

REPORT EXPERT MEETING 2009

Thursday 22nd October

Expert Meeting - A Long Digital Trail for EU Children's' Films?

Partner: ECFA

Supported by: Flinck Film

Moderator: Christophe Erbes

The expert meeting included all key figures in the chain: producers, film institutes, distributors, TV channels, experts in specific topics (list of participants attached).

A key speech on the topic was given by Mr Philippe Kern (KEA).

A key presentation on the legal context, and on EU experience in the field, was given by Ms Charlotte Lund ([International Video Federation](#))

GOAL OF THE EXPERT MEETING

The expert meeting was organised to evaluate developments in the field and steps made since the meeting in 2008. It referred to some of the recommendations from the 1st Kids Regio Forum on the distribution of children's films, held in Erfurt in the spring of 2009. Within the EU too many titles never cross the borders of the country in which they were produced.

This meeting also discussed some of the next steps that had to be taken in order to set up one common digital platform for European high quality children's films, thereby stimulating the international distribution of such films. The participants of the meeting agreed that this could be a powerful instrument in growing both awareness and new audiences; in helping more children in Europe to realise how interesting and nice it can be to watch these films. In the end, this growing awareness will help European children's films to travel more easily between European countries.

The main goal is to extend the market, to reach a bigger audience for these films throughout Europe, not just in their home countries. Starting with a VOD (Video on Demand, Download or Streaming) platform, based on a B-to-B business model and not aiming directly to the consumers, the aim is to create more interest, a bigger audience and improve sales arguments for these films throughout Europe, enabling more films to be distributed on a commercial basis.

DEVELOPMENTS SINCE LAST YEAR'S MEETING

The development of VOD (video on demand) has been notable: over the past few years numerous digital platforms have been set up in a number of different European countries. Because of this development, knowledge about the possibilities and the problems has also grown. Some of the latest developments and experiences are summed up below:

VOD (VIDEO ON DEMAND)

VOD is a relatively new medium that offers viewers films, documentaries and TV-series by way of cable, online and mobile distribution. VOD is interactive in the sense that it puts the viewer in the driver seat: the viewer decides what, where and when he or she wants to see.

The market for VOD distribution has increased dramatically, states Philippe Kern (KEA). Two years ago, for example, there were only 250 VOD platforms. Nowadays there are more than 700 platforms in Europe alone.

But the market is not as yet huge in terms of revenue. The main tendencies are free video (e.g. YouTube) and illegal downloading, which happens in 95% of cases. These "pirates" are, however, also potential buyers of purchased DVD's and VOD.

One of the reasons some people turn to illegal downloading is that the public considers the period of time between theatrical release and digital streaming or purchase too long. Changing the release windows could help to reduce illegal downloading and provide an opportunity to increase online distribution revenues. With a shorter theatrical window for earlier DVD and VOD release (things could even happen simultaneously), more people might be prepared to pay for downloading films, documentaries or TV-series' at the moment they want to enjoy them. These payments would, however, result in less revenue for the distributor (and therefore also for the producer) and endanger

the revenues and importance of the theatrical experience. This could disturb the total film economy and would not encourage distributors to invest more money in new films. Solving this problem will require new vision of the future, including films and VOD for kids, with some shift from theatrical and distribution income to other partners in the film distribution and/or production chain. In all likelihood this will involve the development of new business models and targets.

There is strong interest in developing the market for schools, as this is a very big potential market in the EU. It would be wise to support a European umbrella for existing national platforms, and to help the development of such initiatives in countries where they don't already exist. Within a non-commercial window (to be defined), films could become more profitable in a longer 'trail'. Today, most of these films hardly cross national borders, and are not available for screening in the context of improving media literacy.

The children's film market in Europe is driven by the theatrical market, DVD and TV. Non-commercial windows, especially in an educational context, are seen as being too specialized. Most distributors, unlike those in the American market, are not pro-active. As the free market is failing, a system to activate and support the market is essential.

EXAMPLES OF EUROPEAN DIGITAL PLATFORMS

Filmotech (the Netherlands) :

This platform is an initiative of the Netherlands Association of Feature Film Producers (NVS), the Netherlands Film Museum and the Institute of Image and Sound. Petra Goedings, from the production company Phanta Vision, is one of the initiators of this platform in the Netherlands. The financial support is from the Dutch Ministry of Culture.

