/odeon](https://facebook.com/odeon)

By creating and curating online video channels around upcoming releases and the cinema experience itself, operators convert consumer awareness online into tangible ticket sales.

### Pathé Netherlands YouTube Strategy

Pathé Netherlands runs a highly visible YouTube channel that provides original interviews with talent, film trailers and reports from local film events.

[youtube.com/user/pathenl](https://youtube.com/user/pathenl)

Through creative approaches to film literacy, cinemas can educate and inspire the next generation of film fans to get excited and inspired about cinema.

### Watershed's Cinékids

Cinékids events are monthly film screenings and workshops for children aged 6-11 that allows them to experience, explore and analyse movies.

[watershed.co.uk](https://watershed.co.uk)

Country-wide online ticketing platforms provide a single destination for film fans to discover new film releases and seamlessly buy tickets for their local theatre.

### DeinKinoticket.de

[www.deinkinoticket.de](https://www.deinkinoticket.de) is the leading cinema ticketing platform in Germany that works across the country's leading cinema chains.

On-demand cinema platforms enable film makers, independent distributors and film fans to crowd-fund and plan community-driven screenings of specialised films and event cinema.

### ourscreen

Collaborative platforms such as ourscreen enable users to promote film and event cinema screenings until a critical mass of fans have committed to booking a show in their local theatre. In collaboration with participating cinemas, ourscreen then organise content delivery as well as ticketing, bringing further diversity, events and community dynamics to the big screen.

[ourscreen.com](https://ourscreen.com)

The cinema-going journey is ever more eventful and experience driven. Teen screenings and ladies nights are just two of the many formats that help cinemas attract specific audiences to the big screen.

## Filmtheater Hilversum – Ladies Nights

Filmtheater Hilversum's 'Ladies' Nights' offer female cinema-goers the option of watching new-release, hand-picked films in female company. Food and beverage specials as well as gifts complement the screening.

Cinemas can significantly increase their audience reach by partnering up with third-party platforms and brands, from Facebook to a local newspaper or community initiative.

## Yorck Cinema Group – Der Tagesspiegel

Berlin-based art cinema group Yorck recently launched a 360 degree partnership with leading Berlin broadsheet Der Tagesspiegel. New subscribers receive two annual cinema passes for Yorck's 12 venues. The partnership also includes an hourly raffle of passes during the Berlin Film Festival and a comprehensive reciprocal media partnership.

Audience engagement is of course not confined to the digital space. Cinemas across Europe are working with staff and volunteers to make the cinema-going journey as enjoyable and personal as possible.

## SF Bio Staff Ambassador

Patrons of the SF Bio flagship cinema 'Filmstaden Sergel' in Stockholm enjoy the pleasure of receiving a welcome introduction from a staff member before film screenings. The greeter welcomes the audience, tells them briefly about the film they are going to enjoy, and indicates directions in case audience members need to take a break. The shared experience is accentuated and the cinema gets a 'face', making the visit a more personal experience.

### SECTOR INITIATIVE

## Pan-European Study on Youth Audience Engagement

In 2016, with the help of members and partners, UNIC commissioned a major research project examining youth audience preferences regarding cinema-going across three key territories (United Kingdom, Germany, Spain). Research results are currently tested with young consumers in co-creation workshops to further develop and understand innovative ideas and concepts. Results will be shared towards the beginning of 2017. Contact us if you are interested in running a co-creation workshop in your country.

[jrunge@unic-cinemas.org](mailto:jrunge@unic-cinemas.org)

**UNIC**  
Union Internationale des Cinémas  
International Union of Cinemas



# DATA-DRIVEN INNOVATION IN CINEMA

To gain better customer insight, cinemas across Europe are currently rolling out a variety of data analytics programmes. Customer loyalty schemes, as well as smart ways to recruit patrons, lie at the heart of many such endeavours

Integrated software solutions further help to collect information from a variety of internal and external sources, including the point of sales, metadata about each film title, the date and time of the cinema visit, as well as other external factors such as information about local events or the weather.

Providing more personalised cinema offers and promoting these to individual customers via email, social media or text messages – possibly linked with a dynamic pricing approach – all serve to increase footfall.

Providers of data analytics services promise a 10–20 per cent increase in admissions if data programmes are implemented with the appropriate expertise.

A key milestone of introducing further data-driven innovation in cinema will be to transform the relationship between cinema operators and film distributors. Cinema operators increasingly possess deeper and more personalised customer insights.

Distributors are responsible for the vast majority of marketing efforts around a film release and have a detailed understanding of the box office performance of different types of films. Both parties stand to reap major benefits were they to share data as well as resources with a view to make cinema marketing more fine grained and personalised.



