

The Impact of Festival Showing and Awards on the Programming of Movies at the Box Office in The Netherlands

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Abstract

Our research focus on the following question: Which of the efforts the distributors and movie owners use to attract more audience do have impact on the extension of the showing time of films in movie theaters? The three big European film festivals, Cannes, Berlin and Venice play an important role by the decision of the distributor to buy a film. The knowledge of the audience that a film was shown in the festival program of the three important film festivals, got a prize at the festivals or an Oscar or a Felix can make a film extra attractive.

We will estimate different models of logistic regression to explain which independent variables in our model have an impact on the life cycle of the movies.

Keywords

Film festival, film marketing, movie distribution, film programming

Since the middle of the Eighties going to the movies has become a different experience due to the new movie theater concept based on experiences in Canada and the United States. New venues with spacious, attractive theaters and up to date technical equipment were built at the outskirts of cities from eight up to twenty five screens in one building. These venues, which are called multiplexes, program a varied supply of films targeting different audiences. The ticket prices are differentiated according to time slots and day of the week. A lot of staff members provide different services. Parking places, pubs, restaurants, coffee shops and other leisure facilities are located in or around these multiplexes to create the possibility for "a complete evening out".

The new movie theaters are a huge success. In six years, from 1989 to 1995, the movie attendance in Great Britain, the country that began with building multiplexes in Europe, rose from 193 million to 353 million. Belgium and Germany were the next European countries to apply this concept, also with exceptional success (Bähr, 1997, Schuringa, 1997, Cinema Yearbook 1991-2000).

In the Netherlands, the film sector was at first reluctant to adopt the new system, especially when it came to building multiplexes (Wolff, 1993). Most movie theaters and movie chains were still owned by private firms which were not willing or able to make the necessary investments. Only in 1995 the first multiplex was built in Groningen by the international media company Pathé which is based in France. In the beginning of the Nineties, Pathé bought the biggest movie theater chain in the Netherlands from the successor of Cannon. In 1999, the last year of my

research, only 6 multiplexes are realized in the Netherlands, all of them built by two international corporations (Pathé and Cinepolis).

Despite this late decision for building new venues to attract larger audiences, other efforts, - renovation of the existing movie theaters, more staff members, differentiation in ticket prices, more and different films with a more varied programming, extensive promotion and advertising campaigns especially for films that were shown at festivals or got an award- were made and turned out to be successful. There is a rise in movie theater attendance in the Netherlands from 16 million in 1995 to nearly 24 million in 2001 (Wolff, 1987, annual reports NFC 1995-2001).

To keep up with this success the movie industry has to attract constantly different audiences to get a full house. Huge promotion campaigns with ads, interviews with stars and directors, websites designed for a film and reviews try to lure the attention of possible movie patrons. It is assumed that film festivals take a specific role in this media hype. Not only are producers, distributors and sales agents busy in trying to get their films on a festival program. The film festival directors are explicitly proclaiming that the films they choose for their festival are the best fare the film industry from all over the world has produced in the past year. It is an honor to be invited for a film festival. It is common knowledge that films that are programmed at festivals will benefit in getting easier distribution contracts and big audiences. Most of the government film agencies of the EU countries are not only willing to grant the films that are chosen for a major festival a promotion and a translation budget but on top of this the producers are getting an extra bonus for their achievement.

In this paper I will research whether films that were shown at the three major film festivals in Europe, got a prize at these festivals or an Oscar or a Felix had a better performance at the box office and got a longer showing time in the movie theaters than the regular films. It is assumed that the media hype from the festival is used as a tool to increase the movie audiences. This assumption would mean an extra effort to increase the box office besides other measures that were taken by distributors and movie owners. These measures, especially flexible programming with different time slots in an adequate venue were effective. (Verdaasdonk 2003)

Our research question is: Have the invitation of a film in the main section of one of the three major film festivals in Europe, getting an award at these festivals or an Oscar or a Felix impact on the extension of the showing period of the film in movie theaters? Earlier research shows that enhancing the life cycle of movies in the theaters is an important tool to increase the audience (Verdaasdonk 2003).

