



Developing world class talent



# The Film **Business** Handbook

---

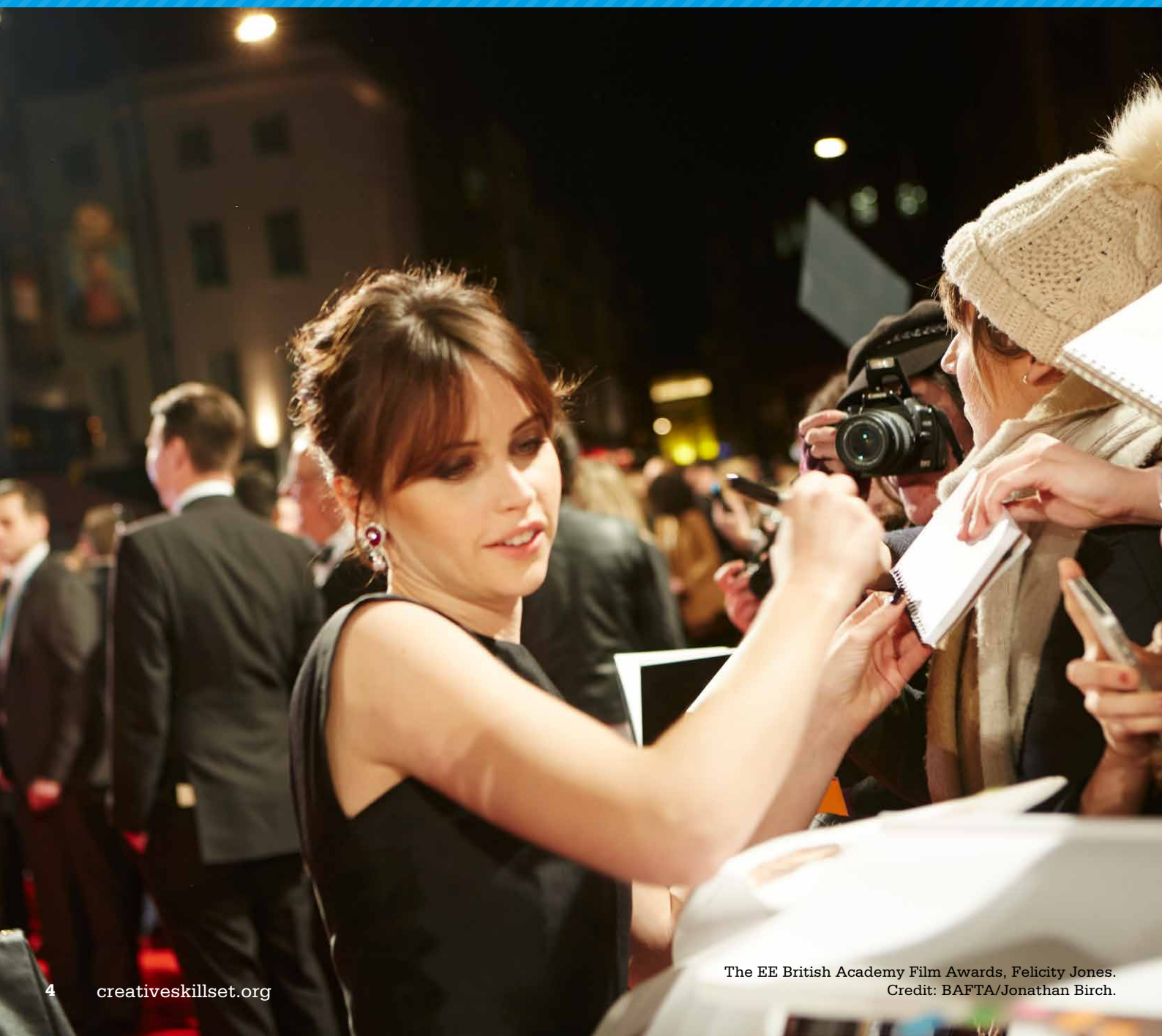
**Sales, Distribution & Exhibition**

# Contents

---

04	INTRODUCTION
06	THE BIG PICTURE
13	GENERAL FACTS & FIGURES
	<b>SALES</b>
14	HOW THE INDUSTRY WORKS
17	HOW SALES WORKS
20	DOING THE JOB
32	THE INSIDE TRACK
33	FACTS & FIGURES
	<b>DISTRIBUTION</b>
34	HOW THE INDUSTRY WORKS
38	HOW DISTRIBUTION WORKS
39	DOING THE JOB
53	THE INSIDE TRACK
55	FACTS & FIGURES
	<b>EXHIBITION</b>
56	HOW THE INDUSTRY WORKS
59	HOW EXHIBITION WORKS
60	DOING THE JOB
68	THE INSIDE TRACK
69	CAREER PATHS
70	FACTS & FIGURES
71	GLOSSARY OF TERMS
73	KEY CONTRIBUTORS & RESOURCES
74	ADDITIONAL LINKS & RESOURCES

# Introduction



This resource pack is aimed at individuals interested in working in the film business and is designed to demystify the areas of **sales, distribution and exhibition**. It is based on the advice of established industry professionals about the skills and knowledge you need to be successful in this field and was developed in partnership with Film Distributors' Association, Film Export UK, Independent Cinema Office, UK Cinema Association.

**If you are interested in a career in the areas of film sales, distribution and exhibition** this resource may help you understand what competencies and knowledge is expected from someone working successfully in these individual areas.

**If you are already working in these areas of the industry**, this section should help you benchmark your existing knowledge and skills and identify gaps that you will need to address in order to develop your activities further.

**If you are an educator**, you can use this resource pack to review and develop training and courses informed by best practice within the film industry.

*“As a filmmaker, I know only too well that films do not exist for their own sakes...they only exist when they are experienced by an audience.”*

**Sir Alan Parker CBE**



# The big picture



UK film is now a **major industry**. The prominence of British talent such as Steve McQueen, Danny Boyle, Gareth Edwards and Sarah Gavron and titles like *The Grand Budapest Hotel*, *The Theory of Everything* and *Harry Potter* at international awards is a good indicator. UK film now attracts international productions: of the massive £1.4bn spent on film in the UK in 2014, 85% (£1.2bn) came from inward investment from overseas blockbusters such as *Spectre* and *Star Wars: The Force Awakens* and *Avengers: Age of Ultron*.

Though film production is often in the limelight, there are other vital elements that seldom receive the same recognition; these include sales, distribution and exhibition. Before exploring these parts of the industry, it is worth understanding the bigger picture. The film industry **value chain** describes the key processes that come together to bring films to the screen.

## Journey to audience





## DEVELOPMENT

*The stage at which a project is conceived, typically led by a producer, writer or director. The screenplay is written and often undergoes editing/rewriting during this phase, key cast members may be brought on board, finance is secured for further development and/or production (perhaps from multiple sources) and a pre-sales deal may be agreed with a sales company.*

## PRE-SALES

*A sales company looks for films with commercial potential to sell and, through pre-sales, can help filmmakers to develop them.*

## PRE-PRODUCTION

*The planning stage in a film's production after the project is greenlit and before principal photography commences. The script is locked and the work begins on scheduling, set design and construction, casting, budgeting and financial planning and scouting/selection of locations.*

## PRODUCTION

*The 'shoot' can include art department, costume, make-up and hair, set construction, camera, sound recording and more.*

## POST-PRODUCTION

*Involves editing, audio post-production (effects, musical scoring, mixing and dubbing), VFX (creating worlds, characters or explosions, changing the physical appearance of actors, removing flaws or obtrusive objects such as microphone booms) and grading. Also referred to as post.*

## SALES

*Provides a conduit between those that wish to sell independent film rights (producers, financiers) and distribution companies who wish to buy the rights to distribute the film to exhibition companies.*

## DISTRIBUTION

*Distribution companies license rights from people/organisations that produce or finance the film to bring films to audiences via cinemas, TV and other platforms.*

## EXHIBITION

*Refers to the activities of cinema operators, who have the core purpose of showing films to audiences, along with a significant hospitality and retail business, with income being generated from ticket sales, food/drink retails, venue hire and advertising.*

## THE AUDIENCE

*In this context 'the audience' refers primarily to cinema goers, but also includes those who purchase DVDs, video on demand (VoD), subscription video on demand (SVoD) or watch films on television.*

**The industry could be viewed simplistically in two 'halves': pre-through-to-post-production in one half, sales-through-to-audience in the other, though this doesn't take in to account the level of complexity and interdependence that exists.**