As cinema operators and their business partners experiment and collaborate to get data analytics in cinema right, an exciting opportunity arises for the promotion of local and European films, as well as for the success of independent cinema operators. Using adaptable and cloud-based data analytics solutions to significantly grow the audience share of local films is an opportunity that the European film industry as well as European support bodies should carefully evaluate.

## SECTOR INITIATIVE

### French Cinema Innovation Award

The French CNC – Centre National du Cinéma et de l'Image Animée – in 2016 launched its first ever Innovation Award to celebrate innovative practices in cinema exhibition. Operators could submit projects covering all types of innovation (technological innovation, programming, service innovation, communications, theatre design, etc.). The first winners of the award – which will in the future be organised every year – were *Le Carroussel* (Verdun) and *L'Atalante* (Bayonne). Four further cinemas received special recognitions during a ceremony at the Deauville Congress of the French Cinema Association (FNCF) in September 2016.

cnc.fr





A number of highly innovative European technology start-ups provide data analytics services to the wider cinema industry.

## Personalised Movie Marketing

Movio's data analytics and marketing platform extends into social media analysis and targeted text messaging towards individual customers. Movio Media provides distributors with a direct marketing tool that uses de-personalised customer data gathered from cinema exhibition. Returns of Movio Media are shared with the partner cinemas that made available their data.

[movio.co](http://movio.co)

## Converting Online Efforts into Ticket Sales

Creative agency Powster works with all six major US studios and more than 50 independent distributors around the World to create online destinations for new films. The underlying Powster platform guides users to cinema ticketing systems by constantly updating and integrating cinema locations and show times.

[powster.com](http://powster.com)

## Dynamic Pricing

Berlin-based Smart Pricer applies pricing strategies from the airline industry in the entertainment sector, currently piloting its dynamic pricing software with a number of internationally integrated as well as independent cinema operators. Its web-based software allows sports clubs, cinemas and theatres to increase revenue by using data to dynamically adapt prices to demand.

[smart-pricer.com](http://smart-pricer.com)

## Audience Insights

Showtime Analytics' cloud-based platform helps understand customer trends by aggregating data from loyalty programs, ticket and retail transactions, email newsletters, web booking, mobile apps and social media, visualising results in a single view and allowing for better scheduling and marketing campaigns.

[showtimeanalytics.com](http://showtimeanalytics.com)

## Predictive Analytics

Gower Street Analytics recently partnered with leading movie measurement provider comScore (formerly Rentrak). Their first joint product is a global distribution-planning tool that generates estimates for films with a planned release date, up to 18 months before their release. It takes into account film specific as well as external factors, and compares these with historic box office performance of comparable films.

[gower.st](http://gower.st)