An important mission of Filmotech is to make high quality Dutch film and video material accessible for the public. To this end it will make the content available through a number of channels: not only on the internet, but also through networks such as the cable operators. The films will also be available for the cinema in digital format.

Business to Consumer

Filmotech aims to make all Dutch movies, documentaries and TV-series available directly to consumers, with the consumers having to pay for the chosen product.

Business to Business

Filmotech is also a cooperative involving all the Dutch producers, and at the same time a platform of service for these producers. From the Filmotech platform the producers can, for instance, screen movies from specific directors, or let their own movie be screened by distributors, journalists or festivals. They get a special code or "key" to access the database and screen titles with or without a time code or encrypted logo.

There are already some existing "partnerships" with countries like Spain, France and Denmark. These partnerships are created to allow participating digital platforms to exchange films across national borders.

Petra Goedings states that it is important that different European countries create their own "Filmotechs", with a view, as ultimate goal, to putting all the different platforms together to create one collective European Digital Platform.

Filmotech has made binding agreements with distributors and representatives of right's holders organizations so that directors, scriptwriters, composers and producers get a share of the income generated (in total up to 10% of the income of Filmotech).

For more information visit: www.filmotech.nl

EUROPEAN DIGITAL PLATFORMS FOCUSSED ON CHILDREN AND EDUCATION

Filmstriben (Denmark)

Filmstriben is a Video on Demand service developed in cooperation between the DBC (Danish

Bibliographic Centre) and the DFI (Danish Film Institute). DBC is running the service - hosting, streaming, and dealing with technical matters and subscription. DFI delivers the films.

According to Martin-Brandt Pedersen (DFI) Filmstripen currently offers around 600 films, most of them newer Danish shorts and documentaries. Around 300/400 films from back catalogues are on the way, and should become available within the next 18 months. Over time, Filmstripen is planning to add a further 50 new films each year. At the moment most of the films on offer are Danish, but to stimulate cultural diversity they are already working on offering films from abroad.

Filmstripen is a model that is currently limited to an institutional market that includes schools and libraries. In the long term, however, they also want the films to become available to consumers. It is already possible for children at home to get a limited number of films from Filmstripen through their (school) library, given that they are subscribers. The fee for schools or teachers is € 240,- per year, giving them access to all films.

In addition, DFI hosts study guides and other educational material linked to the Filmstripen films used in the classroom. At the moment the platform has some 1500 subscribing schools and libraries in 55 municipalities. The operating costs of the platform are estimated between €325.000 and € 375.000 per year.

The DFI already notices that this platform is a good way to ensure documentaries are screened, especially given that they hardly get a chance in cinema's.

For further information: www.filmstripen.dk

Two other examples of digital platforms for children are presented by Charlotte Lund Thomsen:

Filmclub

Filmclub is funded by the UK government and the UK Film Council. They provide free DVD's for schools to be watched after classes. Their aim is social interaction, achieved by the exchange of comments and experiences on the school's website. This model is based on DVD, but in the future it can also be applied to digital distribution.

www.filmclub.org

Film Education

This platform is funded by Film Education UK itself. They create educational packages that are used in classes. After watching the film, children and teacher discuss different aspects of it, like how the film was made, what the genre is etc.

www.filmeducation.org

Different countries, different situations

Some participants noted that few countries can as yet participate at this level. Reasons offered are that the national children's film culture might be less developed, or that theatrical release opportunities and internet development might be less advanced. The suggestion is that a tailor-made model with different levels of support be created. For countries with a strong existing children's film culture and VOD platform, for countries with a good kids film culture but no initiative such as filmstrip, but also for countries in need for support at almost every level in every field.

LEGAL RIGHTS (the full presentation of Charlotte Lund is available upon request)

Exclusive and non-exclusive rights

Because of the development of new distribution strategies such as VOD, the sales of legal rights is moving from exclusive to non-exclusive rights. It is difficult to hold on to exclusive rights today because sale agents and distributors want to sell them to more parties (as is the case of using more stores and shopping chains for DVD distribution).