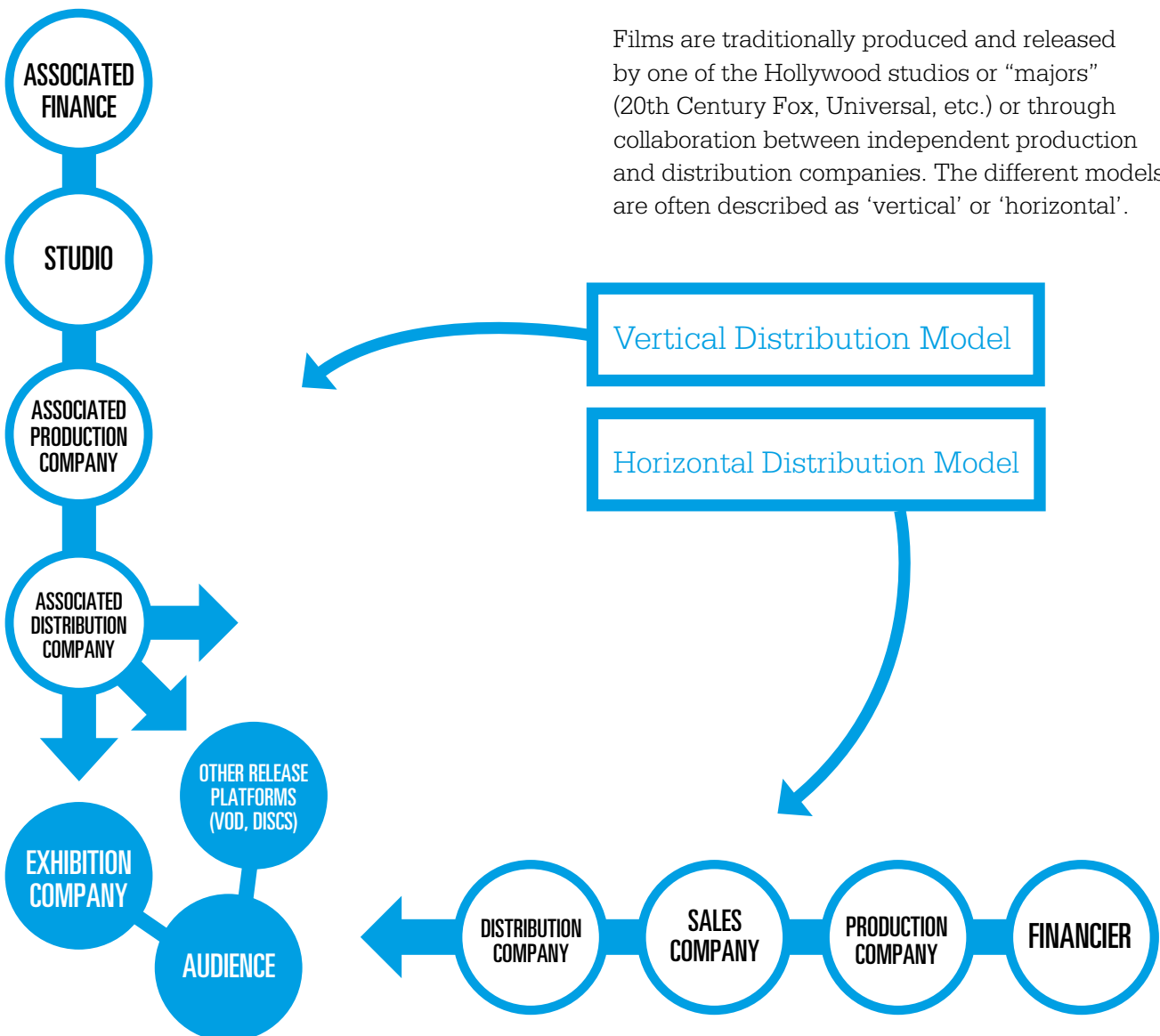




BFI London Film Festival Opening Night Gala 2015, Suffragette.  
Photographer: Stuart Wilson.

# Independent vs studio model

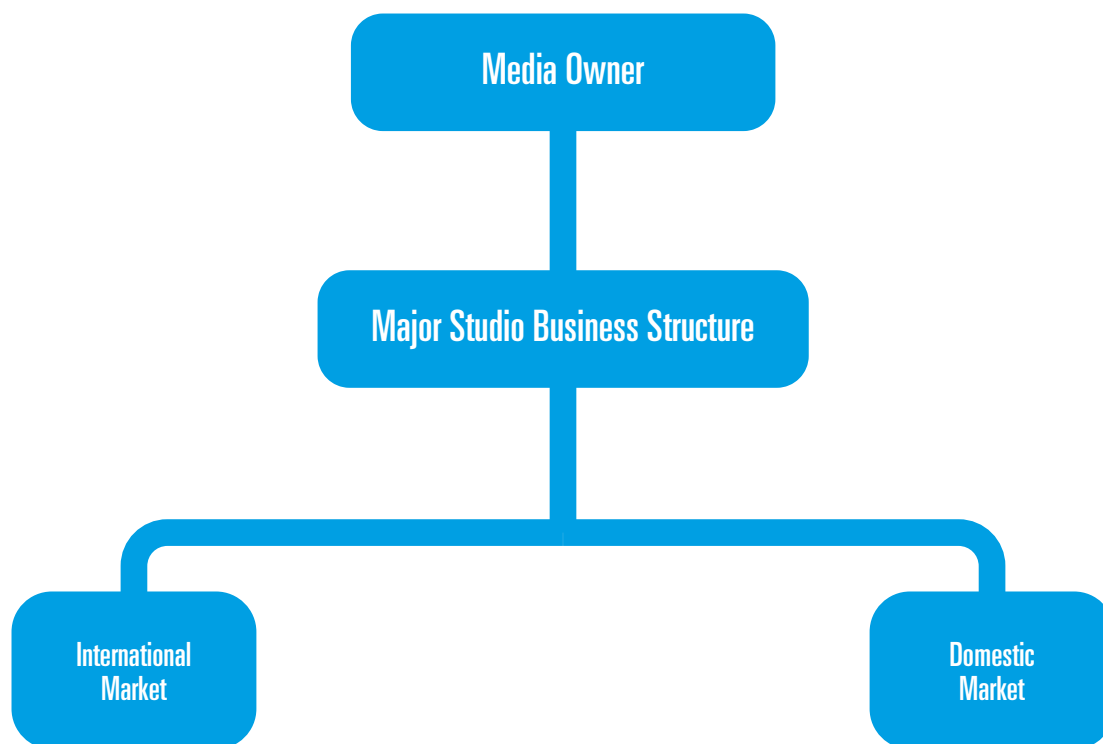
Films are traditionally produced and released by one of the Hollywood studios or “majors” (20th Century Fox, Universal, etc.) or through collaboration between independent production and distribution companies. The different models are often described as ‘vertical’ or ‘horizontal’.



# Major studio structure example



The majors have been household names of the movie business for decades. They normally produce movies within their own corporate divisions in Los Angeles and distribute them through their subsidiaries around the world.



A film is described as independent when its financing, production or distribution occurs in whole or in part outside this vertically integrated structure. When a film is distributed independently, a sales company provides the link between the filmmakers and financiers and the worldwide marketplace, represented by nationally based companies handling cinema, video, TV and online distribution in their own countries.

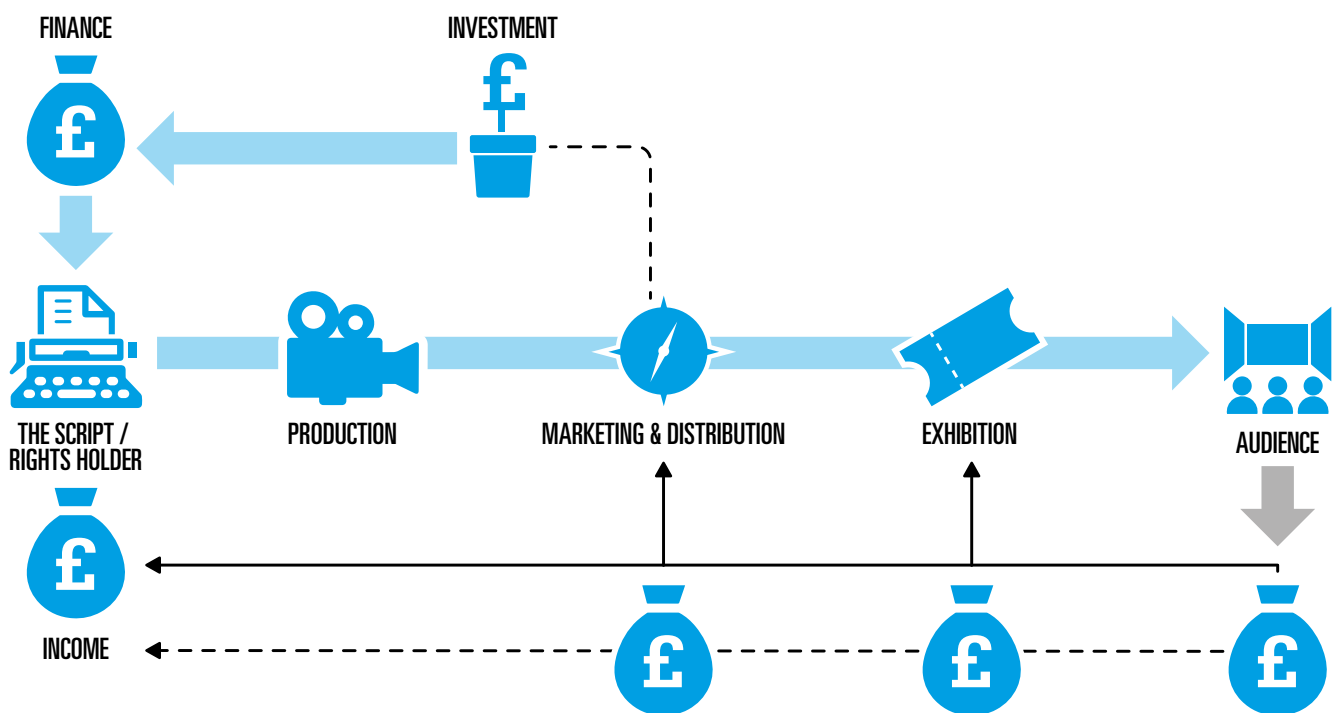
Many independent films secure their production finance from more than one source, including: pre-sales to distribution companies (in various territories via specialist sales companies), bank loans, private individuals, beneficial tax schemes or public funding sources like the BFI.

An independent film is “a film that is not a studio picture, and whose development and/or production finance is provided by more than one source”

**Davies and Wistreich**  
*The Film Finance Handbook:  
 How to Fund Your Film (2007)*

Regardless of whether a film is released via major or independent companies, the journey taken is much the same. Once a film reaches its audience, the money received by the exhibition company/ cinema for ticket sales flows back down the chain; this is known as recoupment.