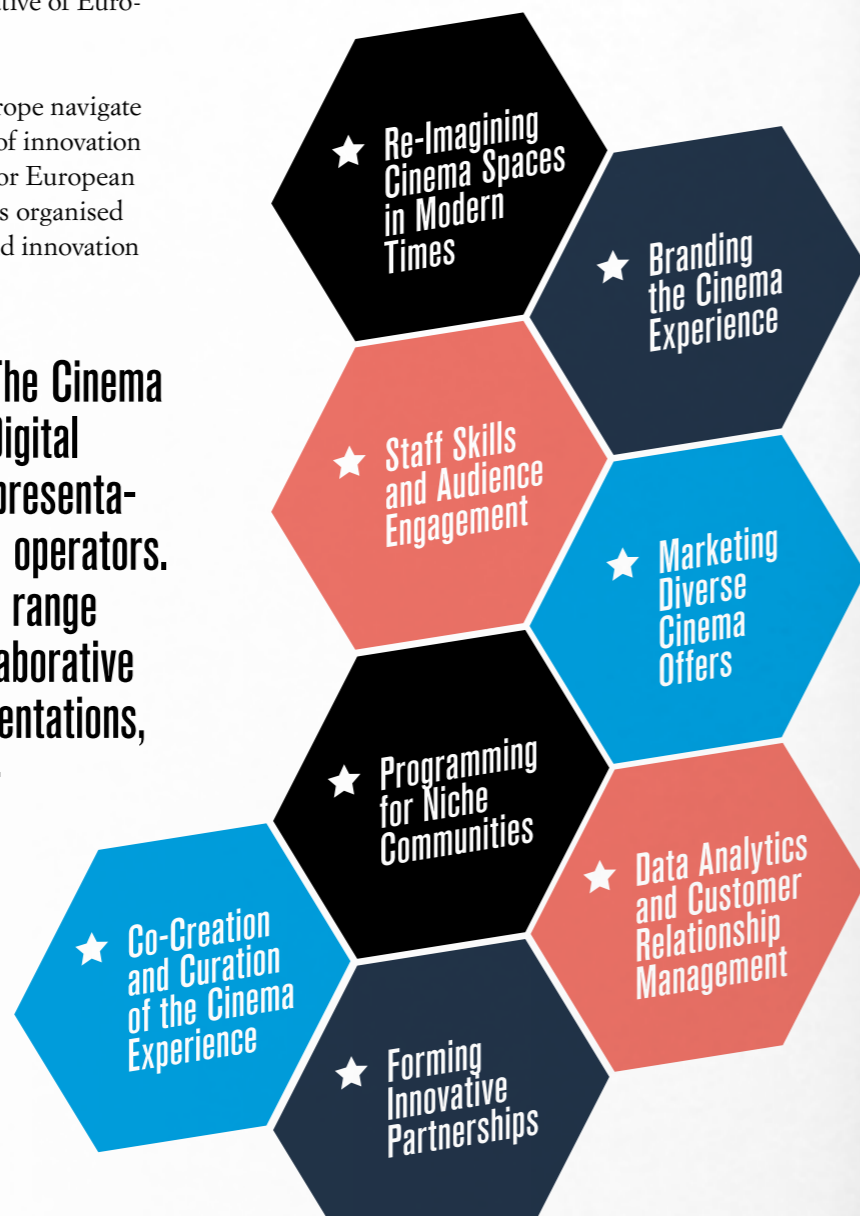


# EUROPA CINEMAS' AUDIENCE DEVELOPMENT AND INNOVATION LABS

Europa Cinemas is a unique international network of cinema operators, totalling 2,350 screens across 596 European cities, dedicated to attracting audiences for 'non-national' European films. The network is supported by the European Union and widely recognised as a flagship initiative of European cultural support.

Recognising that cinemas across Europe navigate a new digital landscape with plenty of innovation potential to engage with audiences for European films, the network has in recent years organised a series of 'audience development and innovation labs'.

A recent lab in Bologna, 'The Cinema Experience in the Age of Digital Distractions', attracted representatives from large and small operators. Participants took part in a range of learning exercises, collaborative workshops and panel presentations, focussed around key innovation themes:



Kino Europa, Zagreb, Croatia. courtesy of ShowbizPress

The lab format is output-focussed and in Bologna was organised around key collaborative projects, including the development of a modern cinema innovation manifesto, site visits, one-to-one cinema innovation surgeries, the development of a marketing strategy for young audiences and an elevator pitch session around innovation projects.

Some of the discussions during the lab were captured via Storify on Twitter (#ECBoLab2016). More detailed information can be obtained from Europa Cinemas.

[europa-cinemas.org](http://europa-cinemas.org)

EUROPA CINEMAS  
CREATIVE EUROPE - MEDIA SUB-PROGRAMME

2350  
SCREENS  
ACROSS  
596  
EUROPEAN  
CITIES

FOLLOW THE  
DISCUSSIONS ON  
TWITTER/STORIFY  
#ECBOLAB  
2016

# VIRTUAL REALITY AND CINEMA



The Virtual Reality Cinema, Amsterdam, The Netherlands, courtesy of &samhoud

**“We see VR as complimentary to the cinema experience. Take the Star Trek franchise – you could go on the bridge of the Enterprise and command it after the film.”**

*Richard Gelfond, IMAX CEO, in Screen Daily*

Virtual Reality (VR) has recently raised high expectations among media commentators, users and the investment community as global technology platforms including Facebook and Google released VR devices into the consumer market. During the 2016 Cannes Film Festival and several other industry events, VR experiences were widely showcased and discussed by cinema professionals.

While arguably still in an early stage of development – both technologically and creatively – VR proposes an interactive, singular and highly immersive experience, which radically diverts from the shared practice of enjoying a film on the big screen. It challenges the artistic intent of traditional story telling: in cinema, some would argue, you don't choose a path – you enjoy being told a story and share the experience with your friends or family.

Are VR and cinema therefore incompatible? Evidence seems to suggest the opposite: far from rejecting VR, film makers, cinema operators and their business partners embrace it as a highly innovative companion experience that can further upgrade the cinema-going journey. Take IMAX

and pan-European operator Odeon & UCI Cinemas, for example, whose first joint VR centre is set to open in Manchester towards the end of the year. In the future, before or after seeing the film on the big screen, audience members in dedicated cinemas will be able to enjoy tie-in VR content in cutting edge VR stations.

