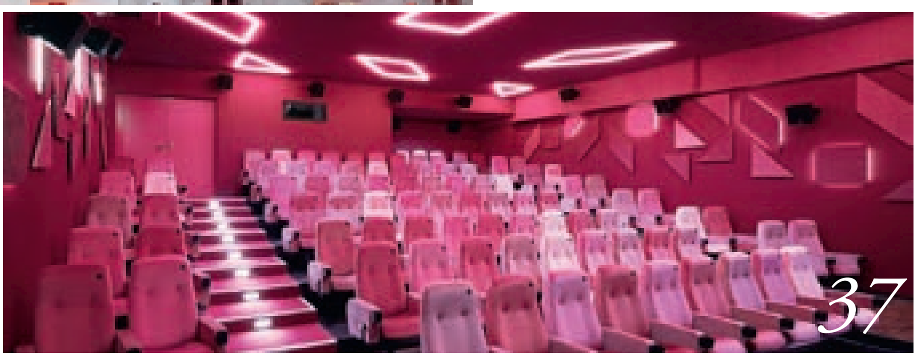
EUROPA CINEMAS

NETWORK REVIEW N°30

20TH NETWORK CONFERENCE BUCHAREST

EUROPA CINEMAS **AWARDS 2017**



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EDITORIAL

Today it seems quite natural to be celebrating the longevity of a network of cinemas such as ours, but we would do well to remember that 25 years ago, in 1992, there was still all to play for!

The birth of the MEDIA programme a few years earlier had sparked off a tremendous flow of ideas and initiatives in the cinematic world but it did not seem necessary to create an international network of cinemas straight away.

It was too complicated to unite geographically dispersed and highly localised establishments, find in them common interests that transcended national boundaries, roll out sustainable and suitable financial support, draw up guidelines that would work for everyone and in all countries, not distort the competition in this highly competitive milieu and attain a sufficient critical size to have a real effect on the industry and on the dissemination of films. It has been possible to take up all these challenges thanks to a constructive dialogue with the European Commission and the commitment of exhibitors to work together at an international level.

A CRITICAL SIZE TO BE EFFECTIVE

Our objective of “fostering the circulation of European films in their own continent” was only achievable if the network was sufficiently well-established throughout the countries. Hence our initial endeavour to group together the greatest possible number of exhibitors in order to offer distributors a solid footing on which to launch European films outside their country of origin. In less than 10 years we have multiplied the number of cinemas in the network by 10. This expansion was fostered by the MEDIA programme which increased its support budget for cinemas proportionately. And this support, together with the willing participation of exhibitors, saw the percentage of European screenings on the network grow from 50 to 60%. 25 years on, the network represents more than 2500 screens in 633 towns and 34 MEDIA countries. In 2016, as announced in Cannes, European films in the network have reached audiences of over 40 million and produced box-office revenues for of nearly 250 million euros. A solid achievement for the film industry and a guarantee that the citizens of this continent have easier access to the films produced in Europe.

COLLECTIVE STRENGTH FOR THE TRANSITION TO DIGITAL

For nearly ten years, we have used the collective strength of an international network to ensure success in what was becoming the biggest technological but also economic revolution in the film disseminating industry: the shift from 35mm to digital screening. We know that the network is largely composed of independent cinema operators and therefore of isolated and fragmented establishments. It was therefore necessary to join forces to share collective considerations and move towards making the right decisions without wasting time (2K, DCP, VPF format, etc.) and thereby making a joint transition successful which would have been tricky for the independent sector. Our annual conferences which brought several hundred exhibitors together each year made this sharing of information and exchange of experiences possible on a large scale, and this was vital for companies that were going to have to make very costly investments. For 10 years this networking has produced a genuine saving of time and money for all of us and the result speaks for itself since practically all of our cinemas equipped themselves without delay like the major international chains.

TODAY'S CHALLENGE: REINVENTING THE CINEMA EXPERIENCE

Today the film theatre faces two challenges: to come out on top of the many competing forms of presentation of images or feature films and above all to maintain its special place in consumer viewing habits. The cinema has always prevailed in the competition with new media or forms of distribution (television, VHS tapes, DVDs, etc.), and it should not fear either VOD or the internet. The future of the cinema hangs rather on real-life practices, especially when it comes to children and teenagers, who quickly pick up new habits in relation to the production and consumption of images. Exhibitors are fully aware of these threats and of the need to innovate in order to remain the preferred choice of young generations of viewers. The cinema must remain at the very heart of their networks of communication and take advantage of this new digital agility to create the desire for what it alone can offer, i.e. the pleasure of the shared experience of cinema-going and a constantly fresh offering. It is the role of Europa Cinemas to train the young exhibitors who will run the film theatres of the future and will pass a taste for the cinema on to a public that is more and more connected and demanding. Every year we offer young exhibitors several Innovation Labs to help them familiarise themselves with the new prospects offered by digital screening and the internet: social media practices, viral marketing, data collection, links with communities, programme diversification, cinema events. At the same time, we regularly publish surveys to highlight the work of exhibitors on the ground, notably the Innovation Survey presented at Cannes on new approaches to audience building. In this special 25th anniversary edition, we are publishing a survey on the structural investments of exhibitors in the area of constructing, marketing, and adapting their cinemas for the future of showing films on the big screen.

We know that our active role among audiences is increasingly decisive for the success of European films and that the cinema will remain the foremost place for appreciating the creativity and diversity of European films. With the strength of these convictions, the members of Europa Cinemas are entering this new phase of film sharing with confidence and determination alongside partner institutions - Creative Europe MEDIA, CNC, Eurimages - that have supported them for the last 25 years.

Claude-Eric Poiroux,
General Director of Europa Cinemas
Nico Simon, President of Europa Cinemas

Claude-Eric Poiroux, General Director of Europa Cinemas, and Nico Simon, President of Europa Cinemas © Eva Kořínková

STRATEGIC INVESTMENTS IN THE FUTURE OF FILM

AN EXTENSIVE SURVEY OF THE EUROPA CINEMAS NETWORK

Victoria cinema, Stockholm, Sweden

Respondents by country: 208 cinemas, 141 towns and cities, 31 countries.

CHAPTER ONE

METHODOLOGY

This report, commissioned by Europa Cinemas, is a study of investment in the independent cinema exhibition sector in Europe. It is an extensive survey, with responses from 208 cinemas, located in 141 towns and cities in 31 countries.

The catchment area of venues ranges from the biggest cities, with potential reach of more than 100,000 people (41%) to small locations with less than 20.000 people (13%).

The cinemas are all members of the Europa Cinemas network, founded in 1992 and now comprising more than 1,000 cinemas in 41 countries.

The study aims to:

- Study attitudes and approaches to investment in independent cinemas
- Understand the objectives of investment
- Study the impact of those investments in a variety of areas
- Identify investment priorities
- Share knowledge about investment strategies

CHART 1
NETWORK MEMBERS BY SIZE

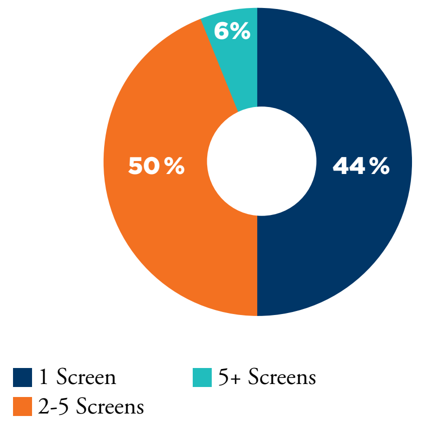
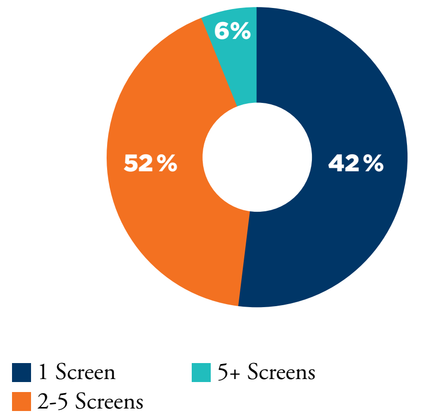


CHART 2
RESPONDENTS BY SIZE



It is a companion to another survey, released in 2017 – *New Approaches To Audience Building: A survey of innovation in the Europa Cinemas network* – which focuses on innovation and digital development.

This report is primarily based on an extensive survey of independent cinemas belonging to the Europa Cinemas network. Participating cinemas were chosen to represent a cross-section of members, in terms of the number of screens, resources and geography.

As Chart 1 and 2 demonstrate, the profile of respondents is aligned with the network as a whole. Each section is also illustrated through case studies, selected by Europa Cinemas to represent a cross section of the network and different facets of cinema investment.

The study also involved extensive desk research, which offered a broader context for the report.

Delphi Lux (Yorck Kinogruppe, Berlin, Germany)

Curzon Soho © Neil Massey

Curzon Richmond, London, United Kingdom


Cinéma Caméo, Namur, Belgium © Julien Forthomme

CHAPTER TWO
EXECUTIVE SUMMARY

The following is a summary of the key points informing and emerging from this study of investment across the network.

THE INDEPENDENT EXHIBITION CINEMA LANDSCAPE

The independent cinema sector in Europe is a mixed economy, made up of a wide variety of venues, operating under contrasting ownership and business models.

Most of the investment models described in this report are indicative of issues and opportunities arising in specific markets, countries and regions. One of the critical differences between independent cinemas and some of the bigger commercial chains is that they are based in, and belong to, their own communities.

Nonetheless, the sector is united around certain practices, principles and processes, resulting in some valuable findings about investment across the network.

This report is divided into four relevant themes: investment in film, investment in communities, investment in experiences and investment in people. In reality, they are all interlinked and connected, but this provides a useful framework for analysing the responses of cinemas to the survey, and the additional case studies. All independent cinemas face short-term pressures, which can make it difficult to find the time for long-term strategic thinking. This report aims to share the thinking and actions that might help inform future planning.

INVESTMENT IN FILM

The Europa Cinemas network is united firstly by its championing of European film. It is what sets the network apart and has a vital role in creating the demand for national European films (that go on to be exploited across all other platforms).

Cinemas have already made the biggest investment in the history of the sector, with the conversion to digital projection. Now the emphasis has shifted to making sure that the new environment provides the best possible way to present films to audiences, reflecting both the vision of the *auteur* and the desires and expectations of today's audiences.

Among the important investment trends, there has been an increase in the number of screens and the variety of the film offer within existing buildings.

A third of venues (31%) have either changed the number of screens, or have plans to in the next five years. It is an investment that may be critical to the wider film industry, where production levels have risen without much consideration of how those films might reach audiences.

INVESTMENT IN EXPERIENCE

Cinemas are Experience Economy businesses, competing for the scarce leisure time of consumers on the basis of providing a unique environment that cannot be matched in any other setting.

Much of the focus has been on comfort and quality in screening rooms but this survey reveals that cinemas have also invested heavily in making a visit to the cinema a richer and more varied experience.

There has been significant investment in creating dynamic social spaces, including restaurants and bars that respond to local need, and support more sustainable businesses. Case studies offer strong examples.

INVESTMENT IN COMMUNITIES

Independent cinemas act as a focal point for their communities, based either in city centre locations and to a lesser extent embedded in suburbs. They are employers and generators of economic value in their home towns and cities and offer social, cultural and economic value (even to those who never watch a film).

Cinema buildings themselves are often community assets in their own right, sometimes as confident new architectural statements, sometimes keeping historic buildings alive. The social spaces within cinemas are often valuable focal points for local organisations.

Some of the case studies show that public funds and private developers see cinemas as engines of regeneration, inspiring other kinds of development, including shops and restaurants surrounding their spaces.

INVESTMENT IN PEOPLE

Independent cinemas are 'people businesses' based on interaction with their audiences.

The most direct form of investment in people is jobs and skills, not just through staff recruitment, but also through hiring local professionals and tradespeople, from cleaners to architects.

The investment on staff and services impacts on the value of the relationship between cinemas and their communities. Identifying, attracting and nurturing audiences is becoming a major part of investment. In recent years, software, online technology,and associated skills have become more significant to support more targeted marketing campaigns and to identify, capture and nurture new audiences.

The case studies show how cinemas are starting to optimise their approaches through a mix of investment in expertise and technology.

CONCLUSIONS

Investment in the sector is always based on necessity or opportunity.

Those necessities include the maintenance of buildings, economic changes, public spending cuts, legislation, and other services are continuous.

While this report sheds a light on exciting new developments, a clear point that emerges from the survey and interviews is that those venues, which thrive and grow, continuously invest.

Consumer demand continues to evolve in ways that challenge the *status quo* for cinemas.

Short-term pressures can make it difficult to focus on longer-term opportunities.

This survey offers a valuable snapshot of the priorities of the sector but also inspiring examples of how different cinemas are approaching specific challenges that can be further explored through Europa Cinemas' sector development programme.

The report might also offer a broad sense of direction and compelling arguments for potential public and private support.

It offers ideas to make even the smallest of investments work hard.

Curzon Soho, London, United Kingdom


Curzon Soho © Neil Massey

The team of Elvire Popesco, Bucharest, Romania
© Institut Francais de Roumanie.


Hart cinema, Naples, Italy

CHAPTER THREE

INTRODUCTION

The independent cinema sector in Europe is not a homogenous group of businesses, but rather represents a wide range of venues, serving a diverse range of communities.
There is no single ownership model and certainly not a singular business model. As a result, no one-size-fits-all approach to investment emerges from this report.
Sometimes, investment has been a carefully planned strategy over many years, but it is often reactive and opportunistic; seizing opportunities when they arise and spending in response to immediate problems.
While the focus of this report is on strategic investment and long-term development, it is important to note that much investment is driven by necessity.
There are some critical areas of spending, which are necessarily reactive, with little chance of long-term recoupment.
Those include external factors such as new regulations and taxation, or cuts to public spending. For most, and

particularly those in older buildings, maintenance is an ongoing strain on resources. The money spent on health and safety, plumbing and toilets, electrical and air-conditioning takes up a large part, and sometimes the entirety of a capital budget.
Nonetheless, independent cinemas also find ways of turning necessity into opportunity and many have created imaginative and progressive strategies.
There are clear themes that unite those strategies that might offer valuable ideas across the network.

Investment in film: The members of Europa Cinemas share a belief in the value and importance of film. Not all the cinemas like the label 'arthouse' but it does recognise a commitment to films that are rarely, if ever shown in the major multiplexes. Cinemas in this survey have made significant and direct investments in both the technologies and environment in which films are seen, and in the development of audiences. Many cinemas are also active participants in broader film industry debates and lobbying.

Investment in the cinema experience: The cinema experience has been transformed over recent years with major investments to build comfort, quality and choice. This survey shows that the independent sector has also worked hard to create welcoming, responsive and dynamic social spaces, that are helping attract new demographics.