# The theatrical release journey and the recoupment corridor

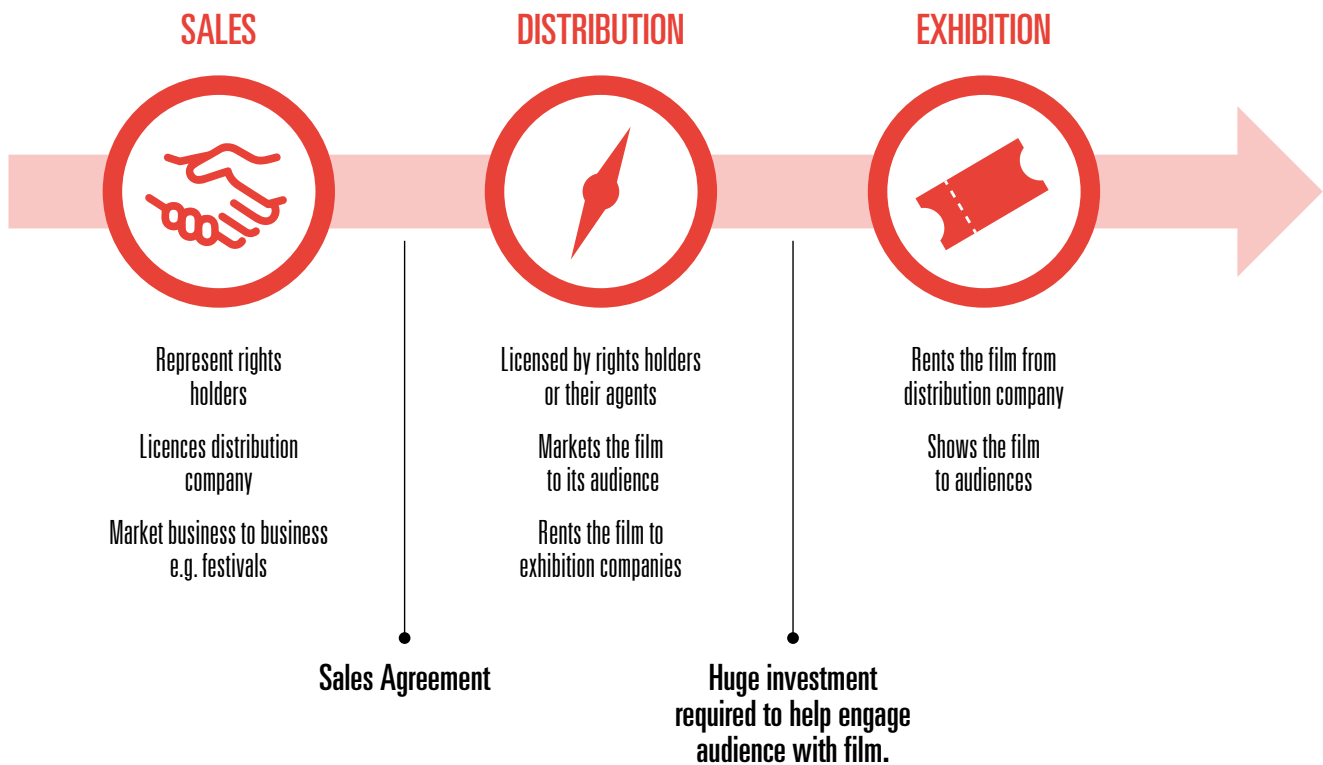


## GENERAL FACTS & FIGURES [source BFI]

- Global box office for all films released in each country around the world reached \$38.3 billion in 2015, up 5% over 2014's total. UK films made in the UK grossed \$9.4 billion worldwide, a 26% share of the global market.
- The UK accounts for approximately 7% of global and 20% of European cinema box office.
- The theatrical market pumps over \$7.6 billion a year into the UK economy.
- In 2016 *Star Wars: The Force Awakens* become the highest grossing film in UK cinema history, overhauling *Skyfall* (2012).
- 48,500 people work in the UK film industry, one third working in Sales, Distribution & Exhibition.
- UK films and British talent have continued to enthrall the industry internationally winning 22 awards during the 2015/16 awards season, amounting to 15% of eligible awards.

# How the industry works

SALES



Independent film producers (typically the rights holder, along with the financiers) employ the services of a sales company (also known as a sales agent) to sell their film to distribution companies.

A sales company may be an individual, a company or a division of/attached to financiers. They deal only with independent films – often specialising in particular genres – looking for films to sell and helping filmmakers develop new projects.

Sales companies do the following:

- Provide estimates for filmmakers and financiers of the film’s prospects for commercial success
- Develop an international marketing plan and materials for business to business, involving exposure at film festivals and markets/trade shows
- Negotiate the licensing of rights to local (i.e. individual country) distribution companies – a process involving numerous legally binding obligations

- Oversee the local release of the film
- Physically deliver the materials of the film to local distribution companies
- Manage credit control

*“Sales ‘shepherd’ a film from production to distribution. It’s a crucial role that’s not well recognised”*

**Mike Goodridge, Protagonist Pictures**

## Working with distribution companies

Sales companies rely heavily on the relationships they have and endorsements they secure. Films are usually licensed territory by territory where a “territory” is a country or block of countries that may be linked geographically, linguistically or politically. International sales companies acquire worldwide rights that they then sell on to distribution companies across the world. They have excellent relationships with festivals and

distribution companies of all sizes in all markets. They are invaluable for getting the best deal in territories most filmmakers may not have even thought of. A distribution company will be much more likely to take a film seriously as a commercial proposition if it has been presented to them by a recognised sales company. The main centres for film sales are London, New York, Los Angeles and Paris.



## A shifting sector

While traditional routes for film into the marketplace remain important, digital technologies and innovations have also brought about many forms of content and other ways of screening socially or online are creating audience growth opportunities beyond the natural geographical boundaries.

## Sales agreements

A “sale” is normally the licensing of a limited grant of rights to a distribution company (the ‘customer’ or ‘buyer’) in return for an advance payment on account of an expected share of the distribution revenue and if the film is successful the sales company receives sums in excess of the advance.

The sales company takes a commission (eg 25%) and the rest of the money goes to producers and financiers, although sometimes the sales company is also involved as a producer or financier. Often the sales person ensures that required approvals for the deal are obtained from producers and/or financiers and prepares a preliminary deal memo for the distribution company to sign. They normally become the customer’s “account manager” – their first point of contact when they need anything to do with film. Films are sold at various stages of production. Pre-sale deals are made before the film’s completion. Among the agreements and transactions and they will cover are:

- Co-production, agreement to jointly finance and/or produce
- Acquisition, sales agency agreements – to obtain rights in films from producers or financiers
- Sub-licences granting exploitation rights to distribution companies (sales), including what should be covered in negotiations regarding terms and conditions and the usage of copyrighted
- Sales companies may take 20-30% on all advances and overages



# How sales works

DEPARTMENTS	Acquisitions	Sales	Publicity & Marketing	Business Affairs	Technical		
ROLES	Contracts	Festivals & Markets	Press Coverage	Marketing Materials	Maintaining Relationships		
ACTIVITIES	Acquiring Films	Negotiating Sales	Contracts	Festivals & Marketing	PR	Marketing Materials	Maintaining Relationships

## Acquisitions department

Acquisition executives will track projects and talented filmmakers for the company to pursue. They will read scripts, treatments and other written submissions and provide coverage (notes) and recommendations with specific regard to the commercial prospects of the package.

## Sales department

Sales executives negotiate a licence for one or more films in one or more territories permitting commercial exploitation in one or more media (cinema, DVD, VoD, SVoD, TV) for a fixed period of time. These “rights” are licensed in return for a consideration, which is normally a share of revenue and usually involves an upfront advance against that

share. Sales companies base the value of a film on estimates of projected sales/income, based on comparative data, etc.

## Festivals and markets

Sales companies present the film at various festivals/markets to film distribution companies and TV companies. Festivals are an important opportunity to showcase a film for industry sales and/or for pre-release promotion to the media and public. A film is represented to a festival by whoever has the rights in that territory. Festivals/markets roll out a little like an academic year and follow the same key rules as any other market (i.e. someone sells/ someone buys, competition, trends, risk, reputation, value for money, etc.).

Visit the Market Trader swarm on [Hiive.co.uk](http://Hiive.co.uk) for more resources about this area of film sales, including a list of key film festivals and markets.

## Publicity and marketing department

Marketing executives are responsible for the image and positioning of films, ensuring the film is presented in the best light to potential buyers (distribution companies). Their work involves commissioning, preparing, editing and occasionally writing material for publication, knowing what information to issue and how best to present it. Their work is determined by a marketing or **promotional plan**.



## Promotional plan

### DESIRED OUTCOMES

- To 'green light' a film project
- Create buzz
- Audience engagement
- Build community
- Support crowdfunding
- Generate presales
- Attract talented cast and crew

### MATERIALS FOR DELIVERY

- Film materials
- Website
- PDFs
- Publicist
- Digital agency

### FILM MATERIALS

- About the writer, director, producer
- Cast and Crew
- Awards
- Production stills (portrait and landscape formats, key scenes)
- Music cue sheet
- Shooting script/dialogue list
- Trailer
- Poster/DVD sleeve

### Recommended link

[www.filmsourcing.com/epk-create-electronic-press-kit-film](http://www.filmsourcing.com/epk-create-electronic-press-kit-film)



## The sales and marketing plan

- Is prepared by the sales company to launch the film into the marketplace, helping to create a buzz, to maximise international sales and future revenue streams
- Includes a strategy, materials, copy, brief attendees/talent on protocol, press
- Establishes news angles for film and entertainment pages
- Involves publicists who have relations with the press, bloggers, filmmakers and distribution companies

## Business affairs department

Business affairs executives will be involved in contract negotiations that may involve a high degree of contention (to agree the value of the deal). This extends to definitions of media rights to be granted (eg new digital media) and territories granted (eg satellite footprints) even before hard commercial and financial points are reached.

## Technical/delivery

Responsible for the physical materials necessary to exploit the film, which is normally the digital cinema package (DCP) – but occasionally on analogue film – and comprising video, audio, foreign language tracks, marketing elements and documentation. This function is mostly outsourced to specialist companies.

# Doing the job



# Want to work in the **acquisitions** department?

## WHAT YOU NEED TO KNOW OR UNDERSTAND

1. Your company's sales plans and objectives.

2. Your company's structure and lines of decision-making.

3. The trends of consumers in the international entertainment market, identifying forms and genres of films that are likely to become popular. Prior knowledge of how films have performed in the past, how to access audience statistics.

4. The motivations and priorities of different (film) rights holders, the film making process, the implications of acquiring films at various stages of production.

5. How to analyse a script, treatment or other source material, with a view to its suitability and commerciality to transition to film.

6. How to identify areas of strength and weakness in a script (eg dialogue, plot, characterisation) and recommend how they can be addressed.