As bespoke VR spaces, including individual pods featuring interactive seats, headsets and controllers, are integrated in cinemas around the World, consumers can expect major international film releases to increasingly be accompanied by VR content. Michael Bay, for example, is currently working on a VR experience to accompany *Transformers: The Last Knight* in June 2017.

VR solutions are also used to promote new film releases. Studios increasingly partner with creative agencies to develop VR-environments to promote upcoming releases. London based Powster partnered with Warner Bros. around the 2016 release of *Tarzan* to offer users to find cinemas and show times in an immersive 3D jungle and to experience 360° videos in VR.

# INNOVATION AND THE BIG SCREEN EXPERIENCE

Audiences agree that nothing beats experiencing great films on the big screen, together with your friends and family. This is confirmed by research, which continues to show that cinema-going remains one of the most popular leisure activities that exist today.

Having invested massively into the transition to digital cinema over the past decade, cinema operators across Europe continue to innovate and upgrade their theatres to provide cutting-edge and ever-more immersive cinematic experiences. Together with a growing supply of films as well as 'event cinema' offers, more dynamic and flexible programming helps to meet increasingly diverse consumer preferences.

The digital shift has enabled all types of cinemas to better engage with their customers: in some UNIC territories the market share of independent cinemas has for example increased, reflecting their ability to offer more – and more diverse – films and other types of content to their local communities.

These developments are complemented by a rapid diversification of the cinema offer itself. Many operators invest in ground-breaking technologies – from immersive sound systems to extra-large screens of so-called 'Premium Large Formats' – and experiment with new theatre designs to further improve immersion and comfort.

A long tradition of embracing innovation to the benefit of audiences continues.

€ 1,5 BILLION  
INVESTED IN DIGITAL CINEMA  
BY EUROPEAN EXHIBITORS IN  
LAST DECADE

x2

NUMBER OF FILMS RELEASED IN  
EUROPEAN CINEMAS HAS ALMOST  
DOUBLED OVER THE PAST 15 YEARS

1700s  
MAGIC LANTERN SHOWS

1890s  
FIRST CINEMA SCREENINGS

1950s  
TWO-SCREENS CINEMAS

1970s  
STADIUM SEATING

1980s  
FIRST MEGAPLEX

2000s  
TRANSITION TO DIGITAL CINEMA  
SATELLITE DISTRIBUTION  
EVENT CINEMA

2010s  
98% DIGITISED SCREENS  
IMMERSIVE SOUND  
E-DELIVERY  
LASER PROJECTION  
HIGH DYNAMIC RANGE  
HIGH FRAME RATE  
PREMIUM LARGE FORMAT  
IMMERSIVE MOTION  
INTERACTIVE CINEMA  
VIRTUAL REALITY

★  
1895  
FIRST FILM SHOT  
BY LUMIÈRE  
BROTHERS

1950s–1970s  
WIDESCREEN  
GOLDEN AGE

1960s–1980s  
MULTIPLEX  
THEATRES  
(1st GENERATION)

★  
1988  
KINOPOLIS BUILD  
FIRST MEGAPLEX

★  
2009  
"AVATAR"  
HIGHEST-GROSSING  
FILM OF ALL TIME

★  
2015  
FIRST HDR FILM

**Cinema operators continue to invest in and experiment with a vast array of innovations and creative solutions. The following snapshots of new developments in cinema technology may not yet be available in every theatre but to some extent indicate the industry's direction of travel.**

## Immersive Sound



Close to 3,000 immersive sound systems have in recent years been integrated in auditoriums around the World. This new technology – enthusiastically embraced by many leading film directors and producers – delivers a sense of true immersion, as cinema-goers can hear sounds as if they were witnessing the action in real life.

## 3D



Digital cinema – significantly helped by the 2009 release of James Cameron's ground-breaking film *Avatar* – brought 3D films to the attention of mass audiences. Stereoscopic films have since commanded a healthy market share in many UNIC territories. As film makers and leading technology labs around the World continue to experiment with this still evolving technique, 3D is here to stay.

## High Dynamic Range



Some compare the emergence of High Dynamic Range – a ground-breaking imaging technique that reproduces a greater range of colours and luminosity – to the introduction of colour in cinema. It expands artistic possibilities for film makers and significantly enhances the audience experience.

## Event Cinema



Digital cinema has made it possible for operators to bring live events to their cinemas and diversify their programming beyond the film offer. It is today possible for cinema-goers to enjoy opera, ballet, sport and even museum visits on the big screen – with the unique opportunity of getting much closer to the action than they could have been in real life.