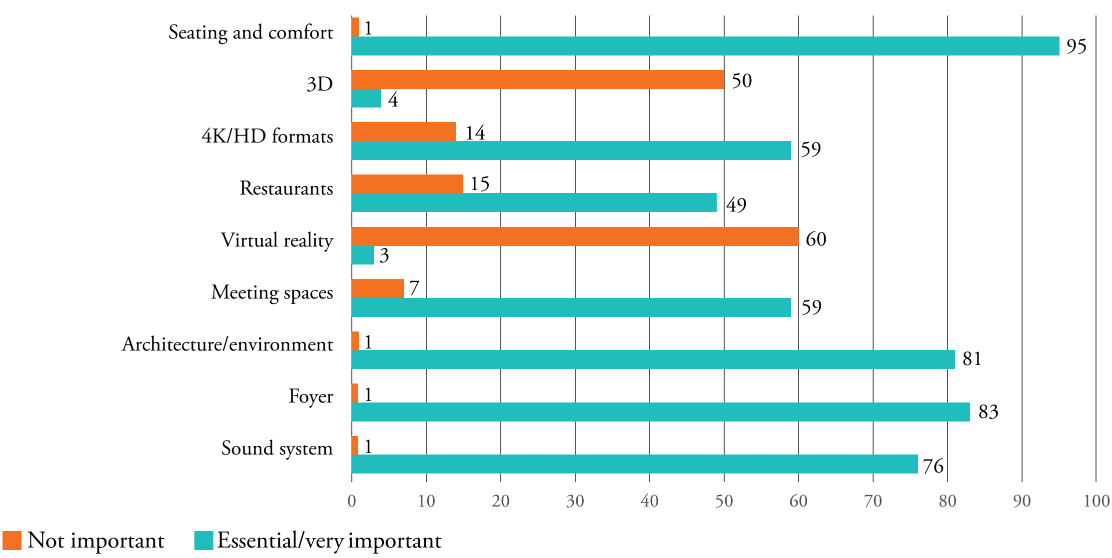
Investment in communities: Independent cinemas have a powerful sense of place and community. One of the most significant statistics from the survey is the fact that the vast majority of Europa Cinemas members are in the centre of their town and cities (88%), or in suburbs (12%), where they often act as a focal point for the community. Cinemas are employers, buyers of services and engines of economic regeneration, as well as fulfilling an essential social and cultural function.

Investment in people: The most direct investment in people is in jobs, and cinemas in this survey are important employers – and trainers – of skilled staff. The teams at cinemas often have a very personal direct relationship with their customers. But they are also increasingly investing in innovative approaches to identify, build and nurture audiences, beyond their core demographics, with particularly emphasis on younger people.
The spending priorities are a mixture of each of those investment types.
Another shared factor that unites independent cinemas is a strong entrepreneurial spirit. They represent a network of small businesses that need to think and act fast, and understand the importance of sustainable commercial enterprises to cultural activity.
Public money certainly plays a role in supporting activity but what stands out in this report is just how independent the independent sector is.

A MIXED ECONOMY

The independent cinema circuit is a truly mixed economy, including private businesses, not-for-profit organisations, multi-venue networks and groups and publicly-owned venues.
The sources of finance are similarly mixed, drawing on private and public resources, as well as debt.
The majority of investments (68%), of all kinds, are financed, or part-financed, through private resources, in particular money generated by the businesses themselves, through revenues. 23% of investments require bank loans.

CHART 3 MOST EFFECTIVE INVESTMENTS ACCORDING TO THE RESPONDENTS (%)



Significant sums, however, come from public funds at local, regional, national and international level. In 46% of cases, public funding plays at least some role in financing change, with 7% receiving specific capital grants for improvements.

There has been some experimentation with alternative sources of finance, such as crowdfunding, although only in 3% of cases. The case studies have examples, however, of where such funding can be effective (See pages 34,36 and 44), and of innovative bond schemes that act as low-interest loans (See page 36)

The cinemas that participated in this survey all receive some form of European support for their programme and audience development initiatives through the Europa Cinemas network.

European public funding from other sources also plays a role in supporting investment with 82% of venues saying they have received at least some support in the last three years.

More than two-thirds (70%) of that support has come through a variety of cultural funds but 12% have come from other sources, including regional development aid.

Almost two-thirds (65%) have received national government support: 49% through cultural funds, 8% capital grants, 2% economic regeneration, 8% other funds, 38% have been supported by regional funds during the same period (26% through cultural funds, 3% capital grants, 3% regeneration budgets and 7% from other funds).

More than half have received financial support from their home towns and cities. That support has been particularly significant in some of the capital projects, featured in case studies. The motivation of that backing is often economic, as well as cultural and social, with recognition of the benefit to regeneration schemes of cinema.

DIVERSIFICATION

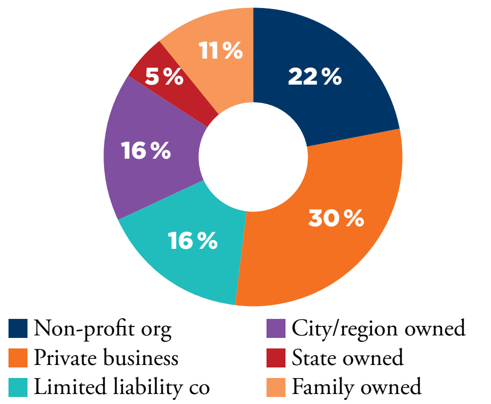
Independent cinemas have spent significant amounts on improving their marketing and ticketing processes in recent years (See Chapter 7).

They have also looked to diversify their income streams, with less reliance on ticket sales.

Food and drink plays an essential role in most venues, including concessions stands, bars and restaurants. An average of 11.6% of revenues among the cinemas in this survey come from food and drink but for some, that number is considerably greater. (See p 25 for more)

Event Cinema screenings of live opera and theatre have also become an important contributor to the economics of cinema. The average contribution is 4.5% but, for some venues, it has become much more important (with a high of 30% at ArtHouse Crouch End in London.)

CHART 4
OWNERSHIP AND MODELS



Other arts events, such as music concerts, and business conferences and room hire make up an average of 4.2% of income.

The hyped area of gaming events, still makes up a tiny proportion (0.7%) of average income and has not been tested by the vast majority of venues.

PARTNERSHIP, SPONSORSHIP AND ADVERTISING

External financial support from the private sector comes in many direct and indirect forms. Some are direct, such as the large-scale partnerships between developers and cinemas, highlighted in some of the case studies.

Private money may also be tied up in other areas of public projects and renovation.

There are some examples of smaller-scale investments in cinema. Private sponsorship has played a big role in financing many cultural activities but cinema has been a relatively small beneficiary.

Just 11% of respondents say they have attracted private sponsorship for the venue itself, though 18% have attained backing for specific events run by the cinema.

Targeted sponsorship may play a bigger role in the future, given that the Europa Cinemas Innovation Survey showed that 78% of network members run their own festivals.

Advertising on screen and inside venues makes a significant contribution to revenues in some cinemas. Almost half of venues (49%) attract local advertising and 46% national advertising. A quarter (24%) have private advertising within their venue.

In those venues, where advertising makes a contribution it accounts for an average of 3.6% of overall revenues.

Comoedia, Lyon, France © Nicolas Spiess


Schauburg, Dresden, Germany


Lucky, Plovdiv, Bulgaria


Kino Muranow, Warsaw, Poland

CHAPTER FOUR
INVESTING IN FILM

Cinemas remain the pre-eminent demand creators for film and they are, of course, the only way that audiences can share in the actual vision of the *auteur*.
The pre-eminence of film as an art form, however, is under threat, particularly among younger generations, who are now bombarded by alternative ways to spend their time.
The 2017 Europa Cinemas Innovation Survey showed that the biggest perceived threat to the future of cinema from network members was competition for scarce consumer time, and the biggest threat to European film was the loss of young audiences.
Something of a renaissance for small-screen series also represents a challenge, not just in the fight for scarce consumer time, but in the fact that the increase in quality has often been achieved using film talent.
Film, and particularly independent European film, needs its champions in the cinema world to succeed.

That need has arguably grown with an increase in the number of movies in the market.

The European Audiovisual Observatory counted 1,159 films in the EU in 2008 but 1,740 a decade later, an increase of more than 50%.

There are limitations on how far the independent cinema business can expand to meet that increase. This report offers promising examples of new building of independent cinemas, with some interesting case studies. Nonetheless, the amount of new venue construction will always have a ceiling.

This survey, however, shows that much investment is based on making the existing buildings and facilities more effective, including improvements to the experience (See Chapter 5), and in marketing and audience development (See Chapter 7).

There have been some direct investments that may have particular relevance for the future of European film.

EXPANDING SCREENS

The room for manoeuvre in adapting to changing demand and needs can be fairly small and all existing cinema have physical limits to expansion. Older buildings may present particular difficulties, often including planning restrictions. Only 15% of venues have extended their main building in the last 10 years and just 4% in the last 12 months.

But there have been significant developments in adapting existing spaces that may be very important to the future of film.

The most prevalent is investment in the cinema experience and the quality of screening, both of which are explored in Chapter Five.

But there are other potentially critical trends for film, of which the most important may be investment in new screens within independent venues.

Many of the cinemas in this survey began with just a single, very large auditorium, some with more than 1,000 seats. Such theatres became uneconomical in most cities decades ago, when television began eating away at attendances – and European high streets often have the ghosts of those kind of cinemas, now housing shopping developments and offices.

A recent trend has been to increase the number of screens to offer more variety and different kinds of experiences. Close to a third of respondents (31%) have either increased the number of screens in their venue (including 5% in the last 12 months), or plan to do so in the next five years (10%).

Many of the new screening rooms offer a more intimate cinema experience, focused on comfort, quality and choice (See Chapter 5).

Such developments represent significant potential for a film industry that has become over-reliant on instant success on the opening weekend, largely as a result of an unsustainable over-supply of product.

More screens creates the opportunity to increase both the number of films, and means some films can enjoy a longer theatrical life, as the case studies in this chapter illustrate. Digitisation has made access to films much more efficient and cost-effective, and made possible more responsive programming.

FILM INDUSTRY VALUE

Cinemas have been casting aside any residual notions that they represent merely the retail arm of the film business. Investment in cinemas from public funds is of vital importance to the wider film industry.

The most common regular investment among the network members in this report comes from Europa Cinemas, in the form of support for screening of national and European non-national films.

Increasingly, independent cinemas are active contributors to the broader ecosystem of film. That role has taken on greater prominence in recent years as film policy-makers have turned their focus towards audience development.

Half of the cinemas in this survey (49%) say they play a role in film policy and supporting, or closely collaborating with other parts of the value chain (development, production, distribution, etc.).

10% of venues offer production facilities and services themselves, often becoming an important asset to the development of local film talent.

17% work closely with producers and film funds in the film-making process. Cinemas can provide essential links to, and knowledge of, audiences in their regions.

The value of exhibition as the customer-facing end of the business is increasingly recognised by film industry bodies, funders and policy-makers.

Around a third of respondents to this report play an active role in regional and national film policy and 27% have been asked to represent the film industry in lobbying and advocacy at local, national and international levels.

DIGITAL TRENDS

The biggest investment in film in recent years, and arguably in the history of film, was the worldwide conversion to digital projection, which took a decade to complete. The question now is how far the potential of digital cinemas can be pushed.

The initial emphasis of the business was on new formats and particularly 3D. Independent cinemas in this survey appear to have always been more sceptical of the value of the 3D wave, which began around 2003, than the multiplex chains.

15% made investments in 3D between five and ten years ago but the enthusiasm waned over the years, not least because of the paucity of content suited to its audiences. Almost two-thirds of venues have never invested in 3D screens and just 3% say they plan to do so in the next five years.

There has been more enthusiasm for 4K and upgraded sound systems, as the next chapter shows.

One important area of investment is satellite technology, which offers a low-cost form of distribution and potential for new kinds of content. More than half of venues (52%) have either invested in satellite facilities or plan to do so in the next five years (12%). The biggest investment (18%) was three-to-five years ago, when the potential of Event Cinema was becoming clear.

But satellite distribution offers a low-cost means of distribution and the potential for new film-related activity, such as simultaneous screening of festival competition titles, an idea that has already been tested by the Rotterdam International Film Festival's IFFR Live! experiment, which included a number of Europa Cinemas members.

Internet-based distribution plays a vital role in those places where satellite technology is uneconomical.

CASE STUDY: COMOEDIA, LYON, FRANCE

Comoedia can trace its roots back more than a century and is one of the jewels in the crown of the cinema scene in Lyon, the birthplace of film.

But a frustration has been eating away at the venue for some years. *"Because of a lack of screens, we often had to turn down films that could have been part of our programme, or had to reduce the number of screenings of films that had great potential*" says Comoedia President Marc Bonny.

It was particularly frustrating for a cinema dedicated to screening the best French and European film and one of the first to be classified as an 'art et essai' theatre. "*An 'art et essai' cinema, such as the Comoedia wants to offer at every moment the best of French and European production,"* says Bonny.

The Comoedia's fortunes, for all its illustrious history, have fluctuated and it closed in 2003. Bonny and colleague Marc Guidoni took over the venue in 2006, and reopened it as a 1,000-seat six-screen venue.

But times have changed over the last decade. While D-cinema has created opportunities to build more flexible and responsive programmes, venues have still faced the obstacle of having no space to show the films they would want.

The team decided Comoedia needed to be able to expand. One option that was considered was to move to a new location. Bonny recalls: "*We considered another place a few years ago but it was very complicated to do several rooms and find satisfactory solutions for the emergency exits. We then preferred to focus on strengthening Comoedia.*"

The team carried out some market research on the potential for increasing the number of screens in the venue and the study supported the idea of introducing additional screens. And an opportunity fortuitously arrived when one of the Comoedia's near neighbours, the INPI (National Institute of Industrial Property), decided to relocate.

Plans were pulled together to extend into the vacant property on Bertheholt Avenue and, with partners, a €2.1m scheme was devised.

The central feature of the work was an increase in screening rooms from six to nine, that were built without the need of a fundamental reshaping of the whole building and areas such as the lobby have not changed.

The work increases the overall number of seats to 1,150 but, crucially, the new rooms offer new kinds of screening potential. The state-of-the-art rooms have

> *"An 'art et essai' cinema, such as the Comoedia wants to offer the best of French and European production at all times."*
>
> Marc Bonny

Marc Bonny. D.R.

Comoedia, Lyon, France © Nicolas Spiess

capacities of 50, 83 and 86 places, all on the ground floor, making them accessible to wheelchairs.

The venue estimates the change will allow it to show 50 more films and offer 5,000 extra screenings per year. The investment also allows the cinema to service niche audiences in a viable way.