Selling exclusive rights obviously pays more than selling non-exclusive rights. The question is what

kind of influence this has in the future on the film financing models. Other questions raised are: can a film earn even more money through sales on digital platforms than it could by selling exclusively on DVD? In the future will the business model for exclusive rights still survive, or will illegal downloading redefine it's relevance?

Since the rise of digital distribution, rights management, which was relatively simple in the analogue period, is changing and becoming increasingly complicated. There is therefore an imminent need for good, clear contracts. New business models are emerging and will change the income structure by creating new forms of right sales.

MARKETING

The promotion and marketing of new productions looks different, primarily because of the internet and the new social networks like Facebook, Twitter etc. These social networks are often the beginning of important 'word of mouth' advertising.

These social networks are also very important for publicity campaigns, especially in digital distribution. If a film is only available on digital platforms and not in the cinemas, it is hard to find this particular film amongst thousands of other films. Putting trailers and clips on YouTube is now considered as almost essential.

But the experts are aware that schools offer a large "captive" audience. Within which national "art house" and European films, sorted by genre and themes, could be shown, discussed, compared and possibly start an exciting new life.

RATING AND CLASSIFICATION

Another subject to keep in mind is the rating and classification of films. In some European countries, like Germany and the UK, the ratings are regulated. In other European countries they rely on a self-regulating system. In the Netherlands, the organisation that is responsible for classification is the NICAM. Wim Bekkers of the NICAM is willing to help set up a plan for regulation on a European level, or at least a plan to define some of the practical common denominators.

See: www.nicam.nl

EBU

With the presence in the expert group of 2 members of the EBU, who are looking for common ground for the 27 European countries, the advise is to search for support for resources, guidance and communication power.

CONCLUSIONS

1. Local European films have a hard time moving to other European countries.
2. We must help these films cross borders. Firstly to support the industry and the producers of these films to earn more money in order to be able to develop and finance new films. Secondly to use the cultural diversity of Europe as a tool for European citizenship and awareness, and also to improve media literacy.
3. A new strategy has to be developed in order to create awareness in Europe for good children's films from other countries.
4. One of the strategies could be to create a pan-European digital platform on which a selection of European children's films could be streamed and offered (via VOD) to institutions like schools and libraries.
5. A pan-European platform of this kind could act as a portal to reach local digital platforms (such as Filmstriben and Filmotech) where the films (plus educational materials about the films) are actually hosted.
6. It is strongly recommended that the selection of films should be made by local Film Institutes or Film Funds.
7. In order to limit initial costs, it might be necessary to begin with films for audiences that can read and therefore understand subtitles.

8. It is important to use normal commercial distribution wherever possible, to compliment this with, for example, holdbacks and libraries or films which have not travelled in Europe at all (or in a specific country).
9. As a start-up strategy, the expert meeting advises that this strategic plan for a Pan-European digital platform for European children's films should be combined with, and/or make use of, the existing distribution study. This involves a pilot programme with a limited number of films to be distributed in a limited number of countries.
10. Initial financing of this new strategic plan can try to work with the same funding bodies that supported the pilot study (e.g. national funding bodies in a number of Northern European countries).
11. Initial financing might also be possible with support from the EU Parliament.
12. The EBU could also be a strong partner and/or adviser in this initiative.
13. Children's Film Festivals often invest in translation and subtitling of the many EU films that are never released outside their country. These investments could be used: from now on copyright contracts with the translator should cover use in all Non Commercial windows, also online.
14. A policy paper must be developed presenting a concrete outline of how many countries can participate on which level, which conditions these countries must fulfil, the number of films which will be featured in the pilot, the financing of the development of the Pan-European platform, plus a long term revenue plan.
15. A possible start could involve 5 countries selecting 5 high quality children's films that are suitable (with subtitles) for this platform.

STEPS TO BE TAKEN

The steps that need to be taken quickly (now) are summed up below.

- Find out in which European countries digital platforms are already available for children's films.
- Look at different schools in Europe to find out what kind of film education already exists
- Find out which European countries have self regulation and a regulated age rating system
- Check European acceptance for subtitles
- Check which national film institutes/bodies exist in each EU country and how they could be involved in the development of the platform
- Try to place, also on the agenda of the European Minister of Education, cinema in the school curriculum.

Final: Select one person and/or institute to perform this study and to create a strategy paper. This strategy paper has to be finalized before the next expert meeting in Malmö.