## Laser Illumination



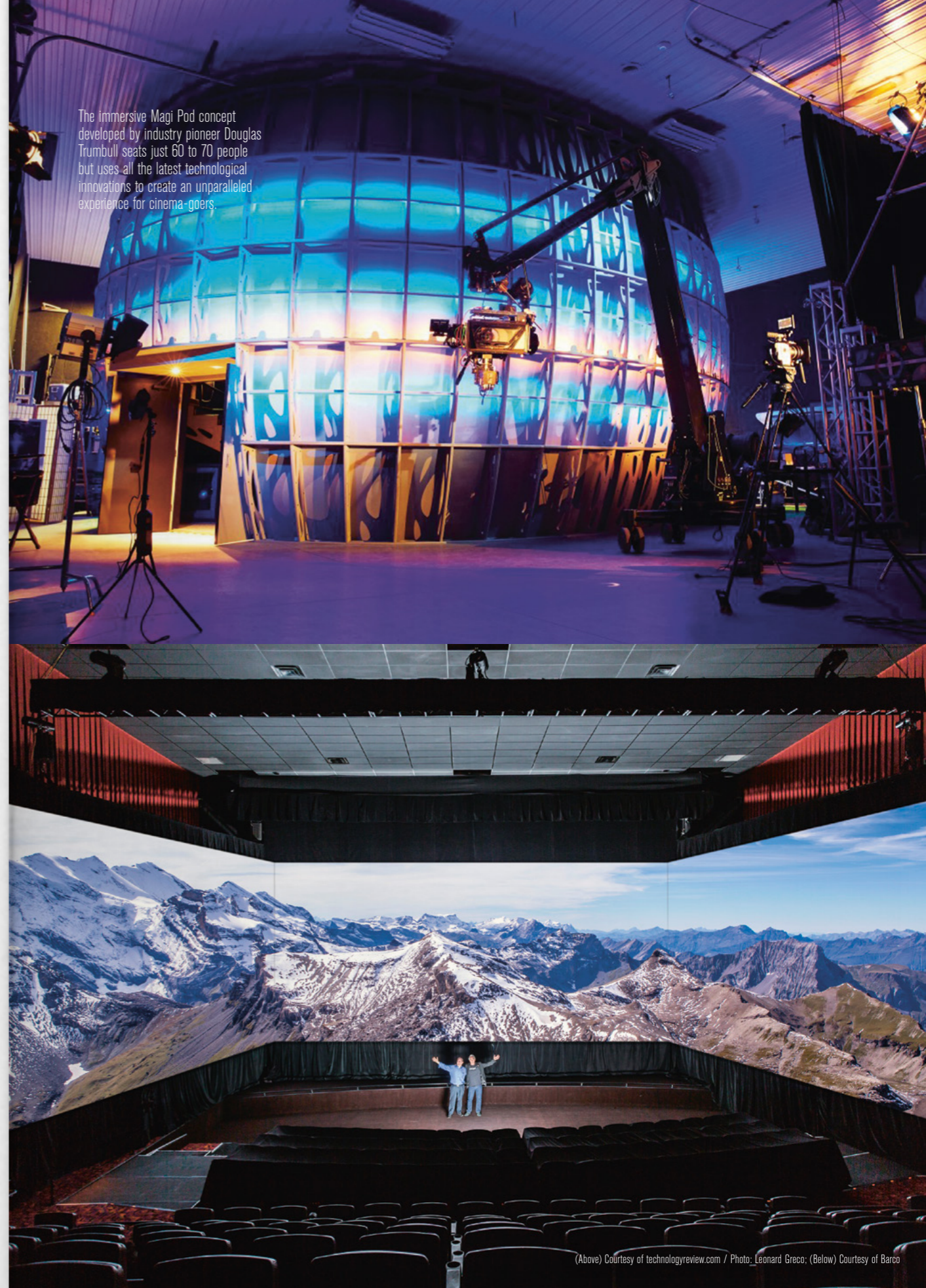
This new projection technique enables cinema operators to achieve new levels of image quality and brightness in their screening rooms. Laser-illuminated projectors could potentially replace xenon lamps in the future, promising more energy-efficient operations in the long term.

## Premium Large Formats



Premium Large Formats are branded screening rooms involving extra-large screens and carefully designed sound systems to fully immerse audiences into the cinematic experience. More than 2,100 of such screens have been launched around the World, providing audiences with more choice.

The immersive Magi Pod concept developed by industry pioneer Douglas Trumbull seats just 60 to 70 people but uses all the latest technological innovations to create an unparalleled experience for cinema-goers.



## Immersive Motion

Immersive motion, also called '4D', brings cinema-going to a whole new level, with seating technology plunging audience members into the scenarios they witness on the big screen through an array of multi-sensory stimulants such as wind, fog and water, along with moving seats and 3D glasses.