Bonny suggests that the transformation of the Comoedia is part of the evolution of cinema. "*Since the beginning of cinemas, the trend has been from mono-rooms to complexes then multiplexes. The Comoedia itself had one screen at its creation in 1914, then three in 1974, six in 1986 and finally nine in 2017.*"

The renovation work was 30% funded through a loan but had significant public support.

The French film agency, the Centre National du Cinéma et de l'image animée (CNC), provided €530,000 in selective aid. A further €140,000 came from the Auvergne–Rhône-Alpes region.

The rest came from an increased advance on the €768,000 support fund from the CNC, with the balance € 662,000 coming from a bank loan.

Comoedia estimates it will take seven years to recoup the investment.

"*The opening period will first of all require us to familiarise ourselves with the changes and to solve the technical and organizational problems that will not fail to arise. Within a few months, we will begin to reflect on how to improve our ways of working in the service of auteur films, whether French, European or the rest of the world. It is a little early too know the reaction of our audience since we have just opened the new rooms*", says Bonny, "*but we believe that regular audience attendances will thanks to an improved offer and we also hope, of course, to reach new spectators.*"

He believes that independent cinemas have advantages in embracing change over large groups, such as Pathé or UGC.

The key is building active communities around dynamic programming and events. A major part of the plans are built around debate and discussion, festivals and Q&As with talent.

Young audiences are a particular passion for Bonny, who is also President of distribution and co-production company Gebeka Films, which specialises in animation (and co-produced the international hit *My Life As A Courgette*). The company is based in the Comoedia building.

But the key is to develop further the dialogue between film, the film industry and the audience.

CASE STUDY: FILMTHEATER SCHAUBURG, DRESDEN, GERMANY

"*The redevelopment of the venerable Filmtheater Schauburg in Dresden began with a question*", says Managing Director, Stefan Ostertag. "*We asked ourselves: 'What is needed to make Dresden's oldest, still-active cinema thrive against the backdrop of a changing business and to ensure the success of the cinema for the coming years and decades?'*"

Filmtheater Schauburg was built in 1927 in the city of Dresden by businessman Arnulf Huyras, opening on 15 October 1927. It remained the city's biggest venue until the 1970s. After the fall of the Berlin Wall it was

Schauburg, Dresden, Germany (1993) © Michael Rudolph

extensively renovated in 1993/1994, becoming a three-screen venue with a total of 700 seats.

It has always been a city landmark but one that, after 20 years, was clearly ready for renovation. And owner Nickelodeon Filmtheaterbetrieb Dresden opted for a multi-million Euros upgrade.

The answer to Ostertag's question includes a decision that is important to the local film industry, as well as the cinema itself.

The venue decided it needed to double the number of screens in the venue from three to five - and a little open-air-screen for the summertime.

The new screening rooms have all been given distinctive characteristics, which cater to both the comfort and quality demanded by the modern audience, and greater diversity of content.

The restructured layout includes a number of smaller screens, constructed in what was a cellar space, and offering a more intimate experience.

The additional screens also give the cinema considerably greater flexibility in its programming, enabling it to target more films, of a wider variety, to a broader audience.

Another major focus of attention has been the foyer, which has been enlarged to create a bright and welcoming space.

As with many of the older buildings in this survey, the cinema has also looked to renovate its toilets, which can be a significant problem.

The reconstruction offered a huge contrast from the origin of the building, as a single screen palace in the 1920s, with more than 1,000 seats.

The work, which began in May 2017, offered considerable challenges, including serious structural and engineering issues in the construction of the new screens.

"*During the planning and construction phase, we were mainly confronted with numerous and unforeseeable problems of static and fire protection," says Ostertag.*

"There was always the need to react quickly to the current construction process and to find solution-oriented and sustainable compromises within the framework of the applicable regulations for the implementation of the plans, which are supported by all parties involved (as builder, architects as planners and authorities)."

But, however difficult the obstacles, the owners were determined that the venue would show due respect to an illustrious history. "*We paid a lot of attention for the design and tried to do this with empathy and a feeling of finesse*" says Ostertag.

> *"We wanted a distinctive place with its own charm and flair… but we also wanted more flexibility and a broader range of possibilities."*
>
> Stefan Ostertag

The cinema was a classic of its kind, designed by well-known Dresden architect Martin Pietzsch, who had worked on a number of cinemas in the city in the 1920s, and commissioned by Huyras, who ran the cinema until the end of 1945.
They were helped by the discovery of the founding documents from the year 1927.
The renovation was financed through a loan from savings bank, Ostsächsische Sparkasse Dresden, which has a strong track record in supporting local businesses. In addition, it was financed by the German national film body, Filmförderungsanstalt (FFA), which offered an interest-free loan.
The returns on the investment are expected to come from increased visitor numbers, which the cinema hopes to achieve through the wider range of films that can be offered.
The new-look Filmtheater Schauburg also plans to develop its programme of events to maximize the potential of the new screening space.
It is hoped the improved environment will justify necessary increases in the prices of tickets and food, though the owners acknowledge that it is a risk in a very competitive cinema market in the city.
Direct interaction with the audience through social media and the cinema's website will play an important role in building the value of the venue. "*Facebook has become an essential tool*", suggests Ostertag "*as have online ticket bookings. But greater use will also be made of online ticket purchases and reservations*", he says.
"*A direct, target group-accurate approach of the audience will surely play an even greater role in the future.*"
To celebrate the venue's 90th birthday in October 2017, the owners welcomed in the public to show the recent progress of the renovation. A reopening for the first two screens is planned in November 2017.
"*Now we are looking forward to moving into our beautiful Schauburg and to what we see as our main task: to present a challenging European cinema programme and to organise special events.*"

CASE STUDY: KINO MURANOW, WARSAW, POLAND

The Kino Muranow was constructed in 1951 in the area of the former Warsaw Ghetto. It was acquired by leading Polish distribution company Gutek Film in 1994 and renovated in 2000, establishing a reputation as an essential home for Polish and European film, winning the Europa Cinemas Award in 2004 and a Polish Film Institute Award in 2008. It has a fiercely loyal local following, and runs a diverse programme, including numerous festivals, retrospectives and film events. The cinema has a team of 27, including nine full-time posts.
The venue was renovated in 2000 but in 2016, the decision was taken to take the cinema into a new era with another major redevelopment, becoming a four-screen cinema with the highest specs, while also restoring much of the décor to its original state.
Muranow had decided five years earlier that two 234-seat screening rooms would not be adequate for its ambitious future plans. "*We knew we needed to improve the diversity of the offering*" says Muranow manager,

Kino Muranow, Warsaw, Poland

Kino Muranow, Warsaw, Poland

> *"It is great for audiences, great for the cinema and also great for directors."*
>
> Adam Trzopek

Adam Trzopek, "*There were too many excellent film projects that were never seen.*"

The renovation work added two new screens, of 34 and 36 seats, a new sound system, air-conditioning, toilets and a new website with improved ticketing. The work has been supported by the Polish Film Institute, which is providing around 25% of the funding. The new screens were created by extending the building, including digging down into the floor. They have added a new and extremely significant dimension to the Muranow offer, according to Trzopek. They have allowed a major increase in the diversity of programming but they have also given the venue flexibility in the amount of screen time that films can enjoy.

A good example, says Trzopek, was 2017 Polish-UK animated co-production *Loving Vincent*. Dorota Kobiela and Hugh Welchman's film, backed by the Polish Film Institute, was the world's first fully-painted, feature-length animation.

It was able to sell out small screens for a month, gathering word of mouth and new attendees with each screening. "*Good films are able to snowball*" says Trzopek.

Other films have been able to premiere in the bigger screens before long runs on smaller ones, after finding enthusiastic audiences. 2017 Palme d'Or winner, *The Square*, for example has remained on the programme for two months. "*It is great for audiences, great for the cinema and also great for directors*," says Trzopek.

The cinema is able to respond to local need without taking unrealistic risks on the main screens, which means it is now viable to programme niche interest films, such as documentaries, and to allow films to break out beyond its immediate base support. The smaller screens are also perfect for community screenings, such as school visits.

The benefits of the investment are also being felt in increased sales in the café, which was upgraded as part of the renovation.

Perhaps the most valuable long-term benefit will come in the relationships with audiences and community. "*Our audience knows that we changed for them and they have been saying thank you in person, and on our Facebook page.*"

That engagement was a major part of the renovation and was encouraged through social media and special events.

There was, for example, a competition to name the new screening rooms (which were eventually called Ingrid (after Ingrid Bergman) and Pola (after Pola Negri).

But a major component of the project, and one that cemented the idea of the Muranow's place in its community, was the renovation work that restored original features and opened up the brick work from what was once the Warsaw Ghetto. "*We wanted this renovation to restore the past, not to erase it. We are more than just a cinema, we are part of the history and the future of our community*," says Trzopek.

The Muranow expects financial recoupment to take around eight years, while admitting that it was a "very risky" venture. But the long-term aims are clear and coherent, according to Trzopek, and the benefits are already beginning to emerge, for both the cinema and for Polish film.

Attendances, which reach around 200,000 each year, are already set to rise 20%.

Kino Muranow, Warsaw, Poland

Lucky, Plovdiv, Bulgaria

CASE STUDY: LUCKY, PLOVDIV, BULGARIA

Bulgarian cinema celebrated its centenary in 2015 but the last 25 years have been tough for the art form in country's second city of Plovdiv.

Back in the 1980s, before the fall of the Berlin Wall, there were 15 cinemas in the city, all part of the National Cinema Distribution Agency.

The old regime made no distinction between 'commercial' and 'arts' cinemas - all cinemas worked as parts of one chain with a common film programme.

With the fall of the communist regime, and in the wake of economic decline, most cinemas closed, leaving just two survivors.

Since 2000, a number of multiplexes arrived, increasing the number of cinemas to five and the screens to 30. Digitisation made it possible for big new commercial venues, often based in shopping malls, to exert dominance over the marketplace , sqeezing out the last arthouses.

For five years, after 2008, a city of 340,000 people was left without any independent venue, interested in Bulgarian, European and indie films from around the world.

In 2013, though, Lucky Cinema reopened with a mission: "*Our main ambition is, through popularisation and education, to one day get to the point where we will have the necessary numbers of 'arts' audiences for our cinemas to become self-sufficient enterprises, not dependent on subsidies*," says Lucky co-owner and manager Yanaki Dermendzhiev.

The cinema is also dedicated to ensuring that a love of European film passes to a new generation, instituting events and education initiatives aimed at younger audiences.

The cinema is located within the city's House of Science And Technology, which is also home to a wide range of local arts, business and community activities, helping reinforce local links.

The cinema was renovated before reopening in 2013 as a two-screen venue with 277 seats.

The halls were fitted with modern projection and sound systems, and the lobby was refurbished to offer a more modern and appealing welcome to audiences.

There is a concession stand and a popular cinema themed coffee shop and bar, which often acts as a discussion and presentation space during special events and festivals.

The contract for renting the space with the House of Science and Technology runs until 2019 and negotiations are now taking place for an extension.

But the cinema is looking forward and has plans for a further renovation and expansion in 2018, including the opening of a third screen.

The work will also include an upgrade of the seating to recliners, which will actually reduce the seats in the second and third screen to 40 but is expected to increase occupancy and to attract a new kind of audience: "*People who have the desire to watch European films but choose the commercial cinemas because of the comfort and luxury they are offering*," according to Dermendzhiev.

The cinema is having to fund the work with its own money and loans. There is no public financial help for such schemes, and state subsidies come only in the form of government support for screening national films (available also to commercial cinemas).

The other support comes from membership of Europa Cinemas as a result of screening national and non-national European film.

Lucky's ambition extends beyond the capital, including new developments in small towns and villages, where there is very little access to any kind of cultural activity.

The first venue opened in 2015 in Targovishte, a market town of fewer than 40,000 people, 300km north east of Plovdiv.

Two others have since opened in two other towns of similar size, Svishtov and Vidin, both in the north of the country. Two more are now being planned in Shumen and Veliko Tarnovo. "*The goal is to open venues not in the cities but in the large towns where people at the moment have no access to European and independent films*," says Dermendzhiev.

Lucky plays a critical role for Bulgarian film, both as exhibitor and distributor.

The first Bulgarian film premiered in 1915. The 'golden years' of the Bulgarian film making were during the Communist regime when the state provided funds for the making of between 20 and 30 feature films per year, some of which like Khan Asparuh and *Time of Violence* were were made with relatively large budgets.

Yanaki Dermendzhiev. D.R.

Since the fall of Communism the state's role in film making has diminished and production has dropped to just three or four films per year. "*There are some attempts of filmmaking with private investment but due to the small market such attempts are rare and not very successful*," according to Dermendzhiev.

> *"Our main ambition is to get to the point where we will have the necessary numbers of 'arts' audiences for our cinemas to become self-sufficient enterprises."*
>
> Yanaki Dermendzhiev

But Lucky is playing an important role in trying to build a film culture, first in the capital city and then beyond, which might be a foundation for new film-making.

That commitment can be seen in practical terms in the main venue. For example, the bar is fitted with projection and sound equipment to allow for the screening shorts and documentaries. "*This is the space where authors have the chance to present their new work and get the informal and honest feedback from the predominately younger and student audience*," explains Dermendzhiev.

Building demand for film, and putting Bulgarian work in the context of the wider European cinematic tradition, creates a platform for future homegrown talent.

Hart, Naples, Italy

Curzon Bloomsbury, London, United Kingdom

Grand Cinema, Stockholm, Sweden

Curzon Mayfair, London, United Kingdom

CHAPTER FIVE

INVESTING IN THE CINEMA EXPERIENCE

The cinema ‘experience’ is a constantly evolving concept that is redefined by successive generations.
It involves not just the film being screened, but the building itself, the ambience, the conversation, and much else. Cinemas are examples of what academics have called ‘third spaces’ – areas between home and work, which create a sense of belonging.

However it is defined, in practical terms, cinemas must have enough appeal to convince consumers to leave the ever-increasing options for entertainment at home, and/or to choose cinema over the expanding competition for scarce leisure time. This survey demonstrates what independent cinemas see as the crucial elements in creating that compelling experience.

THE SCREENING ENVIRONMENT

It is perhaps surprising that survey respondents considered the most effective capital investment to be seating – and by some distance. It was picked out as 'essential' by 59% of respondents, ahead of the second choice of a sound system at 31%, and 95% said it was either 'essential' or 'very important'.

The thinking makes more sense when the seating is put in the context of the broader screening environment.

A theme that emerged in every interview and case study for this report is the need to ensure a powerful distance in quality between watching in a cinema and watching at home.

More than half of venues (53%) have renovated screening rooms in the last five years and 26% in the last 12 months. A further 17% say they have plans for upgrades in the next five years.

The biggest investment was in seating (61%), followed by new sound systems (50%) and screens (46%). Comfort and quality, in terms of sound and vision, were seen as integral to each other in interviews.

The visual experience has already become more consistent with the introduction of digital projection and there has been much innovation in both sound and vision.

