



POLICY MEMO

Regional cinema exhibitors: threads and threats

BACKGORUND

Every cinema exhibitor in the region¹, no matter if it is part of a cultural centre or independent arthouse exhibitors, has a story behind its foundation, a different stage of development and progress and diverse country context. Still, there is a thread that connects them and a threat that they share.

Their commitment to *keep alive* and *protect* the cinemas *ecosystems* is the thread that unites them, and the constant strive to involve new audience and devoted spectators is the assumed threat.

That is why it is of a great importance that the representatives from the cinemas sector be willing to communicate their practices, share their knowledge and expose the lack of skills, competences and problems they face.

This policy memo intends to remind of the problems the regional cinema exhibitor have to handle, and inquire into potential new avenues for future cooperation. Moreover, the policy memo will serve as base for discussion at the first Cinedays Cinema Forum, in Skopje, North Macedonia. The event is tied to this document memo and the participants will discuss policy memo as a starting point and developing the debate further on, eventually will deepen the debate regarding other important aspects related to the cinema exhibitors and their collaboration.

The model of cultural policy practiced in the Balkans region is deeply dependent on various non cultural factors: the instability of the political system dominated by unresolved economic relations, the improper functioning of the “cultural market”, along with a general fear and uncertainty regarding the political and social instability of the related countries. These socio-political preconditions also determine the cultural policy, i.e. its undefined existence. This, in turn, generates an audience that is not sufficiently involved and interested in art as well as works of art that are not properly valued. In such conditions, the key task of people working in culture is to offer valuable and high-quality strategies, solutions and practices that would increase and enhance the cultural participation. That cultural needs should be developed from an earliest age. Guided by the principle that the development of creativity will increase human happiness and improve the quality of life, the idea of consistent cinema-goers will aim to create conditions for enhancing the free time of individuals in their environment, active participation in cultural living and enabling opportunities for intervention in it. Thus, in our regional context it is very important for the cultural sector to be focused on two aspects:

- Creating environment from the earliest age for development and promotion of creativity by increasing the cultural participation offer
- Promoting regional and international cooperation based on mutual respect and understanding, shared values and common principles

¹ Albania, Bosna and Herzegovina, Bulgaria, Croatia, Greece, Montenegro, Kosovo, North Macedonia, Serbia
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OVERVIEW OF THE ISSUES

We could identify two main issues that independent cinemas in the region are facing right now.

- Issue #1

Lack of consistent and regular audience throughout the year. How to teach new generation what the cinema is all about?

- Issue #2

The challenge of creating financial sustainability in the independent cinemas.

The first issue implies constant search of new instruments and tools that would help building and keeping the audience alive and active. The struggle is two folded:

From one side cinemas exhibitors in the Balkans region ought to act as film educators of the young audience, which is indeed one of their duty, but they mostly fill in the gap that exists as a result of lack of film education from an early age. Currently, film and cultural clubs in the elementary and secondary schools are not part of the educational system.

The other aspect is the blockbusters vs Independent (European) films, or the question on how one can make a perfect balance or combination that will ensure the presence of audience no matter the origin of the film. Maybe, the answer is lying in the carefully selected repertoire of *viewable* European films when it comes to bringing a wider audience. Moreover, planning a marketing campaign and promotion activities that will make the audience not a *simple* consumer of the content, but give them a new experience during a screening event.

Can we apply the good practices from our neighbors to our cinemas? Are there ways we could exchange experience and yet

How people got their information: visual information is key. People go onto YouTube, see endless trailers but the call to action comes through people, peers. Millennials, Gen Z, Gen A – whatever we want to call them – live in a complex world but it is their normal. So, we can't conceive of only one single way to engage them, but film is a draw and has the power to engage. They are looking for authenticity in the stories and the complex world they are living in as well as how we engage with them. They don't mind experts as long as they are representative and are not telling them what to do but offering up their opinion. They are interested in people not algorithms. We should respect the complexity they live in and get in amongst their complexity – to engage with them not in a partisan way, it's a dialogue they're looking for. Critics are more important for the sector than the audience (only 5% listened to critics in the survey). Everyone can be a critic these days and each person will have a different kind of influencer. The technology is there, the environment is there at home, now, and they have choices in their lives that might mean that taste and development goes on in the home now. Connecting the cinema and digital experience is key because if we're not doing that and we're segregating them then we're not living the same kinds of lives as the people we are trying to engage.

<https://www.europa-cinemas.org/uploads/21st%20EUROPA%20CINEMAS%20CONFERENCE%20RESUME.pdf>



exchange common programs, marketing packages or film crew guests?

Finally, part of the mission of the existing cinema networks in the region is international collaboration and partnership with similar association and organizations. Therefore, cinemas have to be opened and find various paths to help each other, be in a constant communication and benefit from it.

The second problem comprise set of actions that each cinema exhibitor, the organization or institution behind the cinema exhibitor, should take in consideration in order the cinemas to function as a whole *ecosystem*. This means: maintenance of the cinema technical equipment, the infrastructure of the building, staff cost, programming cost, marketing, promotion costs etc. That financing *wallet* of the independent arthouse exhibitors is usually related to the different countries legislative or support the institutions are giving. For example: in Kino "Frosina" (Skopje, North Macedonia) the only

The overwhelming majority of cinemas point to financial constraints as the biggest barrier to innovation. Almost all cinemas (98%) say lack of money and resources is at least sometimes an issue for their businesses and 62% say it is a "serious issue."

New Approaches to Audience Building - Europa Cinemas (A survey of innovation in the Europa Cinemas network)

<https://www.europa-cinemas.org/uploads/Innovations%20et%20Re>

support cinema exhibitor are receiving from the country on an annual base is the support from the Municipality of the city of Skopje. On the other hand, Kino Mediteran-Croatia is supported by four state institutions: Ministry of Culture, National foundation for civil society development, Croatian Audiovisual center and Kultura Nova Foundation. It is certain that the institutional partnership is of a great importance but it is dependent on the national cultural policies and strategies. For that reason, acting and lobbying to influence on the cultural policies has to be persistent, and undoubtedly could arise from multiregional joint action.

DISCUSSION POINTS FOR FUTURE COOPERATION

- Annual regular meetings on sharing best practices and information
- Testing and sharing of innovative practices, products and processes
- Exchange program between cinemas
- Regional distribution of the cinema work (multilateral regional agreement)
- Establishing regional network of cinema exhibitors



For cinemas, necessity is the mother of invention. Innovation needs to be assessed in three areas:

1. Changes to, and reforms of, the content pipeline and value chain to reduce costs and increase the efficient flow of content. That flow is both backwards through production, sales and distribution, and forward through television and the emerging world of video on demand (VOD).
2. Innovation to support existing audiences, build brand loyalty and help convert casual visitors into regular and committed audiences
3. New means of finding and capturing consumers, who have not been exposed to film culture, do not understand its relevance, or whose interest may be dormant. That uncaptured demand often includes very large demographic and social groups.

https://www.europa-cinemas.org/uploads/Innovations%20et%20Ressources/2017_Survey_May2017.pdf

Food for thought: are cinemas' ready to increase their environmental sustainability?

Check the [Green Cinema Toolkit](#) (Independent Cinema Office)

In the midst of the ongoing climate crisis, cinemas can act by taking measures to cut their energy bills and play a role in supporting the development of a new carbon economy. No matter the size of your venue or festival, you can contribute to this challenge by ensuring that the use of shared natural resources – such as energy, food and materials – is as efficient as possible, contributing to making society more resilient.

Green Cinema Toolkit