## WHAT YOU MUST BE ABLE TO DO

1. Nurture the company's existing relationships with filmmakers to encourage new collaborations. .

2. Communicate clearly and considerately to producers.

3. Analyse statistical information, draw on market knowledge/commercial experience and use professional judgement, in order to forecast audience numbers or determine actual theatrical revenue for a given project. Contribute to the marketing plan as necessary.

4. Apply your knowledge of film making in order to communicate with the relevant parties and make effective decisions.

5. Consult with relevant departments about the kind of material the company is looking to acquire.

6. Analyse the style and genre of various productions already in the marketplace and understand the type of material your employers pursue.

## Want to work in the **acquisitions** department?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

7. How to read and evaluate budgets and finance plans.

8. How to read and evaluate production schedules, progress reports and rushes.

9. The business relationships currently enjoyed by talented filmmakers (in order to identify opportunities) and how vital these relationships are in delivering a film to market.

10. Contracts and the key terms of agreement – duration of licence, applicable territories, income apportionment, rights beyond theatrical release.

11. The various film festivals and events taking place throughout the year. The particular focus of each event (competition, premiere platform or marketplace), event protocols and etiquette.

### WHAT YOU MUST BE ABLE TO DO

7. Identify the availability of finished films that have been produced without a sales company in place in order to screen and potentially acquire them

8. Assess the likelihood of the film getting made. Evaluate marketability, budget, finance and creative package and the optimal time for the distribution company to get involved.

9. Establish and maintain relationships with a broad range of individuals, manage expectations, operate in line with your company's objectives. Remain professionally objective about material while expressing your opinion.

10. Negotiate an agreement in line with your company's objectives, resolve any contentious issues, liaise with the relevant teams and individuals as necessary.

11. To determine which events are most appropriate to acquire suitable projects, research and prepare for events, adhering to market etiquette when attending.

## Want to work in the sales department?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

1. Your company's sales plans and objectives.

2. Your company's structure and lines of decision-making.

3. Market intelligence such as latest film business news. A strong grasp of developments in the film industry at large. Competitor sales activities, etc.

4. The trends of consumers in the international entertainment market, including local variations, favoured genres (especially in those territories you're responsible for), etc. Identifying forms and genres of films which are likely to become popular. Prior knowledge of how films have performed in the past, how to access audience statistics.

5. Negotiating skills – the importance of effective planning; the components to consider when identifying strategies for different customers; questioning techniques; typical queries and objections that can arise during negotiations; key variables and trade-offs that might be considered.

### WHAT YOU MUST BE ABLE TO DO

1. Nurture the company's existing relationships with filmmakers to encourage new collaborations.

2. Communicate clearly and considerately to producers.

3. Feed the "market view" into the process to complement the opinions of acquisitions colleagues.

3. Analyse statistical information, draw on market knowledge/commercial experience and use professional judgement, in order to forecast audience numbers or determine actual theatrical revenue for a given project, contribute to the marketing plan as necessary.

5. Make appropriate preparations for markets; such as emailing line-ups and scripts, announcing any festival or market screenings, getting on the phone to distribution companies to go over pricing and line-ups before the market and to secure marketing appointments.

## Want to work in the sales department?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

6. Latest film news. A general awareness of films 'coming soon' and celebrity events that might be expected from a film fan.

7. Your level of responsibility within the negotiations and the limits of your authority.

8. The story and genre of films you are selling plus the credits of all the significant talents involved, including awards and commercial successes.

9. Any and all restrictions (media, territory, "holdbacks", windows, etc.) which may limit rights that can be granted, including other sales.

10. Factors to consider when assessing the negotiating power and position of clients (eg in those territories for which you are responsible for gathering intelligence about customers: their companies, their genre expertise, credit-worthiness, future plans).

11. Legal, regulatory and cultural requirements impacting upon negotiating.

### WHAT YOU MUST BE ABLE TO DO

6. Build relationships with distribution companies.

7. Calculate the implications of different media profit splits ('the back end').

8. Tell the story of a film in a very succinct, but engaging way. Present information clearly, concisely and accurately. Perform swiftly and efficiently under pressure (eg at sales markets).

9. Listen effectively and confirm understanding. Respond constructively during negotiations.

10. Effectively manage the typical queries and objections that can arise during negotiations.

11. Contribute to sales estimates to evaluate the commercial prospects of potential projects.



## Want to work in the **sales** department?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

12. Rights, territories and clearances available for distribution, including definitions of: media rights, territory rights and physical film materials.

13. The various film festivals and events taking place throughout the year. The particular focus of each event (competition, premiere platform or marketplace), event protocols and etiquette.

14. How to communicate in an articulate, literate and numerate way particularly with people for whom English is not a first language. Foreign language knowledge is an advantage.

15. How to make yourself available and stay connected.

### WHAT YOU MUST BE ABLE TO DO

12. Draw up and execute a deal memo (short form agreement) covering a sale.

13. To determine which events are most appropriate to sell or to promote a particular project, research and prepare for events, adhering to market etiquette when attending.

14. Calculate, agree and manage media exploitation 'windows' within which one or more clients may exploit a film in a territory.

15. Handle communications and make yourself contactable and able to seek approvals from, for instance producers and financiers while in market or on the move.

## Want to work in the **publicity & marketing** department?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

1. How to work with and move graphics files. How illustrators use programmes such as Photoshop.

2. The various demographic groups and their genre preferences and film consumption tastes. Local variations to these in foreign territories.

3. How to work with talent (and their representation) to ensure the best co-operation and coverage for personal appearances, interviews, etc.

4. The purpose, scope, style and formats for material.

5. The implications for selecting material.

6. The various worldwide outlets for film advertising and publicity including transport, press, TV and the internet.

### WHAT YOU MUST BE ABLE TO DO

1. Identify and agree the need for – and requirements of – the company project

2. Discuss and agree with acquisitions and sales the style, intended audience, content and quality of the material required.

3. Liaise with producers and agents to deliver talent to screenings and junkets. Work with creative suppliers to develop static marketing materials such as key art (poster) images, brochures, ads, screening cards, etc.

4. Work with creative suppliers to develop audiovisual marketing materials such as promos and trailers, contributing to the briefing of designers and trailer makers.

5. Deliver on time and within a budget to the highest quality level.

6. Identify with decision makers the resources and timescales needed to produce the material.

## Want to work in the **publicity & marketing** department?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

7. The timescales and resources needed to produce the material.

8. The process of publishing on the web.

9. How to identify and remedy errors and omissions in the proof.

10. The legal, ethical and cultural considerations surrounding the release of information, especially where sensitive or contentious issues are involved.

### WHAT YOU MUST BE ABLE TO DO

7. Liaise with business affairs to ensure that contractual obligations are observed regarding approvals and the presentation of talent names and likenesses.

8. Prepare drafts of all materials and discuss/review with decision makers.

9. Arrange press junkets and market/festival functions, as well as being pro-active in submitting films and planning screenings for sales purposes.

10. Scrutinise all publicity materials with consideration of any legal, ethical and cultural issues.



## Want to work in the **business affairs** department?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

1. Your company's sales plans and objectives.

2. Your company's structure and lines of decision-making and when to refer upwards.

3. The laws of contracts, plus copyright and intellectual property.

4. How to identify copyrighted material as well as source and ownership of materials.

5. Rights, territories and clearances available for distribution.

6. The 'chain of title' of the film.

7. How to communicate efficiently while employing business, legal and commercial vocabulary with colleagues, customers, producers, media lawyers and industry bodies.

### WHAT YOU MUST BE ABLE TO DO

1. Supporting sales staff when negotiating deal memos at markets.

2. Refer upwards if anything is unclear, or if elements are still missing.

3. Ensure that accurate records of licencing are kept.

4. Register product with the collection agencies that disburse fees levied on retransmissions, etc.

5. Efficiently manage the expiry of licensed rights, notifying customers, obtaining certificates of destruction for unwanted materials.

6. Identify how copyright regulation affects the use of materials.

7. Protect the confidentiality of the company's documents, dealings and intellectual property.

## Want to work in the **business affairs** department?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

8. What the different types of copyright are, and what sort of materials they will apply to. For example, the latest definitions of (and issues surrounding):

- Media rights
- Territory rights
- Physical film materials

9. How to organise workflows in a methodical but prioritised manner.

10. Advanced use of the relevant business software.

### WHAT YOU MUST BE ABLE TO DO

8. Process the negotiation and exchange of a variety of agreements including those concerning: acquisition; co-financing; letters of assignment; sales and distribution licences; collection agents and employment.

9. Ensure colleagues in the company know the obligations and implications of agreements (eg billing obligations for marketing, available rights for sales, deliverable materials for technical).

10. Translate the wishes and priorities of colleagues and managers into a successful negotiating position in the contracting of deals.



## Want to work in **technical/delivery?**

### WHAT YOU NEED TO KNOW OR UNDERSTAND

1. Understand the legal significance of acceptance of delivery of the film between producers, sales and distribution companies.

2. The name(s) and function(s) of all physical elements prepared in connection with a film – whether film or video, analogue or digital – including the documentation required to exploit them.

3. In-depth technical knowledge of different (and proliferating) formats.

4. Keep accurate records.

5. The time and material priorities of customers preparing foreign language dubbed or sub-titled tracks.

### WHAT YOU MUST BE ABLE TO DO

1. Liaise with producers to ensure that all film materials are supplied to the sales company are of top quality, in a timely fashion. Take delivery of such items, quality control as necessary. Log elements as they are received.

2. Lodge delivered elements in laboratories and control access to them, manufacturing such duplicate copies as are required for exploitation.

3. Interact with laboratories and distributors to ensure the timely and cost-effective provision of all necessary materials. Manage supplier relationships in order ensure that the company's time-sensitive communications are reliable.

4. Prepare all the necessary paperwork.

5. Assemble and keep all film materials safe from loss, damage or unauthorised copying (piracy). Where possible, insure against such risks.

## Want to work in **technical/delivery?**

### WHAT YOU NEED TO KNOW OR UNDERSTAND

6. The timing of markets and festivals.

7. Local customs duties, import regulations and freight issues in international territories.

8. The best freight methods to use for different territories and shipments with regard to cost, timeliness and security.

9. Your company's structure and lines of decision-making and when to refer upwards.

### WHAT YOU MUST BE ABLE TO DO

6. Ensure, through liaison with business affairs, that the company receives all materials necessary to exploit the film.

7. Deliver such elements as are required by customers to exploit rights which have been granted to them. Control all payments in connection with this including payment terms of the distribution agreement.