Interviewees for this report were unanimous in the assessment that cinemas need to consistently improve the cinema experience to stay ahead of tough competition for consumer time.

Venues need to always remain a distance ahead of the convenience and cheapness of home viewing options.

SOCIAL SPACES

The social spaces within cinemas are an important part of the overall experience, as places to share thoughts about cinema, eat and drink, or simply to meet.

They also offer major direct and indirect returns on investment.

The foyer, for example, is one of the most important places for marketing both films and the venue itself. Almost 80% of respondents had either renovated their foyer, or intended to in the next one-to-five years.

30% had invested in updating the foyer in the last two years, including 19% in the last 12 months. A further 9% had plans for renovation in the next 12 months and 10% in the next five years. The foyer is a key area for demonstrating the unique atmosphere of a venue, a place to meet and a critical area for marketing materials.

Focus on the social space – and improving diversity of audiences – has extended to other areas too. 12% of sites have crèche facilities or play areas for parents of younger children.

A third (33%) provide public meeting spaces with 70% offering wi-fi access and many have invested in places to socialise. (See below)

FOOD AND DRINK

Food and drink is often a critical part of a venue's business plan and the survey offers evidence that its importance has been growing. 37% of respondents had invested in food and drink facilities in the last five years and 16% in the last 12 months. A further 19% have plans for investment in the next five years.

CHART 5
AREAS OF INVESTMENT

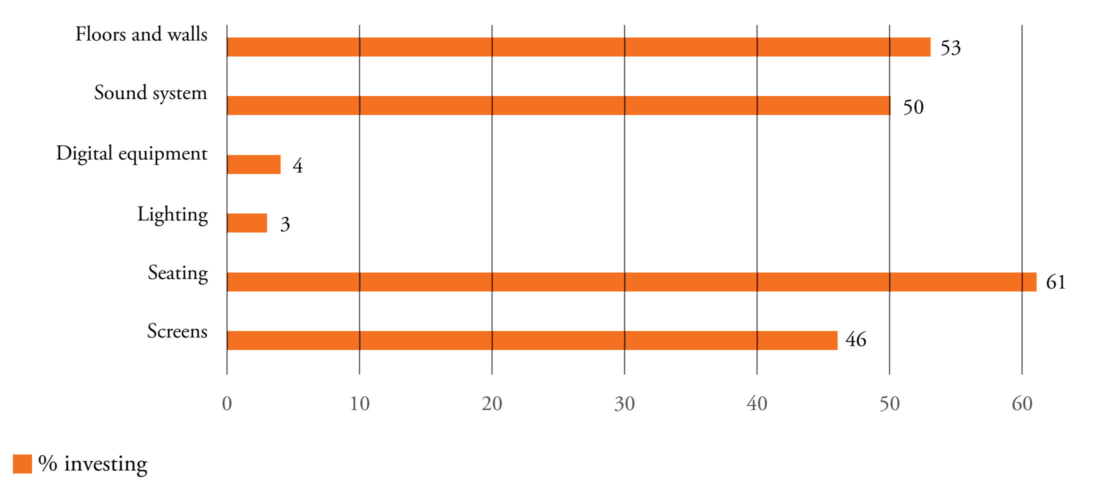
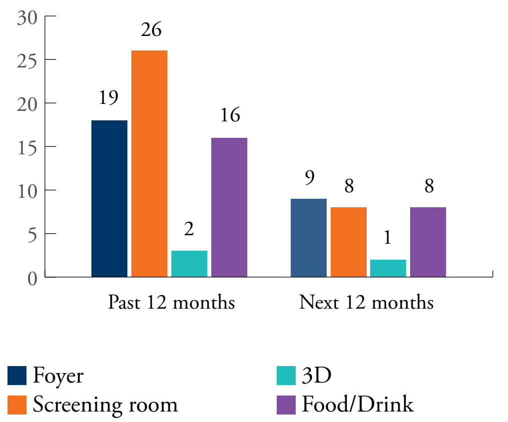


CHART 6
INVESTMENT PLANS (%)



The average revenues from food and drink are 11.6% of the overall takings but that is much higher for some venues – 34 respondents said it made up more than 20% of revenues and seven more than 50%.

Just under 60% of venues had a bar (59%), 42% a coffee shop, and 23% a restaurant.

Anecdotal evidence from interviews and case studies suggests that some of those cinemas without their own dining facility have formal, or informal relationships with local bars and restaurants, with money-off deals. But all of the renovation schemes in the case studies have at least some focus on eating and drinking. And sometimes, as in the case of Hart in Naples (see opposite), food and film have become equal partners.

CASE STUDY: HART, NAPLES, ITALY

The vision for the Hart Cinema in Naples is an example of what the *Corriere Della Sera* called "cultureal entrepreneurship."

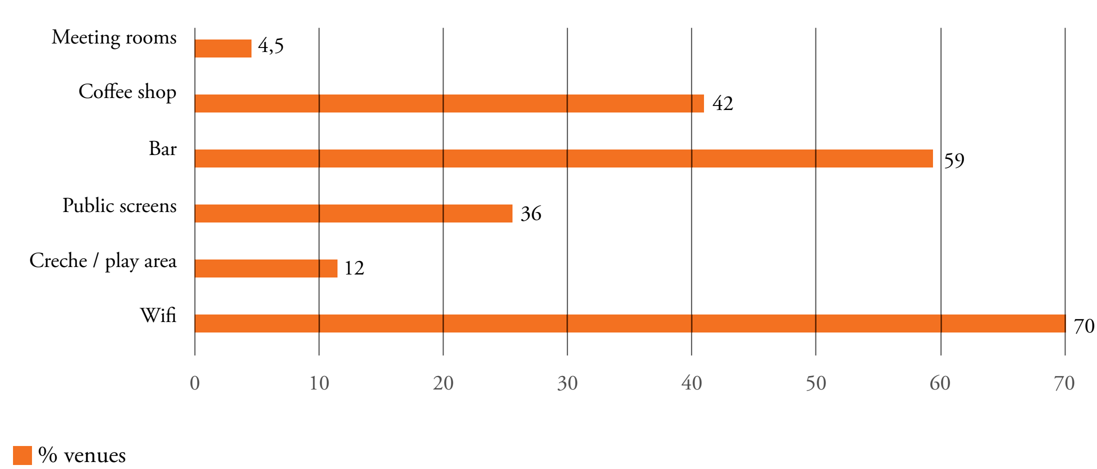
It is based on what was the Cinema Ambasciatori, which opened in 1969 and survived various crises that had killed off many other venues in the city. But the owners decided that radical change was needed if it was to prosper in a fast-evolving ecosystem. "*It was evident that a single-screen cinema, even more than multi-screen venues, cannot rely on box-office revenue alone,*" says curator Gerardo De Vivo. Research convinced the owners that a new generation of cinemagoers wanted a different and richer kind of experience. "*For younger audiences, the spend on food and drinks at cinemas was higher than the spend on admissions. That is to say that cinema-goers' choices were not just based on content, that is the film on show, but on an all-round social experience based on entertainment and leisure,*" says De Vivo.

Visits to cinemas around Europe convinced the owners that it was possible, with imagination, to combine great food in a single-screen environment. And so Hart was born.

The emphasis was necessarily on quality because cinephiles and food lovers are both notouriously hard to please.

In terms of the cinema, a decision was taken to sacrifice numbers for comfort. The original 340-seat auditorium has been replaced with 114 chairs with tables, armchairs, and even beds.

CHART 7
SOCIAL SPACES



Hart, Naples, Italy

> *"Hart has become a place to go, to hang out enjoying a varied programme of activities."*
>
> Gerardo De Vivo

Ticket prices have been increased from €8 to €10, but, says De Vivo, customers are happy to pay, and the business model is based on the idea that audiences will want to eat, as well as view.

The same attention to detail and quality has been devoted to the menu, which has been designed by Michelin-starred chef, Marianna Vitale.

The bistrot at the entrance of the venue is open from the morning, and diners are encouraged to eat and drink during screenings with tables provided alongside the seats.

There are events that tie together the film and food experience, including the 'Lunch Box' screening of classic films with tickets, including food for €12.

The restaurant also offers thematic menus, based on the country of origin of a film, for example, or the storyline of the film. (A recent screening of *The Big Lebowski* featured the Dude's favourite White Russian drink).

Hart is focused on an all-round offering, responding to the needs and desires of its audience.

The cinema screening room is also convertible into a music and dance venue. Twice a week, the venue hosts gigs and dance nights, which has brought in a much younger demographic. Hart's Artistic Director Marialuisa Firpo has been putting Hart on the map as an Italian stop for touring bands, as well as offering space for local talent. "*Hart has become a place to go, to hang out enjoying a varied programme of activities that includes screenings, food tasting events, readings and book presentations.*"

The traditional older audience has not been forgotten in the change. The venue has retained a cut-price Cine-Club programme of screenings that has been a much-loved fixture of the venue for nearly 50 years.

The renovation cost €350,000, which required a change to the business, from its family-run roots to becoming a limited company, which attracted new investors. The venue opened in December 2015 with expectations of recoupment on investment in five years.

The trick, suggests De Vivo, is to find the perfect combination between the different strengths of the venue. "*If you let food take over you will have yet another gourmet restaurant; if you let cinema take over, you go back to the failing single screen cinema model; if you let music take over you will have yet another music venue. The uniqueness of the venue is keeping all three together.*"

Victoria cinema, Stockholm, Sweden


Grand cinema, Stockholm, Sweden

CASE STUDY: VICTORIA AND GRAND CINEMAS, STOCKHOLM, SWEDEN

Peter Fornstam, head of Svenska Bio, talks lovingly about how some cinemas become "lifestyle theatres" with an enormous investment and sense of ownership from the audience.

Restoration and renovation in those circumstances requires a special kind of commitment and particular attention to detail in every area of the work.

Fornstam's Svenska Bio, Sweden's second largest cinema network, acquired the venerable Stockholm cinemas, the Victoria and the Grand, following the demise of the Astoria Cinemas group a decade ago.

The four-screen Grand on Sveavägen was built in 1933, designed by specialist cinema architect Björn Hedvall and artist Gunnar Torhamn, and later became the Swedish capital's first multi-screen 'multibiograf'.

The Victoria in the Södermalm area was opened as a 1,000 seat auditorium in 1936 by celebrated architect Ernst Grönwall and was extensively refurbished in the 1970s, becoming a five-screen venue.

The Grand had been refurbished as recently as 2003 and was inherited in a fairly good state but needed what Fornstam calls "a tune-up", involving many small upgrades, rather than major changes.

An estimated €600,000 has been spent on fixtures and fittings, air-conditioning and the conversion to digital.

The Victoria was a bigger challenge requiring a "more serious facelift", which included the lobby, seating, screening rooms and the air-conditioning.

More than €1m were spent refurbishing the building and serious attention was given to a restoration that needed to keep the traditions and history of the cinema alive whilst recognising the needs of today's audiences.

For Fornstam, cinema is in the blood, with a family involvement with the industry going back more than a century.

He believes it is essential to protect the "soul" of buildings. Intensive research of original fittings, such as the original distinctive neon-signage, that informed the restoration work. Even the cinema's water features were brought back to working order.

"*You need to pay attention and to preserve the legacy.*"

Part of the improvements at the Victoria has been the addition of new screens, which have gone from five to seven, with an eighth screen to come.

The building work in the basement of the building was particularly challenging but has enabled the creation of smaller screening rooms.

Fornstam says the rooms are intended to have an intimate, personal touch but they also allow films to be kept on screen longer. "*We are now much more flexible and can offer a larger repertoire of films.*"

Older buildings require constant investment, and the expectations and demands of even the most loyal audiences evolve.

The trick, suggests Fornstam, is to ensure that the venue keeps up with its audiences, understanding how they think. That goes for every aspect of the operation, from the building to the programming.

The audiences at his cinemas, he said, tend to be older, well-educated cinephiles. They are looking for an alternative to the mainstream blockbuster fare, which is well-served elsewhere in the city.

"*They do not come to our cinemas to see* Star Wars*, and we need to offer strong counter-programming,*" says Fornstam. The older members of the audience also live in a different time pattern and the cinema tries to ensure that it provides programming to match, such as afternoon screenings.

Detail matters to such audiences. Sound levels, for example, need to be just right, and staff members are encouraged to check on levels at the start of screenings. Those established audiences are not interested in gimmicks and gadgets, suggests Fornstam but they do notice and appreciate the small details that can be added at any time.

He says running cinemas in buildings from the 1930s throw up big challenges. They always require maintenance that might be exacerbated by new legislation and regulations, in areas such as access for disabled people.

But there are advantages too. For example, it pre-dates the use of asbestos, which could be a serious issue for those working with venues dating back to the 1960s.

The biggest advantage, according to Fornstam, is in the affection and recognition of buildings that have had deep value to the community for generations.

And for him, that creates a sense of mission and of responsibility for the future.

"When renovating, you need to pay attention to the audience and to preserve the legacy."

Peter Fornstam

Peter Fornstam. D.R.

CASE STUDY: CURZON CINEMAS, UNITED KINGDOM

Curzon is one of the most established cinema brands, tracing history back to 1934 and including some of the UK's most iconic venues.

The brand stretches into other parts of the value chain: Curzon Artificial Eye is among the most important and recognised names in the independent distribution business.

More recently, the company has been a pioneer in the development of Video On Demand, setting up its Curzon Home Cinema service in 2010.

Curzon's best-known cinemas are in London but it has been expanding nationally over recent years, establishing venues around the UK.

Its experience offers insights into investment strategies based on expansion into new markets, where tastes may vary widely from those in capital cities.

Curzon was among the first to take radical steps to create a larger number of smaller boutique screening rooms inside established cinema spaces.

At Curzon Bloomsbury, formerly The Renoir, an extensive refurbishment was carried out with award-winning architectural company Takero Shimizaki, which saw the number of screens increase from two to six, including one dedicated to documentary.

The venue now features a main screening room of 150 seats, which has been equipped with the Dolby Atmos sound system. The other screens, between 28 and 50 screens all feature 4K projection. "*Those smaller screens mean we have the flexibility to show more films and they generally sell out*," says Curzon CFO Laura Ferguson, and she says there has been a 30% increase in admissions.

Those changes are all focused on giving people a unique experience and sense of occasion. At the Curzon Bloomsbury, that feeling is accentuated by architecture designed to be cinematic, and influenced by great auteurs, such as Tarkovsky and Greenaway.

The experience is designed to continue into the bar, lobby and event and lounge spaces, including furniture, created to designs by UK modernist architect and designer Eileen Gray.

Curzon's iconic London cinemas have built up powerful followings.

The Curzon Mayfair and the Curzon Soho have both faced threats to their existence in recent years (including an ongoing threat of demolition in Soho as part of the London Crossrail scheme). But the level of public protests are recognition of the powerful sense of loyalty to the venues.