The Netherlands will serve as an example for the European film industry. Although the Netherlands does not have a large film industry, its structure and organizations are comparable with those of most of the other West European countries. American studio's often use the Netherlands as a try out for their films. For the characterization of the sector in the Netherlands we have conducted interviews with a large number of Dutch distributors and all movie owners/programmers of the theaters in Amsterdam in 2000 and 2001.

The Activities of the Distribution and Exploitation Sector in the Netherlands

The activities of distributors and movie theater owners/programmers are crucial for the programming of the films in the theaters. The Dutch distribution and exhibition sector are independent from each other. The sectors are united in a federation, the NFC (The Netherlands Cinematographic Federation) that serves the whole film industry. There are more than 30

distributors that are registered as members with the NFC. Although everyone who owns the distribution right to a film is able to offer the film to movie owners only the registered distributors are doing business with the (registered) movie owners. In the three years that are reported here between 17 and 20 distributors offered 703 films to the 461 screens in the Netherlands. Although there were a lot of changes in the market due to mergers, bankruptcy or new outfits, the big players, the American firms, the European multinationals and the some Dutch firms kept their large market share, that is around 90% (De Mediamarkt, 2002).

The distributor buys the distribution right for a film for a certain territory. Most of the independent distributors in the Netherlands buy the rights for the Benelux and try to purchase all rights (for film, video/dvd and television). There are different ways to get the rights: In a presale deal before the film is produced. This decision is influenced by the performance of earlier films of the director or/and the producer, the appeal of the new film project and/or the relation a distributor has with the filmmakers. Often there is a project pitch done by the producers on a film festival market. This is one of the fastest growing activities during festivals and markets. For newcomers some festivals have provided an extra niche for this activity (Rotterdam Cinemart, Berlin First Pitch, Cannes Variety Seminar). For most of these projects the distribution rights are less expensive than for a completed film. There is always a risk that the film shall fall short of the expectations. Another possibility is a deal between the distributor and the producer for a "first look". The distributor invests money in the production firm and has the right to buy finished films if he is satisfied with the quality. Such a deal includes a certain number of films. To give a recent example of a deal: distributors had to purchase the film rights of the whole series of The Lord of the Rings beforehand. It turned out that these distributors were lucky because the fantastic results at the box office grew with each film. Most of these deals are offered or completed at festivals. Everyone is on the spot and the "buzz" about interesting deals raises the eagerness and expectation. The rights for completed films are offered at festival and markets by sales agents or distributors and for smaller films by the producers themselves. The films that are not invited by the festival are shown in market screenings. The "buzz" for a film can be stirred up by good reviews in the daily trade papers and can raise the market price. Due to massive interest in one film there can be a fierce competition between distributors over one territory.

Most of the films of known directors that are invited for the competition of the three big European film festivals are sold before the beginning of the festival to the most interesting (commercial) territories. Even distributors from the Netherlands buy the rights beforehand. The rights of at least five films that were shown in the main sections in Cannes in 2004 were already bought by two Dutch distributors before the festival. But most of the Benelux rights for smaller, especially not American films are handled at the festivals. That is why we assume that the three big European film festivals play an important role by the decision of the Dutch distributor to buy a film. Dutch distributors have small enterprises and have only a limited budget to spend. Naturally they want to minimize the risk or failure of their purchase. Films that are invited to a festival have a certain quality and will get a lot of media attention. The fact that the film has been shown at a festival or even better has won a prize can be used in ads and the promotion material to increase the awareness for the film in the regular distribution. In 2003 it was suggested by Variety and staffed with figures, that only films that already got a French distributor were invited to the Cannes Film Festival (Variety may 2003). It is common knowledge that American studio's are keen to present a film at the Venice Film Festival as a promotion asset for their autumn release in Europe and that the showing of American films with Oscar nominations at the Berlin Film Festival increases the publicity for these films in the US. It is suggested that the media hype around Michael Moore's Fahrenheit 9/11 and its winning of the

Golden Palm in 2004 stirred the attention for the film in the US so much that it could receive the biggest opening results ever for a documentary film (around 25 million dollars).