## Innovative Theatre Design

Cinemas of all sizes and locations have been experimenting with innovative theatre designs and seating arrangements to improve the experience inside the screening room, with high-end cinemas and dine-in theatres adapting their services in order to target the needs of a specific audience.



## Video Game Competitions

Digital technology made it possible to watch and participate in video game competitions – or e-sport – on the big screen. Huge crowds of young gamers have already taken part in online events that were broadcasted live in cinemas around the world, as this new trend has yet to realise its full potential.



## High Frame Rate

A handful of visionary film makers – including Peter Jackson and Ang Lee – have been experimenting in recent years with this technology, shooting films in higher frame rates than the typical 24 frames per second of standard motion pictures, resulting in hyper-realistic images.



As continuous innovation and change become a central element of the cinema business, identifying 'game-changing' technologies, evaluating new consumer trends and ensuring that investments in upgrades lead to tangible returns have become key challenges.

The European cinema sector, with its multitude of languages and uniquely diverse structure, faces particular issues. To ensure interoperability and access to films for all types of cinemas, the development of a new generation of technology standards will be a strategic imperative for the industry in the future.

European cinema benefits from a resilient and dynamic tier of independent operators. Some of the smaller and more specialised cinemas among this group – having gone through the challenging process of digitising their screens – now face particular challenges when it comes to maintaining existing equipment and financing further technological innovations. There is a need for more information sharing and awareness-raising regarding the trajectory of key technologies amongst this community.

### SECTOR INITIATIVE

## UNIC Technology Group

Bringing together senior cinema technology executives from more than 20 countries – in partnership with key suppliers, service providers and international bodies such as the European Digital Cinema Forum, the Society of Motion Picture and Television Engineers and the International Cinema Technology Association – the UNIC Technology Group works to assist cinemas in their endeavour to navigate a new and technologically complex cinema landscape.

The Group has developed a forward plan that lays out key challenges and opportunities brought by digital technology. It has issued several statements – often in collaboration with its US sister organisation the National Association of Theatre Owners – calling for open standards and raising awareness amongst the creative community regarding the capabilities and limitations of cinema operation. The Group is currently actively pursuing a strategy to co-ordinate SMPTE DCP roll-out across Europe – a key operational transition the industry has to collectively manage in the coming years.

Cinema operators interested in the work of the UNIC technology group are invited to contact

[gbranders@unic-cinemas.org](mailto:gbranders@unic-cinemas.org)

**UNIC**  
Union Internationale des Cinémas  
International Union of Cinemas



## STRONG COMMUNITY IMPACTS

Whether located in large cities or in rural areas, cinemas are often the only meeting opportunity for people from all walks of life and all age groups. They stimulate dialogue around a range of important issues and provide a highly enjoyable alternative to our everyday cares.

Cinemas also create local employment – especially among younger people and students – and are essential to the development of the creative industries, a cornerstone of modern knowledge-based economies. Establishing a cinema in a certain area can have significant impacts on urban regeneration by attracting local businesses as well as new inhabitants and workers.

KINO  
MUZA

Kino Muza is a historic cinema located in the Polish city of Poznan and a member of the Europa Cinemas network. The cinema since 2008 is administered by the local municipality and has become an important cultural hub for the local community. Kino Muza has developed a highly praised film education project that attracts thousands of children and teenagers from kindergarten to high-school. The diverse and innovative programming of the cinema has helped revitalize local interest in film culture and continues to attract more people to the big screen year-on-year.

[kinomuza.pl](http://kinomuza.pl)

### SECTOR INITIATIVE

## French Study on Innovation in Cinema Exhibition

Cinema lies at the heart of the French support strategy for film. The French CNC has therefore recently commissioned an independent research project into the “The Cinema of Tomorrow”, which was published in October 2016. The study takes stock of recent innovations and future developments in cinema exhibition that have or will influence the wider cinema sector and considers key trends from around the world. Visit the website of the CNC to take a look at the report in French or get in touch with UNIC for an English summary.

[cnc.fr](http://cnc.fr)

CNC

# SOCIAL INNOVATION

Cinemas are local hubs of culture, innovation and community and have incredibly positive impacts on society. Evidence shows that the sector can help address a variety of social challenges in novel ways, including through urban regeneration, combating social exclusion as well as by providing fulfilling careers and better employment.

Europe’s innovation agenda clearly recognises that economic and social progress in 21st century-economies go hand in hand. What role can cinema operators play in addressing some of the social challenges Europeans face in more effective and sustainable ways?

Everyman Canary Wharf, London, UK, courtesy of Everyman Cinemas



Courtesy of Secret Cinema

Research shows that each € spent on a cinema ticket has above-the-average multiplier effects on neighbouring commercial activities, including the restaurant sector and retail. City planners across Europe therefore include cinemas in their strategies to build sustainable and prosperous communities.