Spreading the Curzon brand outside London is a challenge that the group has taken on with considerable vigour in recent years.


Curzon Mayfair, London, United Kingdom


Curzon Soho, London, United Kingdom

The power of the brand extends further than might be expected, suggests Ferguson: "*Many people around the country have visited London and recognise the cinemas from there*."

The power of the brand has helped it become a sought-after partner in major redevelopment projects. Two of the most recent developments have been in the historic cities of Oxford and Colchester.

> *Our programmers know our audiences and we make decisions on that basis.*
>
> Laura Ferguson

The Oxford development is part of a €500m redevelopment of the city's Westgate Centre, a shopping area that had been in decline for some years. The five-screen cinema opened in October 2017 with the developer offering a Curzon a favourable rental deal to convince it to move in.

The cinema will add to the cultural life of one of the UK's fastest growing cities, with a diverse, young and educated population, including one of the world's leading universities.

Its appeal to the developers and the city goes further. Curzon brings a prestigious brand to an upmarket retail arcade that is expected to act as a magnet for other shops, restaurants and services and bring in strong consumer traffic.

The cinema also prides itself on being an investor in people, committing itself to paying at least the minimum wage to its staff.

Curzon Colchester will be a three-screen development in the centre of the Essex town with two restaurants.

The plans are integral to the local government's plans to redevelop of a crucial city centre site, which had become an eyesore.

The regional cinemas are programmed according to the needs of their particular audiences that might differ from the more established arthouse tastes of its London cinemas.

Consumer software plays a part in creating more efficient reporting and data but, says Ferguson, the human element in understanding the tastes of audiences in their own particular markets remains essential.

"*Our programmers know our audiences and we make decisions on that basis*," says Ferguson. Curzon is building a brand, she suggests, that will grow in national recognition but retain a unique identity in each of the communities it serves.

L'Atalante, Bayonne, France

Lumiere, Maastricht, Netherlands

Cameo, Namur, Belgium

CHAPTER SIX

INVESTING IN COMMUNITIES

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Cinemas have a unique place in the social, economic and cultural lives of the communities in which they are based. Close to 90% of Europa Cinemas venues (89%) are located in town and city centres.
Even for those who have never watched a film in a cinema, they represent something important, in terms of their architecture and design.

Once the closed-down cinema was widely used as a metaphor for urban decline and social breakdown, particularly in the 1970s and 1980s.
Today, town centre cinemas have become symbols of regeneration and growth. Indeed, urban and retail developers are increasingly courting independent venues as key components of their designs.

The picture that emerges from the survey is that independent cinemas are investors in people, architecture and history, cultural enrichment, social cohesion and diversity, employment and innovation. They are woven into the fabric of their communities, often acting as prominent focuses of activity at a time when city centre retail in many countries has been migrating to out-of-town superstores.

Others are acting as engines of regeneration, supporting the emergence, or re-emergence of neglected locations. Cinemas often have strong relationships with universities, helping support new generations of film lovers. More than 10% of venues are within a mile of a university (11%).

BUILDINGS

The cultural and community importance of cinema begins with the buildings themselves. The pioneers of cinema across Europe recognised the unique place of the movie theatre in towns and cities, sometimes building what were cathedrals to the people's artform. Audiences often fall in love with the cinema before film itself. The survey demonstrates that the tradition remains strong, contributing unique, attractive social spaces to town centres which have often become homogenous and bland.

Many cinemas have a very significant role in extending the life and value of historic buildings. The trend is most marked in single-screen venues, where the survey showed 34% are located in converted historic buildings. The trend is less marked with bigger cinemas. Just under one-in-five of venues in multi-venue networks (19%) are in old buildings. Interviews suggest that may be because of the shortage of suitable buildings for conversion to the needs of a larger modern cinema venue, and the limitations (through space, planning regulations, etc) to adapting older buildings.

Instead, independent cinemas have looked to new purpose-built venues. As the case studies in this report show, those venues are built in the tradition of creating social and community assets that will last generations. The employment of architects and designers is one of the most important, if largely unsung, contributions of the independent cinema networks.

The survey shows that more more than half (56%) of cinemas in multi-venue groups have been purpose-built, and 50% of single-screen venues.

23% of venues had either opened themselves in the last five years, or had been involved in opening a new cinema. And 13% had plans to launch a new cinema in the next five years.

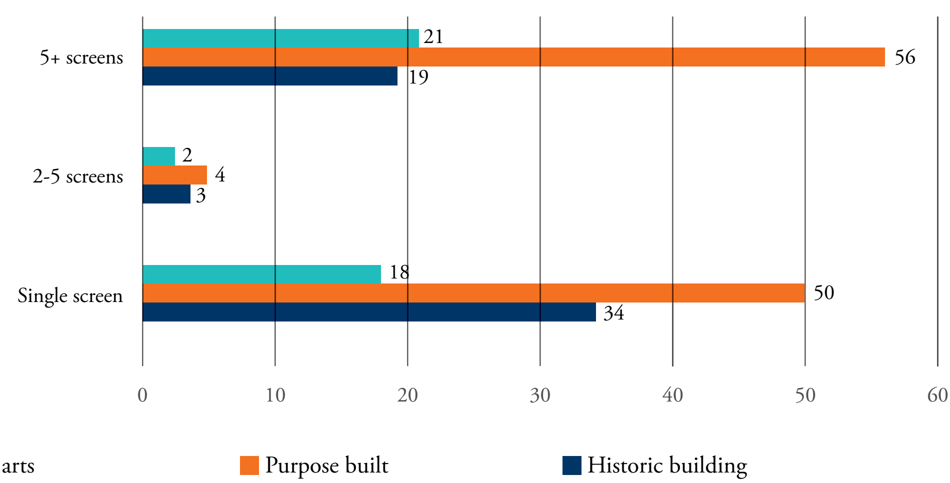
REGENERATION

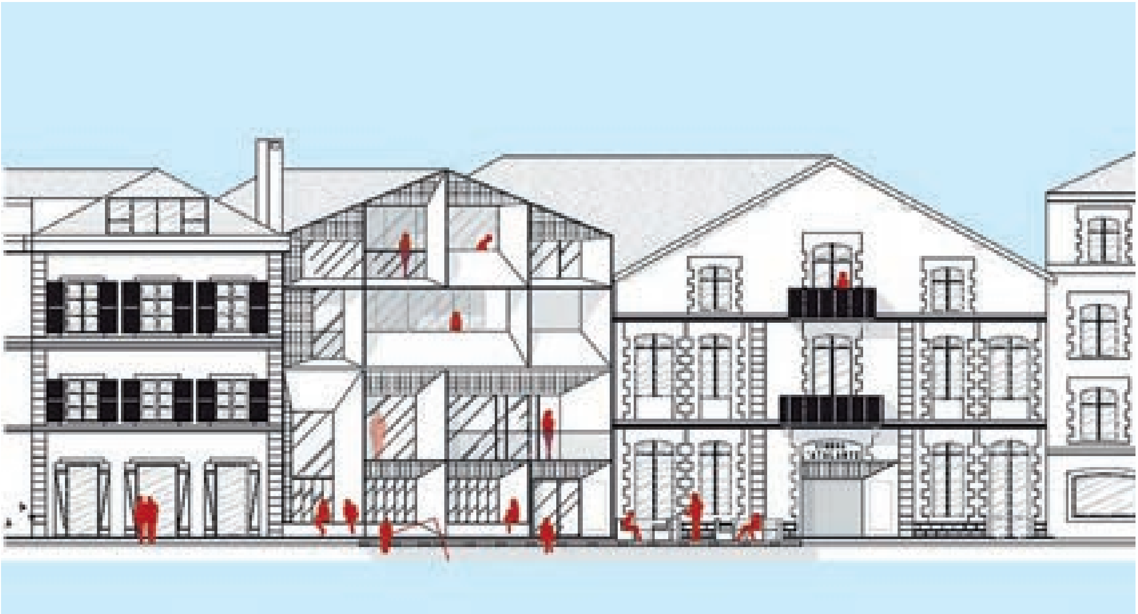
An understanding of the economic value of independent cinema has been growing, particularly among those tasked with the regeneration of towns and cities. And as a number of the case studies in this report show, the presence of an independent cinema in a neighbourhood attracts other businesses and activities.

Independent cinemas then generate a wide range of tangible economic impacts, representing community and economic assets in their own right, but also playing an active part in the business communities in their towns, cities and regions.

From the film industry perspective, film-makers often find that the support of their local cinemas can be the bedrock of their economic life. Almost 70% of venues say they screen locally-produced films (69%).

CHART 8
VENUE TYPES (%)





The project of the new L'Atalante, Bayonne, France

The direct box-office value to those films is important but the bigger long-term benefit is in championing film-makers and creating lasting links among audiences.

Three-quarters of survey respondents (74%) rent space to local companies and organisations, often at competitive rates.

In many cases, space is offered as a contribution to their community: 41% of venues offer free space to local organisations and 60% to cultural groups and associations.

25% say they are active members of local trade and business organisations.

CONVERGENCE

The unique social space, offered by cinemas can often be adapted for use by other arts and community activities.

In some cases, cinemas are part of a multi-arts centre offering – 18% of the single-screen venues in this survey, and 21% of multi-venue networks and chains.

Cinemas are increasingly offering a rich programme of non-film activity.

More than half of venues in this survey (54%) offer an Event Cinema programme, screening live events, notably opera and theatre, from some of the world's leading companies. Close to 10% have hosted gaming events (9%).

A growing area of business has been videoconferencing events, via Skype, particularly to service businesses. Nearly a third of venues (29%) have now hosted such events.

CASE STUDY: L'ATALANTE AND L'AUTRE CINEMA, BAYONNE, FRANCE

Bayonne in the South-West of France is a good example of how the growth of film culture in communities, encouraged by independent cinema, throws up new opportunities and challenges.

Back in the 2002, major multiplexes had been moving into the city and support for independent French and European film rested on a single-screen venue, l'Atalante. The "Cinema et Cultures" association and the city of Bayonne decided that the community deserved better. In 2004, the city government financed a €1.2m expansion, culminating in the opening of a new venue, l'Autre Cinéma in the Saint-Esprit district on the banks of the Adour river. L'Autre Cinéma had two screens, of 123 and 73 seats.

But 12 years is a very long time in cinema, and a review of the two cinemas pointed to a new strategy.

Both were enjoying relative success, with admissions between them of more than 100,000 a year but operating two venues so close together was also showing signs of inefficiency and of cannibalisation of programming and audiences.

It became clear that the logical approach was to combine the strengths of both into a single, upgraded venue.

The scheme would close l'Atalante and create a new kind of venue through an extension of the l'Autre Cinema site.

The new 405-seat venue, which will be known as the "Maison du Cinéma" will feature state-of-the-art screening rooms located on the second floor. The two former rooms of L'Autre Cinéma will be totally renovated and a new room will be added.
But the vision goes beyond just the screening room. The project in the Saint-Esprit area of the city has been entrusted to the architect Farid Azib from the architecture agency Randja, and it promises to be an innovative social space that will be a benefit to the entire community.
"*The choice to move the cinema to this beautiful space is accompanied by a desire to find the magic of l'Atalante, which is not just a cinema but also a place for cultural encounters*," says Cinema et Cultures president Jean-Pierre Saint-Picq.
It will, of course, be a venue with very strong foundations in European film, but the venue will also open up for wider use, including events and concerts.
Among the most striking elements of the plans will be a large library designed as a place for reading and exhibitions, in partnership with galleries, art schools, etc.
Food and drink will play a key role in the appeal of the new-look cinemas. The ground floor will include a 'tavern' with a mezzanine, including space for concerts. The bar will also be extended outside to a large outdoor wooden terrace of 10m totally open on the river (the street becoming pedestrian).
The bar will serve organic wine and charcuterie from local producers.
The signs of enthusiasm in the community for the project have been strong. Despite the partial closure of l'Autre Cinéma during the refurbishment, cinema membership has actually grown during the renovation (from 1,400 to 1,715 members year on year). "*I do not think there are a lot of cinemas in France with this occupancy rate for the seats. It reflects the appetite of the audience for our proposals, which go beyond the simple cinematographic programming*," says Saint-Picq.
That enthusiasm has been encouraged by regular communication about the developments, including meetings with members, social media posts, local press interviews and blogs.
The building work itself, however, has been a more difficult process than expected. The project hit a series of technical problems with its bold architectural plans, and the impact of issues around compliance with seismic and noise abatement standards. There were particular issues relating to the fixing of the façade.
Costs escalated to an estimated €3.4m and the opening has been delayed from the Spring of 2017 to May 2018, which means the scheme will have taken three and a half years to complete.
The financing of the project was split between the City (which has the project owner), the association and various other supporters.

The €3.4m budget was divided between:
Bayonne City: €1, 655m
Department (Pyrénées- Atlantiques) = €850 000
CNC (selective support) = €360 000
Region (Nouvelle Aquitaine) = €150 000
Basque Country Agglomeration Community[1]
= €385,000€

The final cost may ultimately rise to around €4m, with the gap financed by the City.
The first step on the road to recoupment is to quickly reach 120,000 admissions and to exceed 2,000 members by the end of August 2018. Revenues from food and drink are also expected to grow significantly on the current 20% of overall revenues.

1. « Communauté de communes » in french

L'Atalante is not just a cinema but also a place for cultural encounters"

Jean-Pierre Saint-Picq

The team of L'Atalante

Ancient power station for Sphinx Factories, Maastricht, The Netherlands

Lumiere, Maastricht, The Netherlands

CASE STUDY: LUMIERE, MAASTRICHT, THE NETHERLANDS

Filmhuis Lumiere was part of a movement in the mid-70s to establish a network of independent cinemas across the Netherlands to support a broader range of what were once called 'alternative' films, including arthouse, national and European works.
Based in the city of Maastricht, in the south-east of the Netherlands, it moved from its original small venue to a converted monastery in 1985.
The success of the mission to build an active film culture in the city inevitably meant that a new, bigger home would become necessary.
And by happy coincidence, it found its desire for a new home was matched by the need of the city government to regenerate an area of architecturally significant but abandoned factories in the Bassin area of the city.
The municipality realised it had a perfect fit for its plans, and the cinema says it was supported as much by the city development section of the government as it was by the culture department.
The city government agreed to finance the conversion of the building, taking control of the architecture. The city's urban development department was as engaged as the cultural departments in the rebuilding, reflecting the value of the regenerative potential of the venue.
The cinema handled the design and fittings of a 500-seat, six-screen cinema, a €225,000 investment in equipment for the new screening rooms and a restaurant and bar.
In practice, the cinema worked closely with the architect. The design aimed to create a strong and unified sense of space that had a strong sense of its use to screen films, without being too traditional in areas, such as the lobby and foyer.
€2m in financial support came from the Limburg regional authorities and there was also some help from the European Union.
A small but very significant part of the estimated €11m development, was a crowdfunding appeal, which along with some business sponsorship, ended up raising €80,000 towards the design and realisation of the interior of the building. The scheme allowed supporters to sponsor a seat, with a plaque including their name. The cinema wanted a strong sense of 'ethical' investment coming from audiences, rather than the banks.