8. For markets and festivals: obtain from producers film or promo footage material to screen; prepare and deliver to the festival screening authority; ship marketing, screening, and other materials to the sales office at the festival.

9. Refer upwards if anything is unclear, or if elements are still missing.

# The inside track

We spoke to people who have worked in the industry for many years; here are some examples of the experience and abilities that might make you attractive to a sales company.

- How to identify areas of strength and weakness in a script
- How to conduct business relationships/general business skills
- Appreciate the wider context of your work (financial, political, artistic)
- General awareness of films 'coming soon' and social skills/industry gossip

- Negotiation skills. This is a job about high value negotiations with a small number of people (eg getting 25 influential people interested) and is not about creating a public buzz: quality not quantity
- Communication and foreign languages, such as Chinese, Spanish, Portuguese
- Digital marketing and social media
- Business skills. There are only a small number of well-known heads of business affairs, who represent the integrity of the company; much of sales is about perception and presentation.



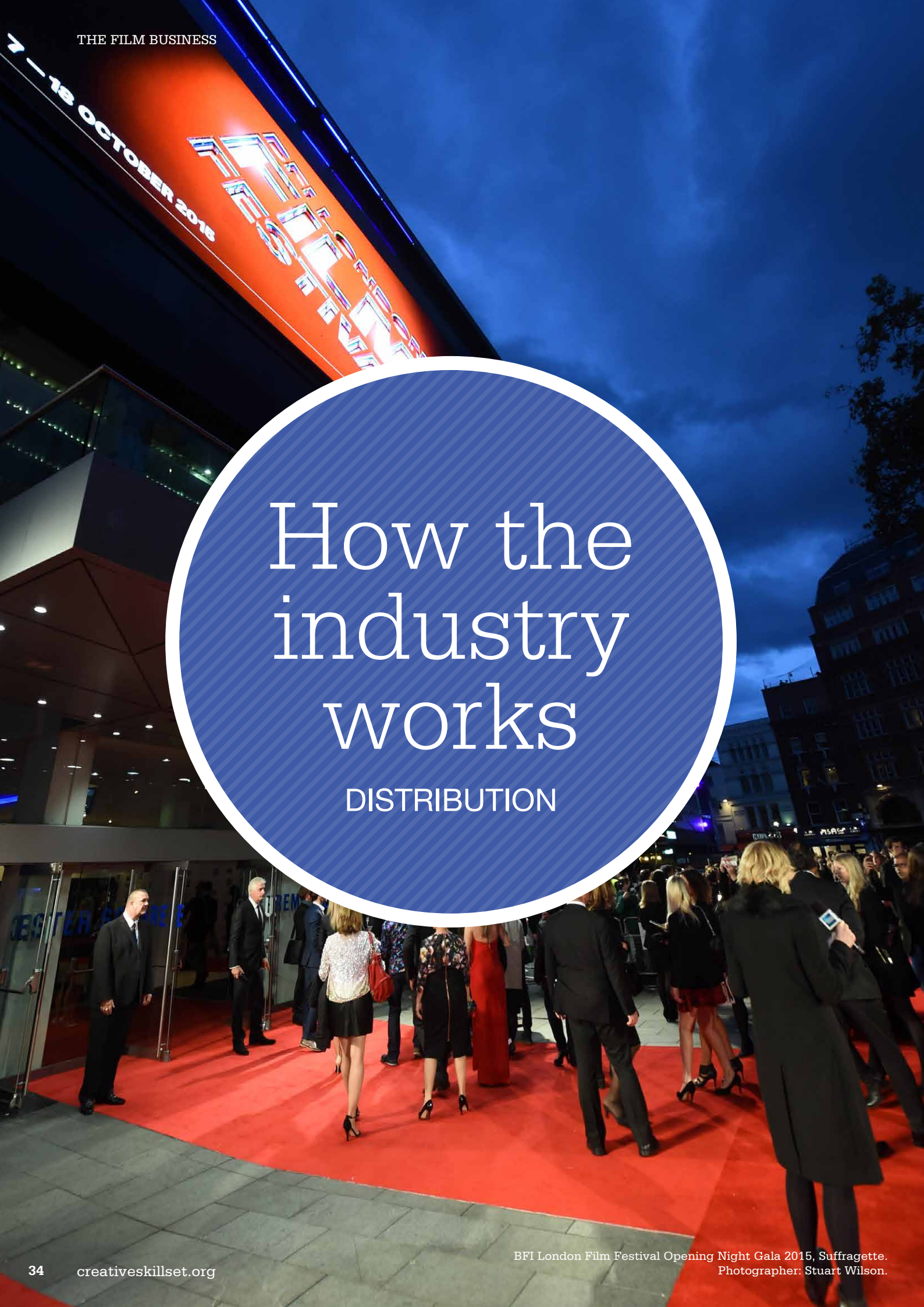


# Facts and figures

- Total UK companies: currently 25-30 (excluding TV sales) who are selling rights across international territories. Other companies are not always active or exclusive.
- There are two dozen Film Export UK members – a hub of sales companies that have a critical mass.
- In 2010, the leading export destinations were the USA (43%) and the EU (36%). Exports to European countries not in the EU accounted for 8% of all exports. Asia took 6% and the 'rest of the world' 7% of the total.

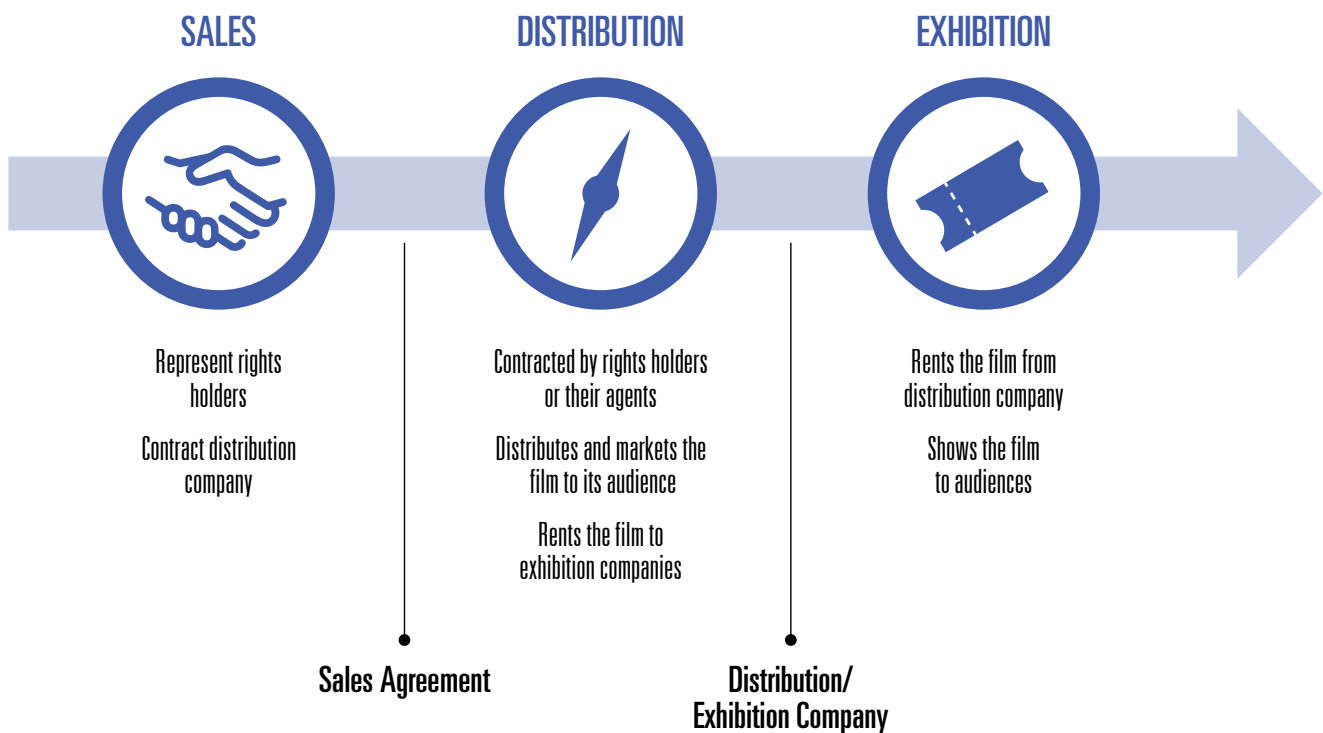


BOX  
OFFICE



# How the industry works

DISTRIBUTION



Distribution companies license rights from people/ organisations that produce or finance the film to bring films to audiences via cinemas, TV and other platforms. This tends to be on a territory and platform basis and will be for a term of up to 20 years. Films are in turn licensed (or rented) to exhibitors to screen in their cinemas on the basis of a share in the box office receipts generated.

### Film distributors:

- Launch each film as a prototype
- Identify and engage the largest possible audience for their films
- Market and sustain films in the market place
- Decide when and how to release a film
- Create visibility and raise awareness and interest in a film
- Persuade potential audiences to buy cinema tickets at the earliest opportunity, eschewing all other entertainment options at the time

### Theatrical release

A film can only be launched once – often generating 30% or more of its entire box office during the first three days of release, if successful. Distribution plans usually assume that the revenues and number of screens will decline, often rapidly, as competing titles are launched in successive weeks. But these plans are necessarily flexible: better-than-expected grosses may lead to a quick investment in some extra advertising and the film may be scheduled into *more* screens than on its opening weekend. A highly impressive opening frame can become a news story in its own right.