The big American studio's distribute most of their films via their own outlets in Europe or via the combined outfit UIP. Nevertheless they try to get films invited for festival screenings even if the films are placed out of competition. The premiere of E.T. as the closing film at the Cannes film festival in 1981 was a major event. Sometimes as in the case of Miramax, American studio's have a first look deal with a Dutch distributor (in the past Concorde and RCV and at this moment A-film).

Due to the limited screening capacity in the Netherlands with only 461 movie halls during the research period, the distributor has to make choices for his portfolio. The portfolio with a varied or specialised fare of films has to put him in a position to offer a program that can compete with other distributors. The average number of films a distributor offers in the Netherlands during one year is ten (ScreenDigest april 1997). In buying the rights a distributor has to calculate his profits that depend on the release schedule and the number of prints that he can place in movie theaters. Even a small release costs around 30 thousand euro's. Big releases are budgeted around 500 thousand euro's. The distributor has to know the market and has to establish a good and ongoing relationship with the movie theater owners/programmers.

Festivals and markets are also a perfect environment for movie theater owners and programmers to see a film beforehand and to make up their mind about the commercial value of a film. It is the distributor who offers a release schedule for the year, but it is the movie theater owner/programmer who decides whether or not he will show the film in the indicated period.

There are five movie theater chains in the Netherlands. These chains also provide booking services to several small movie theaters. In total they are programming more than two thirds of the 461 movie halls.

Distributors, movie theater owners and programmers are responsible for the way movies are scheduled in the theaters. The program of a movie theater is fixed three to six month in advance. During the showing time the movie theater owner/programmer decides over the programming schedule of the particular film. This decision is solely made on the box office receipts and the possibilities to release a new film. Even if a contract is made between the distributor and the movie theater owner for the showing of a fixed number of weeks, a bad performance at the box office will shorten the films showing time. It is a buyer market in which only the turn over is relevant.

In our earlier research we showed that a number of variables were crucial whether a film could get an extensive showing time with a big box office. The variables were significant to explain the two different life circles of the movies (one of six weeks and one of more than six weeks). We saw that prints, visitors, different programming schedules, the venue a film is shown, the showing of a film in specific movie theater were all significant. Other variables for example the country of origin or the type of distributor were not significant and indicated that films from different countries are treated similar and that there is no difference between the distributors in placing the films in the theaters. In table 1 we give the results of the significant variables.

In order to know whether festival films and films that have got awards are adding up to explaining the two life circles we will use the same data as in our earlier research but will itemize

the films that were shown at the three major European film festival and the films that have got the two most distinguished international awards, the American Oscar and the European Felix.

Outline of the Problem

Above, we have described how the distributors and movie theater programmers work and have explained why film festivals are a perfect place to buy film rights. Each year the three main European film festivals are a big event. They are in competition to each other for their film program although the time between their showings are at least three months apart from each other (Berlin in February, Cannes in may and Venice in September). Films that are programmed in the main sections of these festivals, the competition and the side bars in which the films can get an award, are assumed to be prestigious and qualitative pictures. Most of the films are world premieres and are presented by the director, the producer and the principal actors who are invited by the festival. It is assumed that movie audiences are eager to see these films. Reports about the festivals and its premieres are featured in television journals and in reviews and interviews in daily papers and weeklies. With 4000 journalists from all over the world, the Cannes Film Festival is one of the most reported events during a year. Last but not least the internet sites of the festivals are a big success in spreading the news.

We assume that showing films in the movie theaters that were programmed at one of the main European film festivals or films that have got one of the two most prestigious awards will have an impact on the life cycle of the movies in the theaters. Along with the other measures distributors and movie theater programmers took these types of film seem to have more power to attract a big audience than regular films.

Our research will use the data that were collected on all films that were shown in commercial movie theaters in Amsterdam in 1997, 1998 and 1999 on a weekly schedule. Amsterdam is the key city in the Dutch movie business. The city has a big impact on the film supply and on the programming of films in other cities. Nearly all films that are brought out in the Netherlands get their first showing in Amsterdam. The city has the biggest number of screens in the Netherlands (29 to 37 in the three years that constitute our observation period). 25 movie halls of different size at five venues are owned by Pathé. Four other firms own the remaining 12 screens which are situated in five venues. During the research period Amsterdam had no multiplex theater. However, movie going increased in Amsterdam to a similar extend as that in the Netherlands as a whole. Films that were shown in special screenings (children's matinees) or on screens of non commercial/subsidized movie venues are excluded. Amsterdam has one non commercial arthouse theater and the national Film Museum, both with two screens and a number of cultural institutions that are showing films on different days of a week (mostly on week ends).