> *"If you are going to do it, go all the way"*
>
> Nico Haenen

Engaging the audience was an essential part of the plans, which began to take shape a full two years before the actual renovation.
The cinema set up a website – *letsgolumiere.nl* – which carried news and pictures during the building process, and details of the crowdfunding appeal.
There was also a sale of souvenirs, such as posters, from the old cinema to build awareness and support. And to promote the opening, a number of open-air screenings were organised.
Finally, Lumiere organised tours of the new cinema site as it neared completion.

Owners SDD say the new cinema not only saw an increase in numbers, it also changed the demographics, with much less reliance on a hardcore cinephile crowd.
The renovation put strong emphasis on broadening the cinemagoing experience (it is currently ranked at the top of the 'fun and games' section for visitors to Maastricht on Tripadvisor). "*It is so important that the cinema experience becomes a complete night out*," says Artistic Director David Deprez.
A further €30,000 investment was made in a new website, with particular emphasis on mobile use – and there are plans for a Customer Relationship Management (CRM) software.
The cinema saw its essential priorities as combining a diverse programme with a powerful sense of social space, in terms of architecture, food and drink and comfort.
The results have not only increased the audience, according to the cinema, it has also changed the demographic and social mix of the venue. "*We found that we were able to attract a much younger audience and to reach beyond a hardcore of highly-educated people*" says Managing Director Nico Haenen.
The venue has managed to create a sense of community through the curation of films, the restaurants but also the "charisma" of the building.
The benefits to the city are also now becoming clear, suggests Haenen. The area around the cinema had become a derelict and unwelcoming part of town, just 700m from the main market.
But the Lumiere has lived up to its name in becoming a beacon that is moving the centre of gravity of the whole city. "*We have been creating a new centre of the city here*", according to Haenen, "*After we moved in, we were followed by a hotel and a restaurant. Everything changes.*" He said it was essential for projects to see how they fit into the big picture. As Haenen puts it, "*If you are going to do it, you have to go all the way.*"

CASE STUDY: CINEMA CAMEO, NAMUR, BELGIUM

The value of cinema in the regeneration of towns and cities and in building direct community engagement could not be better illustrated than through the story of Cinema Cameo in the Belgian city of Namur.
The city has spent much of the last decade trying to revitalise the Carmelite district around the Rue des Carmes and Rue des Croisiers, which despite its art-nouveau heritage, had become neglected.
The Cameo cinema was one of the principal assets of the area before closing. Originally constructed in the 1930s, it went through a series of challenging problems and was acquired by the City Land Registry in 2005.

Cameo, Namur, Belgium

The Liège-based Les Grignoux was given the task of a wholesale renovation in 2014, which was estimated to cost around €7.8m.

Les Grignoux is a well-established not-for-profit association with more than 30 years experience, which reinvests all profits into improving the cinema experience at its three Liège venues – le Parc, le Churchill and le Sauvenière.

The group first made an entrance to Namur, 65-west of Liège, with a 'nomadic' phase, with a temporary site established at the University of Namur.

The site was equipped with 2K projection equipment and offered useful insights into the Namur market.

Specialised in partnership between private and public funds (Government of the French Community of Belgium and European Union regional development funding), the finance for the building itself came form the municipal government.

The equipping of the cinema was the responsibility of Les Grignoux.

The building had essentially been gutted, requiring a complete refurbishment. "*It was really just four walls and a floor*", says Benoit Thimister, finance director of Les Grignoux, "*and it was an old cinema with stability and structural problems*."

Although the cinema had no direct responsibility for the architecture of the building, Thimister says it was fortunate that they had worked with him before and he was willing to listen to cinema expertise.

The plans aimed to ensure that the five-screen venue would offer the best available comfort and quality, while retaining and restoring its historic façade.

Les Grignoux, with its strong reputation running three existing cinemas, could have chosen a conventional approach to funding.

But a fundamental part of its plan was to ensure that the community felt that the new-look venue belonged to them.

It turned to an innovative approach to funding that had never previously been tested for a not-for-profit cultural organisation: the creation of an ambitious, citizens fund.

It released 10-year bonds to the public of Namur, which acted as a low-interest loan for Les Grignoux' development. The €100 bonds paid annual interest of 1% and were chosen as an ethical alternative to traditional bank loans.

The money would pay only to equip the screens, rather than any of the riskier commercial propositions, such as the restaurant. "*It was not just about the finance, it was symbolic meaning individuals could feel they had a stake in the success of the cinema,*" says Benoit Thimister.

The scheme caught the imagination, and hit its targets, thanks to more than 1,000 people purchasing bonds.

Benoit Thimister © Dominique Houcmant/Goldo

> *It was not just about the finance, it was symbolic meaning individuals could feel they had a stake in the success of the cinema"*
>
> Benoit Thimister

The cinema said buyers cut across the whole community, with many young people buying just one bond, and parents in a few instances buying them for their unborn children. "*We ended up not just with investors but 1,000 ambassadors*," says Thimister.

Work to equip the screening rooms was estimated at around €650,000 and the additional work on the infrastructure and particularly the brasserie, took the cost well over the initial estimate of €1m.

The cinema reopened in 2016 as a 735-seat, five-screen cinema.

Around the time that Cameo was reopened, it was announced that the second city-centre cinema, the landmark Eldorado venue, which played mostly commercial films, would close.

For Les Grignoux, the loss of a competitor was far from good news. The organisation is dedicated to a cinema culture in the town, and the two venues looked like they would offer very different programmes.

Showroom, Sheffield, United Kingdom

Anteo Palazzo Del Cinema, Milan, Italy


Delphi Lux (Yorck Kinogruppe), Berlin, Germany

CHAPTER SEVEN
INVESTING IN PEOPLE

Independent cinema is a people business. There are no big corporations, or global brands to hide behind – they live in the same streets as their customers.

Audiences have, or feel they have, a personal relationship with their independent cinema, with a strong sense of ownership. The conversation with audiences then is conducted at a very personal level.

Many cinemas have understood the importance of reaching audiences beyond its 'core' customer base and to otherwise disadvantaged communities.

Some of that ambition is achieved through targeted screenings and events inside the venues themselves. 45% of survey respondents offer special screenings for people with disabilities, such as visual impairment or hearing difficulties. And 31% host screenings for mothers and their babies.

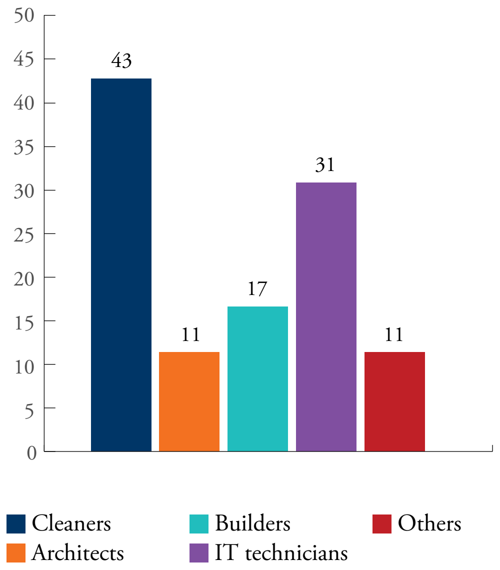
JOBS

One of the most obvious investments in people among independent cinema is in creating employment.

The cinemas in this survey alone employ more than 4,000 people. On average, 56% of those jobs are full time.
More than half of cinema employees are female (52%) and, despite the struggle to attract younger audiences, 24% are under the age of 25 (including most the 2.3% of the team who are interns).
The jobs often require high levels of skills, in areas such as programming, technical services, accounting, management and marketing. Those roles frequently require employees to acquire skills in more than one area, creating both job satisfaction and transferable expertise for the CV.
On-the-job training from experienced professionals allows career progress within the industry.
Independent cinemas are also important buyers of local skills and services. More than half of venues (54%) say they have employed outside contractors and specialists, from cleaners to architects.

IT skills have been a particular area where cinemas have employed external expertise. Almost a third of venues (31%) have employed technicians and that number may grow as cinemas introduce more complex digital equipment, new websites and social media, and ticketing and Consumer Relationship Management (CRM) software.

CHART 9
EMPLOYMENT OF SERVICES (%)



More than 30% of the cinemas invested in online marketing tools and ticketing and data analysis software (31%).
Software and online developments have created unprecedented opportunities to track audience behaviour and to build strategies based on knowledge as well as intuition.

Interviews for this report suggest that the immediate effect of packages is to speed up and organise information about audiences, membership and film performance that formerly used large amounts of time and effort.
And that data is presented in a way that offers a valuable overview of activity, personalised to meet the needs of the user.
It increases accuracy and creates time that can be used for other valuable activities.

DIGITAL SOFTWARE

One of the striking trends supporting investment in cinema is the positive interaction between digital change and the analogue experience.
Far from a digital revolution sweeping away the analogue past, the Experience Economy – including cinema – has found ways to use technology to support and enhance its core functions.
Today, thanks to digital projection and access to digital files, cinemas can (and sometimes do) take a restored masterpiece from the silent era out to an audience in remote parts of the country, perhaps even with a live music score.
While the recent Europa Cinemas Innovation Survey showed how much is being invested in new technologies, this survey shows how much innovation is integrated into broader audience-centred strategies involving bricks and mortar as much as bits and bytes.
Digital investments in audience building support three stages: identifying potential audiences, targeting campaigns, building programmes, membership schemes, mobile ticketing, etc. to turn casual visitors into communities.
Among the most common focus for investments highlighted in this report is software to improve ticketing, marketing and Customer Relationship Management.

WEB MARKETING

The investment survey shows that almost 40% of venues have recently invested in a website (39%).
Online marketing, for example, plays an essential role in building the audience demand that justifies bricks and mortar investment.

Delphi Lux (Yorck Kinogruppe), Berlin, Germany © AdrianSchulz

CASE STUDY: YORCK KINOGRUPPE, BERLIN, GERMANY

Yorck Kinogruppe proudly unveiled the latest addition to the family in September 2017 in the Delphi Lux in Charlottenburg in West Berlin, close to the Bahnhof zoo.

The area would have seemed an unlikely spot for a new cinema a decade ago but the company is becoming very skilled at identifying up-and-coming areas for investment.

In the case of that particular part of the Kurfürstendamm, it is a matter of revitalisation. The area had once had a much more illustrious past. Josef von Sternberg's timeless classic *The Blue Angel* premiered at the now defunct Gloria-Palast in 1930.

Yorck offers a tribute to that past by featuring lamps from the Gloria-Palast in the new building, designed by Berlin architect firm Bruzkus Batek.

But the 600-seat, seven-screen picture palace, is a self-consciously modern design in contrast to the emphasis on restoration in many other city cinemas, including in the Yorck Kinogruppe. It features eco-friendly parquet flooring and atmospheric use of LED coloured lighting that can change the mood of a room (reflecting the Lux name).

In keeping with a growing trend, each screen is designed for different kinds of use and to allow for both a diversity of audiences and content.

The screens range from a small 36-seat room with a bar, which is aimed a special events and niche film screenings, up to the 150-seat biggest room, for premieres and openings.

A major investment has been made in sound insulation, which shuts out the noise of traffic in a busy part of the city. But the Delphi Lux sees itself as an essential part of the regeneration of the area, working closely with other local institutions, such as the C/O Gallery and the Photography Museum. "*The investment in quality and community is at the heart of the development of Yorck Kinogruppe*" says Managing Director, Dr Christian Bräuer.

"*You always need to think about experience, atmosphere and comfort from the audience point of view. We try to make cinemas that are timeless: not too cool or too trendy.*"

Bräuer says Yorck-Kino GmbH, which was founded in 1978, has had to navigate a few turbulent decades that have seen major changes in the city's independent cinema landscape.

"*The first problem was the rise of television, which led to a lot of closures in the 70s and 80s. And then there was another disruption with the arrival of multiplexes.* We had to invest to survive."

The company, he suggests has succeeded by thinking strategically about where to open, and indeed close cinemas, during those years and where to make investments. "*The company had to make tough decisions over the years to make sure that it had a future, and that will continue because there is always risk. The clock is always ticking.*"

Now Yorck Kinogruppe can boast 12 cinemas, including an open-air venue, with more than 5,000 seats across Berlin. And it enjoys annual admissions of more than a million people.

"Each cinema has its own character, although always with an emphasis, on "atmosphere and character", says Bräuer.

He believes the key to success has always been a focus on audiences and that thinking has been greatly enhanced by the use of data analysis and marketing software.

In 2017, Yorck-Kino became the first German customer of marketing and data analytics company

Movio, which will work alongside management software from Vista Cinema.
They are serious investments but the company believes they will strongly enhance the innovative work it has already been doing in areas, such as audience loyalty cards and with initiatives aimed at younger audiences.
"*We can use digital technologies and innovations to our advantage and they can be very important in helping build connections between films and audiences.*"
He expects Movio and other software to help both strategically plan and assess the value of investments.
Bräuer says the job of cinemas is to try to see the big picture beyond the hype whether that's over-enthusiasm for untested digital innovations, such as Video On Demand or too much emphasis on the box office of any given year.

> *"We can use digital technologies and innovations to our advantage and they can be very important in helping build connections between films and audiences."*
>
> Christian Bräuer


Christian Bräuer & Heinrich-Georg Kloster, DR

Analytics software is a tool, rather than an end in itself, and he has been a strong advocate of taking advantage of such opportunities. Each such investment works alongside and enhances other online and digital tools, particularly Yorck Kinogruppe's impressive online and website activity and ticketing services.
He also believes that technology can actually enhance the personal human intervention in the business ("*It is always an analogue and a digital project*"). Data can only enhance schemes that are targeting specific groups and building relevant initiatives and events.
The core belief, as Bräuer makes clear, is that a love of film and cinemas needs to be combined with informed and sustainable business practices.

CASE STUDY: ANTEO PALAZZO DEL CINEMA, MILAN, ITALY

The Milan-based Anteo SpazioCinema group has had a busy two years.
Between 2016 and 2017, it extended the SpazioCinema Cremona Po in the city of Cremona, adding three new screens and introducing a number of new initiatives intended to cement the relationship between audience and venue, including breastfeeding screenings.
In November 2017, it opened the impressive seven-screen, 1,200-seat CityLife venue in what will become Italy's largest shopping district, providing an essential cultural element to the modernist retail development.
And finally, it unveiled the renovation of a great Milanese institution in the Anteo Palazzo del Cinema.
Each development has been breaking new ground in its own way, offering a fresh perspective on cinemas in their particular communities.
The reopening of the Anteo Palazzo in September 2017, attended by Mayor of Milan and a host of celebrities and dignitaries, perhaps best encapsulates the vision. The €5m renovation of the cinema is the culmination of a long evolution for the Anteo, whose building was designed by eminent architect Renzo Gerla in 1938.
The four-floor development features 10 screens, each using state-of-the art digital projection – part of a €1m investment in technology.
The screens have been designed with a specific personality and function and have been given individual names, chosen by the cinema's Facebook network of supporters.
One screen features the Dolby Atmos system, of 3D sound and overhead speakers. Another brings together food and film with a chance to eat dishes that fit the theme of the film on screen.
But the screening rooms are intended to be just one facet of a bigger cinema experience.