## CULTURAL CHANGE-MAKERS

Across UNIC member territories more than 38,000 cinema screens create awareness around and interest in local, European and international films, thereby enabling hundreds of millions of cinema-goers to discuss stories that entertain them, make them think and enable them to reflect on everyday life.

In a world where fast-paced cultural experiences increasingly happen on mobile devices – and yet at the same time often occur in solitude – the shared experience of watching a film on the big screen continues to create a sense of identity and community.

Cinemas therefore remain places where important cultural trends and social change emerge. Whether it is the 2015 Lux Film Prize winner *Mustang*, Oliver Stone's *Snowden* or France's incredible international Box Office hit *Intouchables* – none of these works would have enjoyed the transformative impact they had without the social platform of the cinema theatre.



The Turkish, French and German co-production *Mustang*, winner of the 2015 LUX Prize, tells the lives of five young girls confronted with forced marriage and sexual repression in rural Turkey. This debut film by Deniz Gamze Ergüven stirred debate and controversy in France – for being submitted as the country's Best Foreign Language Film Oscar – and in Turkey – for its criticism of local conservatism and patriarchy. Through a fairy tale depiction of its subject, the film managed to reach beyond its geographical frontier and triggered a universal debate about women's rights and feminism. After considerable delay, and despite local opposition, the film was released in October 2015 in Turkey – 4 months after its French release. *Mustang* was a great box office success, grossing more than € 4 million, almost four times its original budget.



*Mustang*, 2015, courtesy of Cannes Film Festival

## ACCESS AND DIVERSITY

While digital technology has helped establish the unparalleled and diverse film offer that is today available to consumers, it has also – and perhaps counter-intuitively for some – strengthened the position of mainstream films on major VOD services.



Fiesta del Cine is an audience development initiative organised by Spain's leading audiovisual organisations. The concept is simple: twice a year during three days of 'Fiesta', cinema tickets cost only € 2.90. As a result this sector-wide initiative attracts millions of visitors all across the country and enables them to enjoy a unique cinema-going experience.

[fiestadelcine.com](http://fiestadelcine.com)

The role of cinemas in raising awareness around and providing access to a diverse European film offer is therefore ever more important to maintain competitiveness and diversity in European cinema. UNIC data for a number of territories shows that the level of local and European films enjoyed in cinemas has continuously increased over the past years if one takes a longer-term perspective. In this context, support networks such as Europa Cinemas help maintain audience demand for non-national European titles and are the best way to promote a pan-European market for local films.

Ensuring that film lovers from a variety of backgrounds and age groups are able to enjoy films on the big screen is of course paramount to the continued appeal of cinemas. On the one hand dynamic pricing strategies by some operators facilitate different entry options depending on the spending willingness of each customer. On the other, there are a variety of promotion campaigns for different audience groups, including ticket reductions for senior citizens, kids/ teenagers or the unemployed, just to name a few. The famous € 4 campaign for under 14 year-olds in France is one such example of a sector wide initiative that significantly increased the share of young audiences in French cinemas.



Finally, cinemas across Europe have made significant investment in improving access to their theatres. Digitisation has facilitated the use of subtitling and audio description technologies inside the screening room for those with visual or hearing impairments. Some operators offer special screenings to enable film fans with cognitive or learning disorders to enjoy the big screen experience. Odeon & UCI cinemas in the UK, for example, have long offered special screenings for cinema-goers with autism or other cognitive needs.

09 | European Art  
10 | Cinema Day  
2016

On 9 October 2016 UNIC's partner organisations the International Confederation of Art-house Cinemas (CICAE) and Europa Cinemas – with support from the Creative Europe MEDIA programme – teamed up with more than 1,000 cinemas to present a curated program including previews, children's films and historical classics to celebrate European cinema.

[artcinemaday.org](http://artcinemaday.org)



## Moviereading App

The Moviereading app supports hearing- and visually-impaired people in enjoying the big screen experience. The Italian app provides perfectly-synchronized subtitles or audio description on their mobile device for any movie, in any theatre, with the simple push of a button. Use of the app is widespread in Italy and Scandinavia and is currently being tested in Germany and Spain.

[moviereading.com](http://moviereading.com)

## NEXT GENERATION CINEMA

Next to providing kids and teenagers with affordable cinema tickets, across Europe the sector experiments with a range of new ways to attract younger people – traditionally our core audience. Alongside engaging and daring film offers, more sophisticated digital engagement by cinemas that create experiences that teenagers can instantly share, the establishment of attractive events and the development of creative partnerships with distributors and outside brands all help in this endeavour.