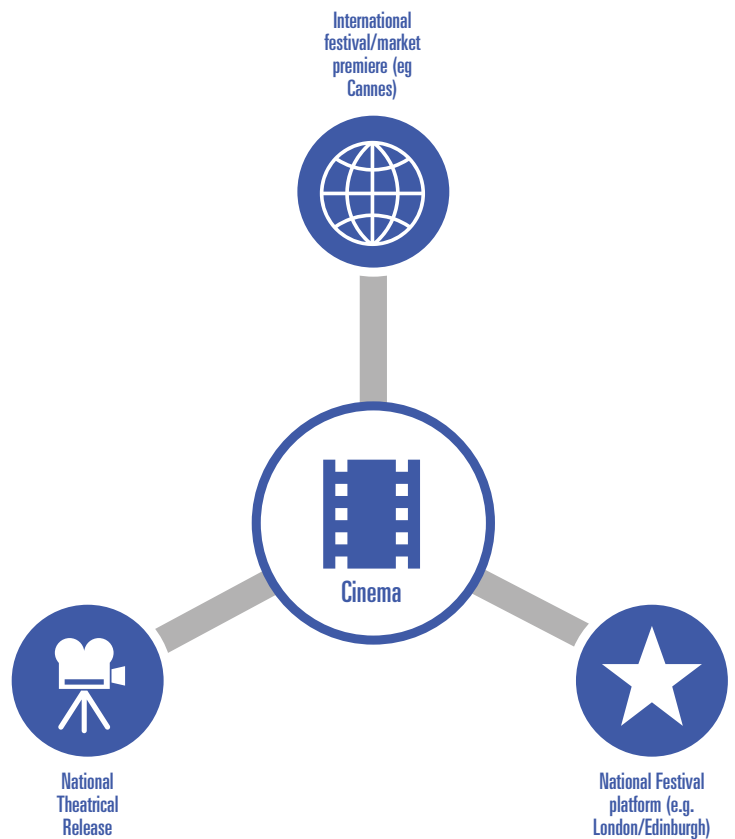
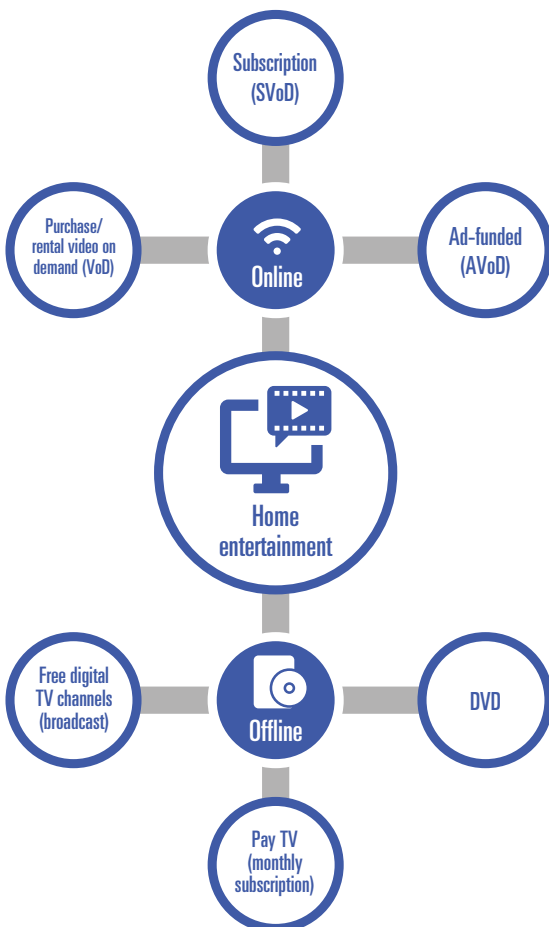
## Home entertainment release

Only exceptionally will a film make a profit from its cinema release alone; distributors will have to review the 'downward chain' before committing to a new film. Box office success will impact deals further down the line, with video on demand services such as Netflix or Amazon, or DVD retailers such as HMV and supermarkets.

At present, most distribution companies cannot release a film on DVD/Blu-ray within less than 16 weeks of theatrical release. This is known as the theatrical window, an interval of time demanded by mainstream cinema operators to distinguish theatrical (cinema) viewing from home entertainment and help sustain cinema-going audiences. Some specialist art house titles are released concurrently in cinema and on video on demand.

## Home viewing formats

DVD and Blu-ray remain the favourite formats for home viewing (sales of which are currently dominated by supermarkets), but there is more inter-operability between formats. Indeed, further big shifts in audience consumption patterns are anticipated as the increased uptake of 'smart' (internet-enabled) televisions and on-demand services has opened up the direct online delivery of films to TVs and other tablet or mobile devices. Action/horror genres perform better in the home entertainment arena than in cinemas.





XXXX

## Distribution models

The main distribution models are local/British studio, international independent and independent. Films have to compete with other titles and live events such as opera, theatre and sports, with gaming on the horizon; documentaries are the lowest grossing (in theatrical), though are stronger further down the chain (video on demand, etc.). Digital distribution is cheaper and has enabled new independents to enter the market. The UK has the lowest rental return (the percentage of ticket sales paid by the exhibition company to the distribution company – compared to other territories. Conversely, the UK has some of the most expensive media buying costs.

Audiences mainly choose films by genre. Most films that succeed theatrically go on to do well throughout their release cycle – the relationship is symbiotic; the audiences complementary.

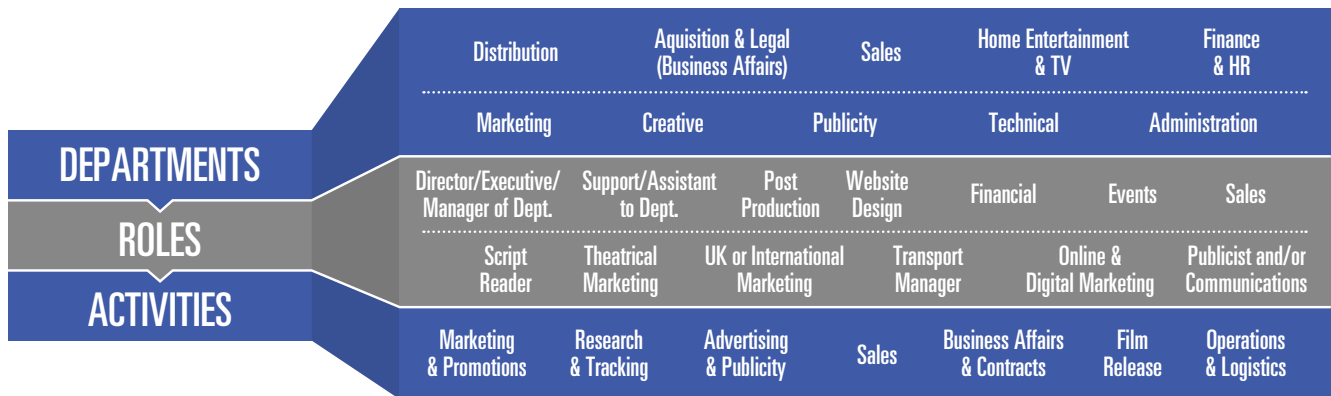


## A shifting sector

However, viewing habits are changing.

Distribution companies and others in the industry are having to adapt. China now has the largest and fastest-growing cinema box office outside the US, with much more development potential ahead. Piracy/safeguarding IP remains an ongoing issue.

# How distribution works



# Doing the job



## Want to work in the **acquisitions & business affairs** department?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

1. Your company's sales plans and objectives.

2. Your company's structure and lines of decision-making.

3. The trends of consumers in the international entertainment market, identifying forms and genres of films which are likely to become popular. Prior knowledge of how films have performed in the past, how to access audience statistics.

4. The motivations and priorities of different (film) rights holders, the film making process, the implications of acquiring films at various stages of production.

5. How to analyse a script, treatment or other source material, with a view to its suitability and commerciality to transition to film.

6. How to identify areas of strength and weakness in a script (eg dialogue, plot, characterisation) and recommend how they can be addressed.

### WHAT YOU MUST BE ABLE TO DO

1. Nurture the company's existing relationships with filmmakers to encourage new collaborations.

2. Communicate clearly and considerately to producers.

3. Analyse statistical information, draw on market knowledge/commercial experience and use professional judgement, in order to forecast audience numbers or determine actual theatrical revenue for a given project. Contribute to the marketing plan as necessary.

4. Apply your knowledge of film making in order to communicate with the relevant parties and make effective decisions.

5. Consult with relevant departments about the kind of material the company is looking to acquire.

6. Analyse the style and genre of various productions already in the marketplace and understand the type of material your employers pursue.



# Want to work in the **acquisitions & business affairs** department?

## WHAT YOU NEED TO KNOW OR UNDERSTAND

7. How to read and evaluate production schedules, progress reports and rushes.

8. How to read and evaluate budgets and finance plans.

9. The business relationships currently enjoyed by talented filmmakers (in order to identify opportunities), and how vital these relationships are in delivering a film to market.

10. Contracts and the key terms of agreement duration of licence, applicable territories, income apportionment, rights beyond theatrical release.

11. The various film festivals and events taking place throughout the year. The particular focus of each event (competition, premiere platform or marketplace), event protocols and etiquette.

## WHAT YOU MUST BE ABLE TO DO

7. Assess the likelihood of the film getting made. Evaluate marketability, budget, finance and creative package and the optimal time for the distribution company to get involved.

8. Identify availabilities, screen and ultimately acquire finished films.

9. Establish and maintain relationships with a broad range of individuals, manage expectations, operate in line with your company's objectives. Remain professionally objective about material while expressing your opinion.

10. Negotiate an agreement in line with your company's objectives, resolve any contentious issues, liaise with the relevant teams and individuals as necessary.

11. To determine which events are most appropriate to sell or to promote a particular project, research and prepare for events, adhering to market etiquette when attending.

## Want to work in the sales department?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

1. Key considerations when determining a film's release date (what).

2. Key considerations when determining a film's release date (when).

3. Key considerations when determining a film's release date (where).

4. Your company's sales plans and objectives.

5. Your company's structure and lines of decision-making.

### WHAT YOU MUST BE ABLE TO DO

1. Consider: the type of film (event, blockbuster or specialised), if it is a sequel or part of a franchise, what star power the film may have (actors, director, producer), existing 'buzz' around the film, awards/nominations/success in other territories, if it is an original story or adapted from book/TV, the British Board of Film Classification rating it has been given (i.e. PG, 12A, etc.).