The following data were collected on each film: its distributor, its country of origin, its number of prints, its attendance for the Netherlands, the movie halls where it was shown, the venues where it was shown, its programming schedule, the total number of weeks during which it was shown, the number of weeks the film was shown in specific programming schedules, the showing of the film in the important sections of the three big European Film Festivals (Cannes, Berlin and Venice) in the years 1996 to 1999, getting a prize at these festivals, getting an Oscar or a Felix. 1996 was added to the data set for festival and award winning films because these films often are programmed the year after they got a festival showing or an award in the movie theaters.

Analysis

Tables 2,3 and 4 show the number of films that were shown in the main sections of the three film festivals during the years 1996 to 1999. Cannes with a main program of four sections - Competition, Certain Regard, Quinzaine de realisateurs and Semaine de la critique - has the most films on its program. A total of 814 films are shown at the festivals during these four years. Only 90 of them got a prize. Table 5 shows the number of films that got a Felix and an Oscar (20 and 32). In 1999 no Felix was awarded.

Contrary to the expectation only a limited number of films were chosen by the distributors for the Dutch market over the four years. 62 films from the Cannes film festival, 41 films from the Berlin film festival and 45 films from the Venice film festival were shown on a regular basis in commercial movie theaters in the reported years. That is about 27% of the total of films that were shown in Amsterdam. Although the films that got a Felix or an Oscar are better represented in the Dutch movie theaters (see table 5) not every prize winner was programmed. Some of the award winners were also shown at the festivals, only 29 are exclusively award winners. Most of the festival films, 108, are released by big distributors (the American Studio's and big Dutch distributors). 49 are purchased by smaller and subsidized distributors. The same percentage holds for award winning films. Looking at other variables -visitors, prints, programming- we see that in contrary to the idea that all the festival films are treated similar we see a varied pattern. For example only 62 films have a number of prints that suggest a long run. Due to the number of prints 86 festival films have more the characteristics of a hit and run movie or an artistic movie. This signifies that 86 films are programmed for only six weeks at the most and that the other 62 films are programmed for more than six weeks. The idea that festival films and award winning films give extra explaining value for the life circle of a movie is questionable due to the dichotomy of the characteristics of these films.

A logistic regression analysis is performed for all three periods together. Our dependent variable, then, is dichotomous: it groups the films into movies that are shown during six weeks or into the category of movies that are shown more than six weeks. We want to asses which variables affect the chance that a film belongs to the first or the second group. As hypothesized, the programming schedules, the number of visitors, the venue a film is shown, the movie halls a film is shown and the number of prints will strongly affect this chance. Other variables -being a festival film or an award winning film- will have, due to our earlier findings, no impact on a movie's chance of being shown during a longer or a shorter period of time.

We constructed the following independent variables: visitors (coded 1 if it has between 3,4 million and 33 thousand visitors, coded 2 if otherwise), film type (coded 1 if the number of prints are 44 and more or between 7 and 15, coded 2 if otherwise), programm (coded 1 if a film was shown split screen and in all time slots, coded 2 if otherwise), complex (coded 1 if a film was shown in a complex dedicated to one type of film, coded 2 if a film was shown in a mixed complex or two complexes), screen (coded 1 if the film is shown in one type of movie hall coded 2 if otherwise), compet (coded 1 if film is not shown at festivals, coded 2 if otherwise), winn (coded 1 if film was not award winning, coded 2 if otherwise).

The results of the logistic regression analysis are given in table 6. As it was assumed the variables festival film and award winning films have no effect on the movies chance of being shown during a longer period of time or during six weeks. They are not significant. Complex and movie hall are as in the analysis without the variables compet and winn nearly significant.