Anteo Palazzo Del Cinema, Milan, Italy

Anteo founder Lionello Cerri believes it can become an essential social space and cultural centre for the whole city and a beacon beyond: "*Anteo Palazzo del Cinema is born with the intent to become a "meeting place", a place where the public can have access, regardless of cinematographic offer. Anteo also has different places where people could meet to talk about the movies, to read a book about cinema and theatre in the Public Library, to have a lunch or a dinner, to buy a book and to take a coffee, to see a movie on demand.*"

In other words, Cerri believes the redevelopment of Anteo is an investment in people, and the wide diversity of tastes and ideas.

The re-design of the building is innovative and eye-catching but over the long term, what will give the Anteo a living, breathing dynamism is the ideas that people bring to it, and in the way it is used.

There have already been a number of notable events on the site, with perhaps the most appropriate being the Milan Design Film Festival, centred on architecture and design.

The social space has been maximised to ensure it can be adapted to many kinds of use, including conferences and concerts. There is also a large garden area including a brewery. "*Our desire is to become always more a central place for Milan and for Italy in general*" says Cerri. "*We are trying to connect Anteo with different cultural organisations, such as festivals and music associations, in order to become a point of convergence for different audiences*".

The concept is aimed to make the Anteo a place in use all day long and the facilities at the 5500 square metre site are open from 10am to 1am. A €300,000 upgrade of the site's website and ticketing system is intended to make activities easy to find and simple to book.

The commitment to the community will be cradle-to-grave. There are nursery facilities for children of three-years-old and above and a public library with its own voluntary lending system.

> *"We want to became a point of convergence for different audiences, always working on quality proposals that fit in the context of Anteo"*
>
> Lionello Cerri

The renovation was based on a strategic business plan and financed through banks.

The main objective is to reach an attendance of 500,000 persons per year, with recoupment expected between seven and 10 years.

But says Cerri: "*Behind the economic considerations, we will evaluate also the increase of visibility and value of the brand Anteo. We want that Anteo become always more synonym of quality.*"

Anteo Palazzo Del Cinema, Milan, Italy

Florida-Guridi, Vitoria-Gasteiz, Spain

CASE STUDY: FLORIDA-GURIDI, VITORIA-GASTEIZ, SPAIN

Cinemas in Spain have faced what the Florida-Guridi programmer Javier Echaguibel calls "a perfect storm" in recent years. The ongoing disruption of rampant Spanish film piracy was joined by a big VAT increase in 2013 from (8% to 21%) and then an increase in author's rights.

The Florida and Guridi cinemas in Vitoria-Gasteiz, 60km south of Bilbao can trace their history back to the 1930s but their owners knew that drastic action had become essential.

Programmer Javier Echaguibel says: "*The main motivation of investment was survival.*" The owners realised they needed to make cuts but they also needed to invest if cinema was to have a future in the city. It was not just an issue for the cinemas but of essential importance to the region. The city is the seat of the parliament of the Basque Autonomous Region of Spain, the capital of the Alava region and home of the University of the Basque Country. Film has been important to the identity and culture of the region with the post-Franco new wave, supported by local government, maturing into an auteur tradition.

That responsibility was fully understood by the Florida's ownership (VESA), which has always been a community and social enterprise, based on more than 1,000 shareholders. And the opportunity seemed clear, particularly given a dramatic loss of other screens in the city, following the VAT hike.

A progressive strategy was devised in 2012. The biggest step was to close the Cines Guridi, in order to finance renovation and refurbishment of the Florida.

The other key parts of the plan were to restructure debts and to make investments that would ultimately open up new areas of potential revenue.

The decision to invest all of the energy in a new look for the Florida made it necessary to carry out some essential repairs and restructuring, and completion of the digital conversion.

The cinema has now been through a €450,000 renovation, which has allowed it to grow its ambitions and to increase the choice and comfort for its audience and to enhance the cinema experience.

The work was completed in phases.

The first phase in March 2012 and consisted of the opening of a casual restaurant, 'Donga', aimed at younger people, and the "New Coffee" restaurant cafeteria, focused on more mature audiences.

Those restaurants are essential to the business model, according to Echaguibel "*Given the current VAT conditions, without the restaurants we could not live.*"

The restaurants have been designed to maximise potential value to the film programme. A central corridor serves as access to both restaurants. At the end of this corridor is the cinema box office and the area where the film advertising has been placed. "*The goal was to take advantage of the synergies of the flow of the public*", according to Echaguibel.

The second phase, in December 2013 consisted of the digitisation of all screening rooms (with the help of Europa Cinemas).

The third phase, during 2014 and 2015, included major maintenance work on the buildings, including the ventilation and anti-humidity systems, health and safety upgrades and new seating.

At the end of 2016, the cinema, now called Florida-Guridi opened and an eighth screen was added to the original seven-screen venue.
Florida 8 was designed as a boutique screening room with 35 seats, which has allowed an expansion of the programme with an estimated 25 additional films added to the programme, more niche works and the opportunity to create special events. "*Digital projection has allowed us to optimize our rooms,*" says Echaguibel.
The venue also offers an Event Cinema programme of theatre, opera and other live events.

> *"The main motivation for us was survivial"*
>
> Javier Echaguibel

The ambitious plans have not been completed yet and investments in improving the aesthetics of the building will continue throughout 2017 and 2018.
The community commitment has now been taken further. VESA is now also helping open a cinema in the struggling Gorbeia shopping centre in their home city.
Gorbeia Cinemas is a new partnership venture demonstrating the value that cinema can bring to the regeneration of cities. It will also be programmed with the Florida-Guridi in mind, allowing a more efficient and effective release of films across the two venues, including some counter-programming.

CASE STUDY: SHOWROOM, SHEFFIELD, UNITED-KINGDOM

The Showroom in Sheffield offers a valuable insight into how digital age can enhance a very people-led business in a highly competitive environment.
The Showroom in Sheffield was established in 1993 with the support of local government and regional development funds.
Back then, the city in the north of the UK was emerging from a long period of economic decline.
A not-for-profit organisation was created to run Showroom on the site of a former car sales centre, built in the 1930s. It is among the centrepieces of a cluster of creative businesses around what the city designated the Cultural Industries Quarter.
It launched as a two-screen venue in what was then a city with little to appeal to film lovers, looking beyond Hollywood blockbusters (the last independent venue, The Anvil had closed in 1990).
It has since grown significantly, adding another two screens with a bar, café and social spaces. The venue also operates the adjacent Workstation, a business centre aimed at creative industries and innovation. The success of the Showroom and, of the Sheffield DocFest with which it has a close relationship, has helped build a strong city centre cinema culture, attracting new players, including a three-screen Curzon and, in 2017, a nine-screen multiplex, The Light.
The cinema is operating then in a challenging environment and has all the costs to manage associated with running an old building. It puts aside £100,000 (€112,000) to cover capital costs every year, which needs to be spent on refurbishments, such as heating

Showroom, Sheffield, United Kingdom

and ventilation. As a non-profit organisation, the Showroom puts all surplus revenues back into the cinema, and looks for means to keep and build audiences. One of its key investments has been software to help it make those strategic decisions and help connect with audience demand. It selected Movio, a data analytics and marketing service as part of a fresh approach to capturing consumers.

The cost of the new approach was found by discontinuing what had been its main marketing device – a monthly brochure. Creating, printing and distributing the brochures was costing the cinema £20,000 (€23,000) and the cinema was convinced there were more efficient and much more targeted marketing methods.

"*I always felt we could do more with data,"* says Chief Executive Ian Wild. *"If we could target everyone who saw a French film, to get them to see the next French film we screened, it would be better use of our resources.*"

Movio has allowed the Showroom to make much more informed strategic decisions about where to concentrate its energies.

Every interaction with the cinema by customers can be turned into value. It creates a picture of the individual person and their tastes and interests that become richer each time one of the cinemas services is used.

Wild says there are benefits for both the cinema and the audience member. For the cinema, it makes actions and activities more efficient and responsive; for the audience, it means that they are approached with relevant information that reflects their own personal tastes.

And it has helped assess the value of the actions taken, such as the successful membership scheme, which offers benefits tailored to specific audiences.

People appear to be reacting favourably. "*We were sensitive about local reaction to lots of messaging but it seems that people love it. Can't get enough of it, in fact.*"

One of the most ambitious marketing strategies has been 'postcode' marketing, where leaflets are dropped into letter boxes in carefully targeted areas of the city. The flyers offer a free cinema ticket to entice the potential customer and the take-up rates have been strong. The campaign might also target challenging and culturally deprived areas and, says Wild, although take up of offers is low, it demonstrates a commitment to building a diverse audience.

All those interactions feed into the database of the cinema, which means the well of knowledge becomes deeper every day.

Wild says that it is now becoming increasingly possible to identify audiences with the highest interest levels in any part of the programme and to ensure that they are informed of upcoming films and events.

"*The more targeted we can be, the more successful the campaign*", says Wild. The messaging works particularly well with niche content, such as foreign-language film and Event Cinema screenings of live performances, such as National Theatre plays.

Ian Wild, DR

> *"The more targeted we can be, the more successful the campaign."*
>
> Ian Wild

Deepening the relationship with audiences is at the heart of a broad strategy for Showroom, which has seen improvements to the bar and an upgrade of screening rooms.

The cinema ran a crowdfunding 'sponsor a seat' campaign as part of a recent refurbishment, which raised £50,000 (€56,000).

The Showroom lessons are being shared more widely in the UK among independent venues. It is the lead cinema in the Northern section of the British Film Institute's Film Hub scheme, which brings together independent venues as a collaborative, sharing network.

That collaborative approach and commitment to knowledge-based strategies is now being taken to ambitious new levels. For example, cinema is working with a group of local universities to secure a £1m grant for a major research project looking into audiences for cultural cinema in the English regions (www.beyondthemultiplex).

Kino Aero, Prague, Czech Republic

CHAPTER EIGHT

CONCLUSIONS

Every kind of investment is driven by two motivations: opportunity or necessity.

In general, necessity is the most important factor. All buildings need to be permanently maintained, and the older they get, the more challenging those needs become.

There are also regular disruptive changes that demand expenditure, including new regulation and legislation, changes to tax regimes and public support and new competition, particularly from multiplex chains.

Many will echo Javier Echaguibel, of the Florida-Guridi cinema in Vitoria-Gasteiz in the Basque Region of Spain (See Case Study, p42) when he says that investment for him means "survival".

But a theme that emerges throughout the report: that independent cinemas are adept at turning necessity into opportunity.

At the heart of that ecosystem is an ever-tougher fight for attention in a world that is increasingly always-on and on-demand.

All forms of art, entertainment and culture are competing for the same scarce and finite resource of audience leisure time.
What emerges from this report – and indeed the previous study of innovation in the independent cinema sector – is that most venues are arming themselves with the right tools and strategies.
Investment now has a critical goal: building audiences around an enhanced cinema experience.

ENHANCING THE EXPERIENCE

Stage one of most strategies is to maintain and increase the distance between the cinema experience and viewing on any other platform.
It is a task that never stops because the quality of televisions and 'home cinema' systems is constantly improving, and the convenience and credibility of mobile viewing is also growing.
Cinemas cannot win on convenience and connectivity but it can ensure they always win by a large distance on quality.
That is why cinema seating, identified as the most 'essential' area of spending by respondents, is not just a matter of detail but a strategic priority. And respondents treat improvements to sound, vision and the broader cinema experience as a constant necessity.
A striking feature of this report, and particularly the case studies, is the broadening of the cinema experience. Much emphasis is placed on creating a welcoming environment that encourages interaction and socialising. A lot of attention is given to the balance between restoration and conservation of buildings and the desires and expectations of today's audiences.
Those are investments in people with the hope that cinema will be seen as a community and a social space where ideas and emotions can be shared.
Activities outside film viewing are being encouraged and this survey suggests that non-film activity is seen as a positive advantage for European film. When the cinema becomes a meeting space for diverse communities, the potential to develop new audiences increases.
In the interviews for this report, all of those investing in bars and restaurants see them not just as essential sources of revenue, but as a proven means of keeping audiences engaged with the cinema and creating home from home.

The « Caféo », bar of the Cameo, Namur, Belgium © Julien Forthomme

AUDIENCE, AUDIENCE, AUDIENCE

Among the prevailing trends in the report has been investment in increasing the numbers and diversity of screening rooms.

It is emblematic of an entrepreneurial business, which sees the audience in terms of individuals and their changing wants and needs.

Many of the older cinemas in this survey began as huge one-screen venues with large numbers of seats. Changing economics and the rise of television led many of those venues to close.

The emphasis from the 1990s shifted to the multi-screen, multiplex venues, dominated by big cinema groups.

Now some independent cinemas feel a new period has arrived when the trick to building audiences is to create personalised spaces and intimate screening options. Some have taken a less-is-more approach, finding that sacrificing the number of seats for quality actually leads to higher occupancy.

Digital distribution also allows for much greater flexibility in programming and the potential for special events.

There is a confidence around the idea that independent cinemas are actually in a stronger position in an emerging culture where personal experience is afforded greater value. That confidence partly comes out of assets (such as buildings) and the brand of venues, overwhelmingly based in the centre of their communities. It is also based on the fact that community-based cinemas know their audiences, because they actually interact with them on a daily basis.

That interaction has been enhanced to a great extent by new technologies. Social media and websites offers a low-cost and effective way to build relationships. Among the case studies for this report are strong examples of the use of data analytics, targeted marketing software and smart, mobile ticketing systems. These innovations are helping enhance communication with both current and potential audiences.

Much investment then is targeted and focused on identifying, building and nurturing audiences.

NETWORKS

There are unquestionably exciting opportunities but for some venues, it can be hard to focus on long-term priorities, when facing short-term crises.

The independent cinema sector is heterogeneous, with big divides between local conditions, access to public funding, availability of capital, etc.

Some of the grander renovations in this study might feel like they are from a different planet to a small venue, struggling to update air-conditioning units or toilet blocks.

Yet there are factors that unite all of the venues in this study and the audiences they serve.

There are many facets to the investments here, some of which are scaleable and applicable to any venue.

That is where the power of networks comes into play. Sharing and collaboration between cinemas offers a form of research and development for all.