2. Consider: external factors that may impact on release date, such as other film releases jockeying for position, big games releases (particularly for films targeted at 16-24 males), TV events (eg X-Factor final), sporting events, season/holidays.

3. Consider: if it is a saturation release (nationwide) appealing to mass audiences eager to see the film, or a specialised release (documentary, foreign, revived classic) playing at a few select locations. Costs associated with digital prints.

4. Nurture the company's existing relationships with exhibition companies to encourage new business.

5. Communicate clearly and considerately to exhibition companies.

## Want to work in the sales department?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

6. The trends of consumers in the UK entertainment market, identifying forms and genres of films which are likely to become popular. Prior knowledge of how films have performed in the past, comparison points and how to access audience statistics.

7. Contracts and the key terms of sales agreement – duration of license, income apportionment.

8. How box office income targets are determined by production and distribution (print and advertising) costs.

9. How the weekly returns provided by exhibition companies are generated by computerised box-office/ticketing systems.

10. The terms of the contractual agreements with rights holders and exhibition companies, including the percentage each party takes, any minimum guarantee or distribution fee.

11. The timing of tracking activity – i.e. research is conducted eight weeks prior to release, distribution companies are provided with weekly reports.

12. The importance of a film's opening weekend and the impact that low attendance numbers can have on future distribution.

### WHAT YOU MUST BE ABLE TO DO

6. Analyse statistical information, draw on market knowledge/commercial experience and use professional judgement, in order to forecast audience numbers or determine actual theatrical revenue for a given project.

7. Negotiate a sales agreement in line with your company's objectives, resolve any contentious issues, liaise with the relevant teams and individuals as necessary.

8. Liaise with the relevant departments in regard to projected/likely box office income.

9. Liaise with exhibition companies, to obtain and interpret weekly returns.

10. Report to the producer/rights owner as required; ensure the correct payments are made in a timely manner.

11. Liaise with research companies, interpret and compare survey results with established norms, assess likely box office success.

12. Analyse box office figures in order to negotiate 'hold over' of films for the week(s) to come.

## Want to work in the **marketing** department?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

1. The core disciplines encompassed within film marketing and the part they play in bringing a film to its audience: creative/production, online and offline publicity or public relations (publicity), digital/social media, advertising and promotions.

2. How to prepare a marketing plan in line with the overall distribution plan.

3. How to prepare a marketing budget, considering income forecasts, acquisition costs, contract terms (eg minimum marketing spend) and PR strategy.

4. Audience behaviour and decision-making. The trends of consumers in the international entertainment market and identifying forms and genres of films that are likely to become popular. Prior knowledge of how films have performed in the past, how to access audience statistics.

5. About film talent (actors, directors, writers), the profile/filmography of various individuals, the implications that having certain talent attached can have on a film's success, the important part that talent plays in generating publicity for the film.

### WHAT YOU MUST BE ABLE TO DO

1. Liaise with the various disciplines in order to effectively execute the marketing plan and achieve the AIDA steps of marketing: attention, interest, desire, action.

2. Create a plan that navigates a route to market ensuring interest will peak when the film opens.

3. Create a marketing budget appropriate to the scale and nature of a given film project.

4. Analyse statistical information, draw on market knowledge/commercial experience and use professional judgement, in order to forecast audience numbers or determine actual theatrical revenue for a given project. Contribute to the marketing plan as necessary.

5. Establish and maintain relationships with a broad range of talent, make individuals feel valued, manage expectations and operate in line with your company's objectives.

## Want to work in the **marketing** department?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

6. The strategic value partnerships have in building awareness and interest in a film and the importance of having contacts in various companies and brands.

7. The importance of key influences such as family and friends recommendations, television advertising, film trailers and publicity.

8. The role materials such as posters play in raising awareness of a film, the various forms of materials and how they are produced.

9. The role trailers play in raising awareness of a film, the various forms of trailer, how they are produced and certification constraints.

10. The difference between paid-for media advertising (TV spots, posters, ad space), earned (editorial coverage, social media) and owned (distribution company's own channels).

### WHAT YOU MUST BE ABLE TO DO

6. Negotiate partnerships that provide additional exposure of the film to relevant audiences, ensuring that the timing of partner activities is fully synchronised with that of the distribution company.

7. Plan a marketing campaign that takes key influences into consideration.

8. Commission artwork that distils the appeal and positioning of a film – stars, genre, credits, tagline.

9. Commission trailers that connect with potential audiences and distil the appeal and positioning of a film – stars, genre, plotline, credits, tagline.

10. Determine the best choice of media advertising, considering cost, coverage, how targeted it is and the likely audience reaction.

## Want to work in digital marketing?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

1. The importance of having a digital presence when marketing a film and what a successful digital marketing campaign looks like – what it means to ‘go viral’.

2. How digital marketing activities are delivered cross-department, through dedicated teams or external agencies. Understand how content is managed through an end-to-end digital and social media workflow.

3. The part that dedicated websites play in raising awareness and building interest in a film.

4. The vital role of social media in raising awareness and building interest in a film. The value of well-placed/influential social ambassadors (eg YouTube stars) for particular audiences.

5. How apps or games can be used to engage audiences, gather data or generate income.

### WHAT YOU MUST BE ABLE TO DO

1. Identify the target audience for the marketing campaign and implement a digital strategy – forming partnerships (eg with websites or brands), producing collateral (eg trailers, interviews, apps), using social networks.

2. Deliver digital activities within a coordinated marketing campaign.

3. Produce web content, administer websites, and improve online presence.

4. Establish or ‘feed’ networks in a consistent and timely manner to improve the online presence and profile of the film. Identify suitable ambassadors and broker strategic partnerships that will improve online presence and raise the profile of the film.

5. Create value-added activity for the film’s marketing campaign.

# Want to work in promotions?

## WHAT YOU NEED TO KNOW OR UNDERSTAND

1. How manufacturers are licensed to produce merchandise that uses approved logo devices/ symbols/images or character likenesses, normally in exchange for an advance fee/set against subsequent royalty payments. Licencing fees may be waived if the brand undertakes significant levels of advertising in support of the film's release or sustaining campaign.

2. Third-party/brand partnerships that are approved but not necessarily licenced – one-off promotions with food, drink or confectionery brands, an electronics or clothing retailer, or a mobile phone or coffee shop chain.

3. How media promotions may provide an excellent return on investment, be it online, TV, radio or print (eg a radio phone-in competition can create more impact than a 30-second commercial). Use of exhibition company websites as a promotional platform.

4. How preview screenings can generate personal recommendations, which are highly valued alongside trailers and TV spots for stimulating positive interest and cinema visits for a film.

## WHAT YOU MUST BE ABLE TO DO

1. Licence products such as action figures, ringtones, clothing, stationery, food, calendars, soundtracks, games and books, or promotional merchandise such as t-shirts, watches, bags, pens and even themed holidays to the film's location.

2. Achieve additional exposure on high streets and online, so that audiences are reminded of the film in places they don't expect, ensuring that the timing of the brand's advertising and in-store activity precisely matches the distribution company's plans for the launch of the film.

3. Negotiate with media partners regarding payments, additional advertising or competition prizes (holidays, electronics equipment, 'money-can't-buy' tickets to a premiere).

4. Recruit audiences by age, demographic or interest group, for preview screenings and encourage them to blog about their enjoyment of the film.

## Want to work in the **publicity** department?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

1. The role of film publicist – either in-house, external agency or freelance individual – and how to achieve maximum impact with the resources available through press articles, broadcasts and online content. The earlier pre-disposed consumers are aware that ‘something is coming’, however far off, the better.

2. The importance of timing any advertising or publicity activity considering key factors such as release dates, availability of cast (for PR activity) or the optimal timing for reviews.

3. How to organise press junkets (cast interviews, press conferences, premieres) and which specialist agencies or chaperones are required to accompany the artists.

4. How online pressrooms are used to disseminate press kits for journalists, including ‘hooks’ or ‘angles’ for feature articles and media promotions.

5. The legal and ethical constraints associated with publications, and how to confirm that copyright checks have been put in place for all released content.

### WHAT YOU MUST BE ABLE TO DO

1. Assess the ‘publicity potential’ of a film and commence activity from as early in the production as possible, eg a unit publicist will invite journalists on to the set while the film is being shot. Advise appropriate publicity strategy that fully utilises available resources to reach the target audience.

2. Identify the target audience for the publicity campaign, be very organised and meet deadlines, liaise with the relevant individuals/teams/departments, such as post-production or publicists.

3. Provide accurate and thorough briefs and sufficient materials and resources to elicit work of the required nature from journalists.

4. Compile press kits containing cast and crew lists, biographies, notable facts about the production and a synopsis, awards, brand partnerships, opening date/cinemas, high-quality publicity shots.

5. Identify and remedy promptly any error or omissions in the proof, and confirm that all content has been checked for copyright.



# Want to work in the **publicity** department?

## WHAT YOU NEED TO KNOW OR UNDERSTAND

6. How to organise screenings for national critics (print/online publications), considering journalists' lead times and the importance of embargoes to prevent early publishing of reviews or to discourage blogging and social media activity.

7. The Awards calendar (eg BAFTA, Academy Awards), how it may determine a film's release date and the value that accolades can bring to a film release.

8. The potential impact of a premiere and how to assess public impact versus cost. This includes the various festival platforms (eg Edinburgh and London film festivals) and the requirements they have.

## WHAT YOU MUST BE ABLE TO DO

6. Provide accurate and thorough briefs and sufficient materials and resources to elicit work of the required nature from journalists, bloggers and critics.

7. Enter films to the appropriate awards/ categories, and organise trade campaigns to help secure voters' attention to particular titles, performances and craft contributions. Use nominations/wins to promote the film.

8. Organise the premiere and associated activities (eg press junket), ensuring there is a strong platform for photo opportunities and red carpet interviews, if necessary employing a specialist agency to devise and lead an appropriate screening strategy..

## Want to work in data analytics?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

1. How research screenings can help to identify or clarify what elements of a film are the most entertaining (characters/actors, settings) and which types of audience are most engaged.

2. How exit polls can provide insights into how people rate a film (excellent, good, fair, poor), whether they would recommend it to their friends (definitely, maybe), what media or promotions they have seen and which of them had informed their decision to come to the cinema or whether they would subsequently buy the DVD/digital download.