INTO  
FILM

Into Film is an education organisation working with children and young people in the UK. It enables schools and youth groups to set up their own film clubs (15,900 clubs in 2015), to watch films together, to create their own films, and of course to experience film in the cinema. Supported by the UK cinema industry, Into Film thereby empowers children and teenagers to develop a critical understanding of audiovisual culture while encouraging them to become loyal cinema-goers in the future.

[intofilm.org](http://intofilm.org)

# PLACING CINEMAS AT THE CENTRE OF EUROPE'S GROWTH STRATEGY FOR FILM

*Innovation and the Big Screen* demonstrates how European cinema operators of all sizes and locations have embraced innovation and change to the benefit of their audiences and the wider film sector. Their efforts to provide ever-more engaging, diverse and immersive experiences confirm the central role that cinemas continue to play in promoting a vibrant European film culture.

As governments and industry leaders across Europe come together to examine how best to equip the European film sector for future business and audience growth, they must likewise place cinemas at the centre of those efforts. This particularly applies to the European Commission and the European Parliament, currently reviewing a range of policies that will significantly shape the future of our industry.

While perhaps well-intentioned, Europe's approach to cinema has of late exaggerated the cultural and economic contributions that digital platforms make to the European project while at the same time underestimating the importance of promoting a fair, competitive and culturally diverse cinema eco system.

Developing a comprehensive innovation strategy for Europe's film sector – one that puts cinemas at the centre of Europe's cultural and creative ambitions – could help recalibrate this approach.



## ASSOCIATION MEMBERS

### Austria

Fachverband der Kino-, Kultur- und Vergnügungsbetriebe

### Belgium

Fédération des Cinémas de Belgique

### Denmark

Danske Biografer

### Finland

Finnish Cinema Exhibitors' Association

### France

Fédération Nationale des Cinémas Français

### Germany

HDF KINO e.V.  
(Hauptverband Deutscher Filmtheater)

### Greece

Federation of Greek Cinemas

### Hungary

Mozisok Országos Szövetsége

### Israel

Cinema Industry Association

### Italy

Associazione Nazionale Esercenti Cinema  
Associazione Nazionale Esercenti Multiplex

### Netherlands

Nederlandse Vereniging van Bioscoopexploitanten

### Norway

Film & Kino

### Russia

Kino Alliance

### Spain

Federación de Cines de España

### Sweden

Sveriges Biografägareförbund

### Switzerland

SKV – ACS Association Cinématographique Suisse

### Turkey

Turkish Cinema Operators' Association

### UK

UK Cinema Association

# OPERATOR MEMBERS

**Cinémas Gaumont Pathé**  
Belgium, France, the Netherlands, Switzerland

**Cinemax**  
Slovakia

**Cineplexx**  
Albania, Austria, Croatia, Greece, Italy, Kosovo, Macedonia, Montenegro, Serbia, Slovenia

**Cineplex**  
Germany

**Cineworld and Cinema City International**  
Israel, Ireland, Hungary, Poland, Czech Republic, Romania, Bulgaria, Slovakia, United Kingdom

**Kinepolis Group**  
Belgium, France, Luxembourg, the Netherlands, Poland, Spain, Switzerland

**Kino Arena**  
Bulgaria

**Mars Entertainment Group**  
Turkey

**Movies@Cinemas**  
Ireland

**Nordic Cinema Group**  
Estonia, Finland, Latvia, Lithuania, Norway, Sweden

**Nordisk Film Biografer**  
Denmark, Norway

**Odeon & UCI Cinemas Group**  
Austria, Germany, Italy, Ireland, Portugal, Spain, United Kingdom

**Omniplex Cinemas**  
Ireland and Northern Ireland

**Svenska Bio**  
Denmark, Finland, Sweden

**UGC**  
Belgium, France

**Vue International**  
Denmark, Germany, Ireland, Italy, Latvia, Lithuania, Poland, Taiwan, United Kingdom

**Yelmo Cines**  
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# UNIC

Union Internationale des Cinémas  
International Union of Cinemas

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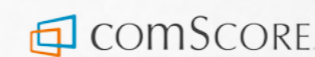
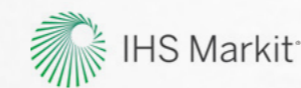
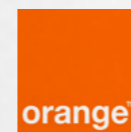
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# PASSIONATE ABOUT THE BIG SCREEN

## Partner of European Cinema Exhibition Programme

UNIC is proud of its partnership with leading brands in the European cinema space



Cine Ideal, Madrid, Spain, courtesy of Yelmo Cines

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