Discussion

Our conclusion is that buying the rights of festival films and that of award winning films have no effect on extending a movie's life cycle in theaters. The purchase of these types of films does not differ from the regular fare of films. It seems that distributors always keep a keen eye on the possible return of the films. They are not carried away by the media hype at festivals but always keep in mind the specific audience they try to attract with each individual film. They seem to know that some of these films are better off in a short release immediate after the festival that make extra use of the media hype to get the best profit and that other films need a longer showing time. The myth that festival films are performing better at the box office than other films is not confirmed. That this myth can stay on is as we assume nurtured by the producers of these films who hope to get extra budgets from investors for their future projects, by the festivals to strengthen their importance for the film industry and last but not least by the distributors who are willing to use the media awareness as a promotion tool for their own release.

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Appendices

Table 1

VARIABLES	B	S.E.	WALD	DF	SIG	R	EXP(B)
Type film	-0.4778	0.2192	4.7503	1	0.0293	-0.0605	0.6202
Visitors	1.8551	0.2311	64.4191	1	0.0000	0.2881	6.3923
Program	1.6292	0.2374	47.1185	1	0.0000	0.2449	5.1000
Venue	-0.4171	0.2396	3.0302	1	0.0817	-0.0370	0.6590
Movie hall	0.4623	0.2649	3.0456	1	0.0810	0.0373	1.5877
Constant	-4.5180	0.7505	36.2392	1	0.0000		

Legend: type film (coded 1 if number of prints are 44 and more and between 7 and 15, coded 2 if otherwise), visitors (coded 1 if number is between 3,4 million and 33 thousand, coded 2 if otherwise) programm (coded 1 if film shown in splitscreen and all time slots, coded 2 if otherwise), venue (coded 1 if film shown in a complex dedicated to one type of film, coded 2 if film shown in a mixed or in two complexes), movie hall (coded 1 if film is shown in one type of movie hall, coded 2 if otherwise)

Table 2

year	1996	1997	1998	1999	total
competition	23	23	31	22	99
other sections	55	50	48	62	215
prizes	6	8	12	6	32

Films shown at the Cannes Film Festival

Table 3

year	1996	1997	1998	1999	total
competition	30	29	28	28	115
other sections	18	18	20	20	76
prizes	8	5	8	11	32

Films shown at the Berlin Film Festival

Table 4

year	1996	1997	1998	1999	total
competition	17	22	19	21	79
other sections	30	27	28	33	118
prizes	4	7	8	7	26

Films shown at the Venice Film Festival

Table 5

year	1996	1997	1998	1999
Felix	3	5	12	-
movie theater	2	4	11	-
Oscar	8	7	7	10
movie theater	8	7	5	9

Award Films per year and their programming in Dutch movie theaters

Table 6

VARIABLE	B	S.E.	Wald	df	Sig	R	Exp(B)
Film type	-0.4540	0.2207	4.2334	1	0.0396	-0.0545	0.6351
Visitor	1.8659	0.2323	64.5129	1	0.0000	0.2883	6.4620
Program	1.6598	0.2396	48.0018	1	0.0000	0.2473	5.2583
Venue	-0.4135	0.2402	2.9627	1	0.0852	-0.0358	0.661
Movie hall	0.4375	0.2659	2.7078	1	0.0999	0.0703	1.5489
Compet	-0.1074	0.2361	0.2070	1	0.6491	0.0000	0.8981
Winn	0.6220	0.4798	1.6808	1	0.1948	0.0000	1.8627
constant	-4.4948	0.8351	28.9729	1	0.0000		

Legend: type film (coded 1 if number of prints are 44 and more and between 7 and 15, coded 2 if otherwise), visitors (coded 1 if number is between 3,4 million and 33 thousand, coded 2 if otherwise) programm (coded 1 if film shown in splitscreen and all time slots, coded 2 if otherwise), venue (coded 1 if film shown in a complex dedicated to one type of film, coded 2 if film shown in a mixed or in two complexes), movie hall (coded 1 if film is shown in one type of movie hall, coded 2 if otherwise), compet (coded 1 if not shown at festivals, coded 2 otherwise), winn (coded 1 if film was not award winner, coded 2 if otherwise)