This report is part of Europa Cinemas' commitment to ensuring that all members are aware of opportunities that are being tried out in real-life situations around Europe.

This report will help all venues test their thinking on current and future investment and offer practical examples from those putting concepts into action.

The network also offers other mechanisms to develop investment ideas still further, through conferences and particularly regular workshops, which bring together exhibitors in lively discussion about issues that affect them all.

There are reasons for optimism in this report but that sense of hope will best be turned into action through collaboration across a progressive and confident independent network.

AUTHOR OF THE INVESTMENT SURVEY

MICHAEL GUBBINS

Michael Gubbins is a journalist, film and media consultant and analyst, focused on digital and audience-driven change in arts and creative industries. He also chairs Ffilm Cymru Wales, the body responsible for the cultural, educational and economic development of Welsh film industry. He was previously editor for Screen International, Music Week and Computing in a journalistic career of more than 30 years. His consultancy companies, MCG Film and Media and SampoMedia, have produced influential strategic reports, covering film, media and the arts for organisations,including Europa Cinemas, Film4, British Film Institute, CineRegio, Welsh National Opera, various European film funds and many more. He has also organised, chaired or been a keynote speaker at events in more than 30 countries around the world. He is on the advisory board of Met Film School, West Midlands Film Bureau and Power to the Pixel and a Visiting Fellow of the University of Exeter.

EUROPA CINEMAS AWARDS 2017

BEST YOUNG AUDIENCE ACTIVITIES
AGRAFKA & KIKA (KRAKOW, POLAND)

BEST PROGRAMMING
CINEMA ELVIRE POPESCO (BUCHAREST, ROMANIA)

ENTREPRENEUR OF THE YEAR
ANTEO (MILAN, ITALY)

AWARDS EUROPA CINEMAS 2017

Agrafka cinema, Krakow, Poland

Agrafka cinema, Krakow, Poland © Klaudyna Schubert

Agrafka cinema, Krakow, Poland © Kacper Kałużyński

BEST YOUNG AUDIENCE ACTIVITIES

AGRAFKA & KIKA (KRAKOW, POLAND)

In the beginning there was… a cinema, of course. When I was 5 or 6 years old my father took me almost every Sunday to the cinema for their kids' morning screenings. I remember this well, and think that when you are a kid and you have fun at the cinema you will also enjoy it as an adult; returning, sooner or later, a cinema lover. In 2009, when we designed our Agrafka cinema, we decided on a space for kids, between the screen and the first row; we didn't have the space outside the auditorium and the cinema room is a friendly place for young viewers, where we also organize workshops. It's a place not unlike a living room where kids can take off their shoes, sit on pillows on the floor in front of the screen, and feel at home.

Kika opened in 2012, the first and only cinema in Krakow with a separate room for parents with newborns. Our cinema is in an old button factory, a cosy place for parents and kids. Our main cinema room has an adjoining café. It's a small and easy to navigate. Kika is the only arthouse cinema in the old Krakow district of Podgorze. It is located far away from the centre of the city, in a residential area, making us an important, local cinema destination for our neighbours.

When we decided, in 2009, to embark on our journey with Robert Skrzydlewski, and to open Agrafka, we knew that programing for kids would be a very important aspect of the business. And so began our Watching and Reading activity for children, in Agrafka Cinema on Sunday mornings. The idea is to connect their love for books with their love for cinema. After the reading and screening, we invite children to participate in workshops. We have a friendly atmosphere, suitable for 5-10 years old kids. This activity was a success and continues to grow.

When we opened Kika cinema, we needed a slightly different take. We organized screenings for younger children (3-6 years old) every Sunday at noon, followed by a workshop with an animator in the café. We try to arrange different activities every Sunday, the idea being that education is having fun, and, most importantly for us, we create an enjoyable atmosphere where parents and kids feel comfortable, and will return to our cinema.

Both of these programs are the result of collaboration between three people: Agnieszka Balicka, Robert and myself. We are working together on this, but the success also relies on our great animators; Joanna Basicz, Ula Szkwarek, Iga Wójtowicz and Justyna. We have, in our team, a six-year-old quality inspector: our daughter! She is in one of our cinemas almost every Sunday, taking part in screenings and workshops, and she loves it.

Since 2009, we have organised our own program of film education, "Cinema with Class". The program is available for every school level, from kindergarten to high school. We develop it each year and now have more than 1,500 young participants. We employ two specialists, Joanna Łuniewicz and Anna Kurda, who organize the screenings and lectures full time. Every young viewer will visit us five times in a school year, meaning that, for this program, we have more than 7,500 visits. For each school level we have arrange different activities: for kindergarten we organize workshops focused on reading; for the first years of primary school there is an art contest; with older children, we hold more lectures and debates around the films.

To promote our activities we focus mainly on web communication; we are working with websites targeted at parents and kids. We also print weekly leaflets of the cinema program, which often includes graphic promotion of our kids programs.

Although many people do go to the cinema, a large number still don't. In order to reach that audience we are taking our cinema activities outside the cinema. For a few years now, we have organized a cinema room at a book fair for children and, since last summer, have created an animation tent for family picnics in the city park. It's a good opportunity to demonstrate our offer to people who don't yet know that we exist, and it's working very well.

Young viewers could only go to the cinema with their parents or teachers, which is why we care about them. We try to make our cinema friendly not only for kids, but for the adults accompanying them too. They can find good offers in our café bar and a place to talk quietly, where they can have good time.

We believe that by the end of this year, we will open a new, smaller room in KIKA Cinema with 20 seats where viewers will be sitting on comfortable sofas - and that's not our final project!

Bogdan Balicki, Vice President of Fundacja Wspierania Kultury Filmowej Cyrk Edison

Robert Skrzydlewski, Agnieszka Balicka, and Bogdan Balicki. DR

Elvire Popesco, Bucharest, Romania © Institut Francais de Roumanie

Elvire Popesco, Bucharest, Romania © Institut Francais de Roumanie

Elvire Popesco, Bucharest, Romania © Institut Francais de Roumanie

BEST PROGRAMMING

CINEMA ELVIRE POPESCO (BUCHAREST, ROMANIA)

Romanian-born leading lady of French cinema and theatre in the 1930s, Elvire Popesco, has become the titular icon for the cinema venue of the Institut Français in Romania.

It opened its doors in 1974 and is an historic film venue in the Romanian Capital. After a short break, it was spruced up thanks to a collaboration with the awarded architecture office "Lundi et Demi", reopening in 2012 as a beautiful digitised single-screen cinema. Since 1997, the film theatre has been a member of the Europa Cinemas network and part of the family of art house cinemas belonging to CICAE– International Confederation of Arthouse Cinemas. This speaks to our programming prowess, which is committed to showing European and auteur cinema but, also, to maintaining a regular program for young audiences.

The Elvire Popesco Cinema does more than just project movies: the film team at the Institut Français ensures the cinema is also an important instrument for employing audio-visual policies set by the Institut Français; hosting master classes and debates; supporting local film education programmes in Romania (filling a much needed gap left by the national teaching programs in schools); and welcoming Romanian film teams in need of technical assistance to calibrate their cinemas and prepare for festival premières.

It is important for the cinema to support, and even to give an extra push to, the promotion of less commercially viable but artistically valuable titles. As such, it is part of the programming strategy to regularly promote documentaries and experimental films through the co-ordination of special premières and by giving them pride of place in the programming grid. These films are further supported by the appearance of special guests in discussion, or by working with the distributors, offering them greater visibility in the form of a banner at the entrance of the Institut Français.

Since European and French cinema is not an priority for the film distribution market in Romania, much of the varied programming hinges on good partnerships with film festivals. The events hosted at Elvire Popesco Cinema promote niche film choices including; arthouse cinema, human rights documentaries, short films, urbanism and digital arts. Good relationships with festivals are essential, and follow-up can lead to an exchange of programming propositions or, sometimes, the film team at the Institut Français will invite the festival programmers to present and promote films they have, or would have liked to have, screened at their respective events.

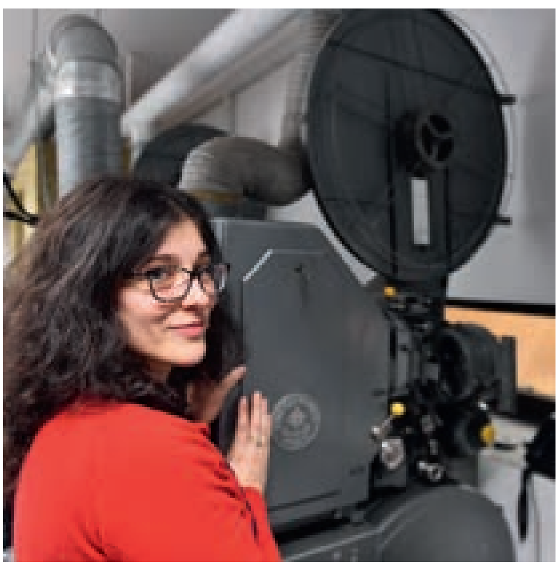
With consistent arthouse programming, the cinema offers 4-6 different titles every week, encouraging groups and film buffs to book a reduced ticket price in advance. Romanian films are almost always screened with English or French subtitles, and are therefore accessible for expats living in Bucharest.

But programming and pricing policies are only a small part of why we have managed to build in recent years, with the team behind it all being the most important ingredient. With a good technical supervisor and great projectionists, patient and kind Front of House, a dedicated person developing communication for young audiences and, with the help of a few enthusiastic interns and volunteers who love cinema and feel at home at Elvire Popesco, we try to ensure a cosy, welcoming environment for the discovery of quality films. The bonus, of course, is the cinema's black cat, who our audience loves to pet before and after screenings.

Our film team is the engine for different educational projects, the most successful of which was a training program around questions of sound quality in cinemas with the participation of projectionists from different cinemas around the country. Christian Hugonnet, the sound engineer who co-ordinated the training, has since been invited to Sweden and Croatia to repeat the experience with other cinema technicians in Europe. Our cinema team is also welcoming to young people interested in learning about cinema management and programming, and has offered various internships to those interested in these topics. In the first half of 2017, even teenagers were invited to contribute to selecting the cinema's program and we are now looking at setting up new projects with and for them.

One screen is not enough to program everything we'd like to present to our audiences and, with only a few special screenings of undistributed movies, there are always a few who have missed out and can't make it to the one off screenings and special events. We'd love to have a bigger lobby and a café open all year-round but, for now, this isn't possible. Luckily, some of our challenges aren't space related and we hope to continue to build on our good relationship with our audiences, furthering it with interactive digital equipment but, also, through the development of new workshops that will allow the cinema to continue to be more than entertainment for those around us.

Boglarka Nagy, Programming Manager at Elvire Popesco Cinema



Boglarka Nagy © Institut Français Romania

AWARDS EUROPA CINEMAS 2017

Anteo, Milan, Italy

ENTREPRENEUR OF THE YEAR

ANTEO (MILAN, ITALY)

The Palazzo del Cinema project grew from Anteo's core concept of cinema. For over thirty-eight years, this concept has been the foundation on which we have built our identity, and a close-knit relationship with our loyal public, across multiple generations.
The Anteo spazioCinema project was born in 1979. Since then, we have developed a structure – first, for a single-screen cinema, then a multiscreen – that pays careful attention to the needs of different audiences, offering diverse programming and a wide variety of services.
The Palazzo del Cinema project further develops Anteo SpazioCinema's core ethos of cinema-going, consistently focusing on the quality of cultural offer and available services.

Our authentic community of loyal moviegoers was built over years of activity; they identify with the Anteo trademark and have become its foremost promoters. The Palazzo del Cinema's goal is to offer the city a cinema with more than movies. What attracts the public is an alignment with the philosophy of the venue and its wider community, as well as its services. The Palazzo del Cinema's objective is for the public to relate to the project and to recognize its value as a place of collective, social importance, for entertainment and exploration, and not simply the outer shell of a service. Anteo Palazzo del Cinema is a place for people, independent of its film program. With 5,500 m² of floor space, it offers the public a wide variety of services: 9 cinemas, each with different programming to satisfy diverse audiences; a cinema-restaurant, the first of its kind in Italy, where people can have lunch, enjoy a cocktail or eat dinner during the movies; an on-demand multimedia room, which can be reserved for private screenings, parties, company events and much more; a Public Library of the Performing Arts, with books donated by the public for the public; a nursery/children's area, managed in collaboration with an educational association, which not only provides babysitting services but also offers various courses for young children; a literary café; a study area where courses on film-related professions are held for teenagers and young people; and the brand-new Osteria del Cinema, with a pub on the ground floor and a splendid garden.

Anteo Palazzo del Cinema, then, is a project that promotes cohesive social interaction - and Anteo's commitment isn't limited to the Palazzo del Cinema. Our attention to the public and our interest in offering top-quality services has been, and continues to be, the driving force behind our investment in this two-year period (2016-2017).

Last year, we increased the number of screens at SpazioCinema Cremona Po from 7 to 10. Although the city is small, its people enjoy quality cinema. As such, our objective was to offer a wide range of films, aimed at every age group. We also brought our opening time forward and organized film sessions for children and the elderly.

In September, we launched the major Anteo Palazzo del Cinema project: it was an incredible and unique feeling to give this space to the city and its public. The results of the first weeks of activity has shown us that the people were eager in waiting for a structure like this.

On November 30th, we will inaugurate CityLife by Anteo, opening seven screens in a Mall built in the futuristic CityLife district, an area of the city center that is increasingly attracting the people of Milan. Anteo, with its hallmark quality offers, won the tender over other cinema companies, despite their business prowess. They may be bigger when it comes to total number of screens throughout Italy but they lack Anteo's identity, which is dedicated to offering excellence to the public.

From an economic standpoint, these important operations represent an overall investment totaling approximately 10 million Euros. This has been possible thanks to the support of financial institutions that believe, first and foremost, in the Anteo brand, as well as our proposed economic plan. Though the entrepreneurial risk is high, we are convinced that investment is the only way to attract new audiences, and to adapt our business to present-day demands.

Recent decrees implemented by the new Italian Film Law also support cinema companies that invest in modernization projects. This is attributable to an assessment of the industry's sustainability. At an institutional level, it has become clear that the sector can only grow if both the product and the structures themselves are improved.

In conclusion, the idea we hope to foster with Anteo projects is a concept for a type of cinema that weaves seamlessly into the wider social fabric. In a metropolitan context such as Milan's, cinemas must increasingly become multifunctional and multidisciplinary spaces. We must overcome the heretofore prevalent concept of movie theatres, and of "knocking down the walls to bring the people in."

This is also the guiding principle behind Fuoricinema, a yearly event, held for the second time this September, organized by Anteo in collaboration with the association, Artisti Insieme and Corriere della Sera. It is a festival of people rather than of products, and brings cinema, music, fashion, design and solidarity together.

Lionello Cerri, CEO of Anteo

Lionello Cerri D.R.