3. The various forms of 'tracking' service provided by research companies, typically telephone surveys conducted amongst cinema goers, or the EDI (Entertainment Data International) analysis of cinema box offices.

4. The timing of tracking activity – ie some research is conducted eight weeks prior to release. Distribution companies are provided with weekly reports.

### WHAT YOU MUST BE ABLE TO DO

1. Use research findings to inform the production of trailers, TV spots, film artwork, website or apps.

2. Use research findings to prioritise advertising spend and determine other promotional activity.

3. Define key survey terms such as unaided awareness, aided awareness and definite interest.

4. Liaise with research companies, interpret and compare survey results with established norms, assess likely box office success.

## Want to work in technical?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

1. The types of master materials received from filmmakers, the film formats that exhibition companies use (digital cinema packages, IMAX<sup>®</sup>), the procedures involved in format conversion, data transfer and encryption.

2. The requirements of the BBFC (British Board of Film Classification) regarding classification, and when producing accessible packages for film and trailers (digital subtitles, audio description).

3. The function and requirements of quality control, including logistical operations for materials in the right place at the right time, for both crew and screen.

### WHAT YOU MUST BE ABLE TO DO

1. Coordinate logistics of delivering films to exhibition companies, adhering to the necessary security protocols and encryption systems (eg key delivery message (KDM) and different versions.)

2. Liaison with the BBFC for the classification of both features and trailers, and with the relevant department/ technicians for production of accessible packages for film and trailers.

3. Keep up to date with evolving delivery techniques and technology.



The EE British Academy Film Awards, Leonardo DiCaprio.  
Credit: BAFTA/Jonathan Birch.

# The inside track

We spoke to people who have worked in the industry for many years; here are some examples of the experience and abilities that might make you attractive to a distribution company:

- For acquisitions, read widely among different writers and genres to get into practice!
- Go to the cinema!
- Good experience for a film industry marketing position may be gained at a digital, advertising or media-planning agency, especially by working with a film or entertainment client or by project-managing in another area of intellectual property.
- For publicity, prior experience as a journalist or press officer is useful or you could have worked at an online or offline publicity agency. No two days are the same, but you should be able to write succinctly and imaginatively and remain levelheaded under pressure.
- Knowledge of today's evolving media landscape is crucial, as are good professional relationships with journalists and TV producers.
- Sales staff, who deal with the renting of films to exhibition companies, use various strategies depending on the film and the agreed scale of its release. Commercial instincts, negotiation skills, discretion and the ability to get on with a range of customers are vital attributes.
- Key administrative roles include invoicing exhibition companies or paying suppliers; ordering and checking film prints, trailers and posters and arranging for materials to be delivered to the right place at the right time. You must be well organised with lots of drive and stamina.
- Understanding of technical or operational aspects of a release: you'll need current knowledge of digital formats, 3D and IMAX® presentation, servers and their storage capacities and laboratory processes.
- Being passionate about films is a great start. But it's only a start and not enough on its own.



The EE British Academy Film Awards, Idris Elba & Kate Winslet.  
Credit: BAFTA/Stephen Butler.

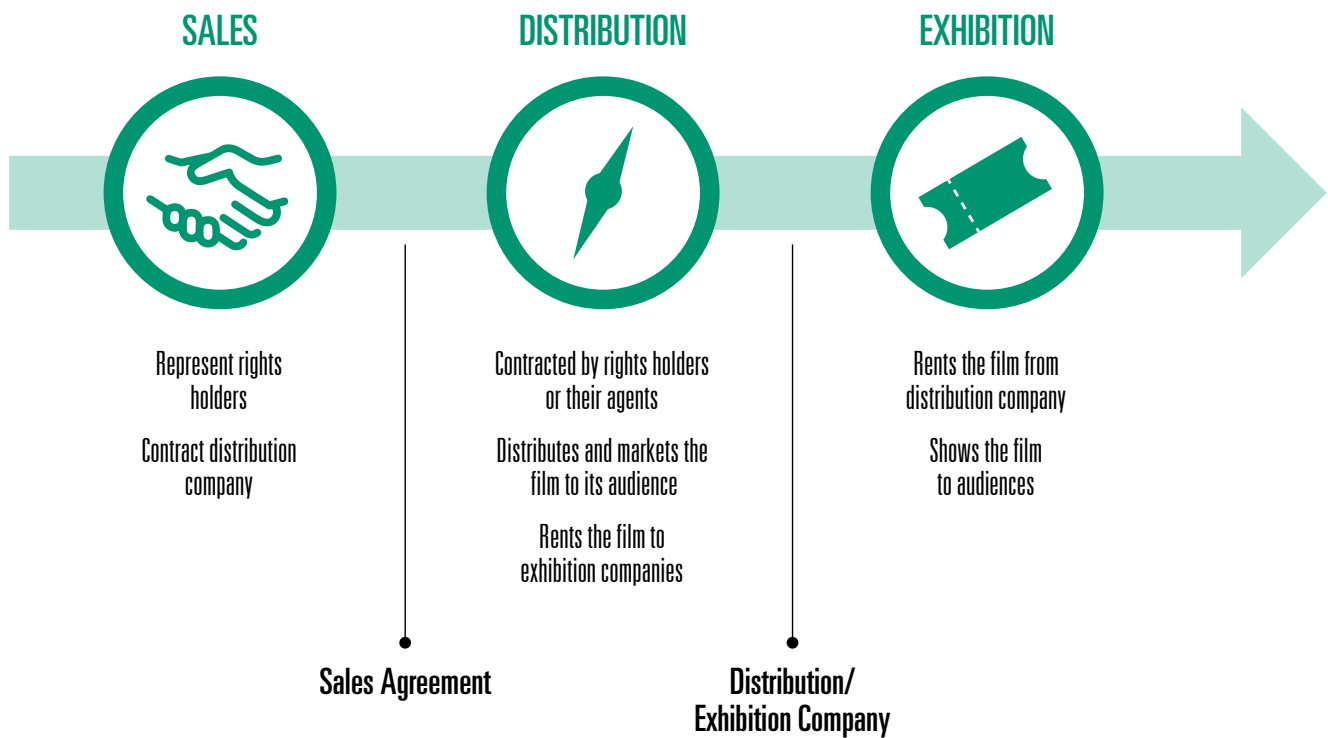
# Facts and figures

- The UK film distribution sector launches over 700 feature films every year.
  - London hosted 99 premieres in 2015.
  - UK box office gross receipts totalled £1.3 billion in 2015 – a new all time record.
  - There was over 171 million UK cinema visits in 2015, the highest number for three years.
  - There were 3.4 billion viewings of films on television in the UK in 2013, including films watched on public service broadcasters, multichannel services and pay TV. This level of viewing was over 20 times higher than the viewings (165.5 million) in the cinema exhibition window in 2013.
  - The UK's biggest selling DVD and Blu-ray in 2015 was Paddington, which sold well over 1 million units.
  - *Frozen*, which was released in cinemas in 2013, sold more than 1 million DVD/Blu-ray copies in the UK in December 2014 alone. Meanwhile, the five top-selling DVD/Blu-rays in the UK during the 2014 Christmas period sold 8.8 million copies.
  - In 2013, UK consumers spent £940 million on the purchase of 119 million DVD/Blu-ray copies of films<sup>16</sup>. They spent a further £166 million on the rental of DVD/Blu-ray copies of films.
  - According to IHS, UK consumers spent £323 million on film VoD in 2013 – a 37% increase compared to 2012.
  - Consumers in the UK spent an estimated £753 million on film-related merchandise in 2013.
  - Film distribution companies operating in the UK employed 3,300 persons in 2013.
  - In 2013, film distribution companies in the UK earned nearly £1.2 billion in turnover from the licensing and promotion of films in the UK and other European countries.
  - Film distribution companies spent an estimated £330 million on the marketing and promotion of films in 2013.
  - £239 million was spent by film distribution companies in other goods services, such as legal and accounting services, real estate, telecommunications and travel.
  - The most watched video on YouTube in the UK in 2015 was *Star Wars: The Force Awakens* official teaser trailer #2.
  - The most frequently mentioned title in Facebook posts in 2015 worldwide was *Star Wars: The Force Awakens*.
  - The term 'Star Wars' triggered more than 155 million Google searches worldwide in December 2015 alone.
- Sources: The Economic Impact of the UK Theatrical Distribution Sector 2016 and The FDA Yearbook 2016

# How the industry works

EXHIBITION





The core objective of the exhibition (cinema) industry has remained unchanged for almost a century – to provide audiences with a consistently excellent ‘big screen’ experience.

## The landscape

The UK cinema sector is made up of a wide range of circuit and smaller operator cinema sites. Aside from these mainstream cinemas, there are some 650 community cinema providers, including local film societies and other voluntary groups, often serving isolated and rural communities.

Mainstream cinemas are operated either by key ‘circuit’ companies, who own a large number of sites across the country, or by smaller operators who may have a handful of sites (or sometimes just one). The three largest cinema circuit companies account for around 70% of total UK screens, with the largest six circuits collectively accounting for 85%.

There are more than 250 independent cinemas in the UK, ranging from single screen sites to multi-screen venues that include education and innovation labs.

## The cinema experience

Although the basic business model is broadly similar, individual cinema companies can operate very differently depending on their target audience, location and size. Alongside their core role of showing films to audiences, each cinema is also a significant hospitality and retail business, with income generated from ticket sales, food/drink retails, venue hire and screen advertising.

Cinemas can represent important community hubs, providing a cultural outlet where none other is available.

All of the above falls within the overall aim of making a trip to the cinema as enjoyable an experience as possible, one that will encourage audience members to return again and again.

## A shifting sector

The cinema business needs to constantly reinvent itself to ensure that it continues to offer the best possible experience to customers at an affordable price and remains the 'gold standard'. This includes investment not just in the physical infrastructure, such as seating, but also in new technologies.

## Digital cinema technology

The most recent change in the industry – the transition from film to digital technology – was one of the most fundamental shifts in the history of the sector. This new technology has enhanced the cinema-going experience in terms of allowing more diverse programming and in offering

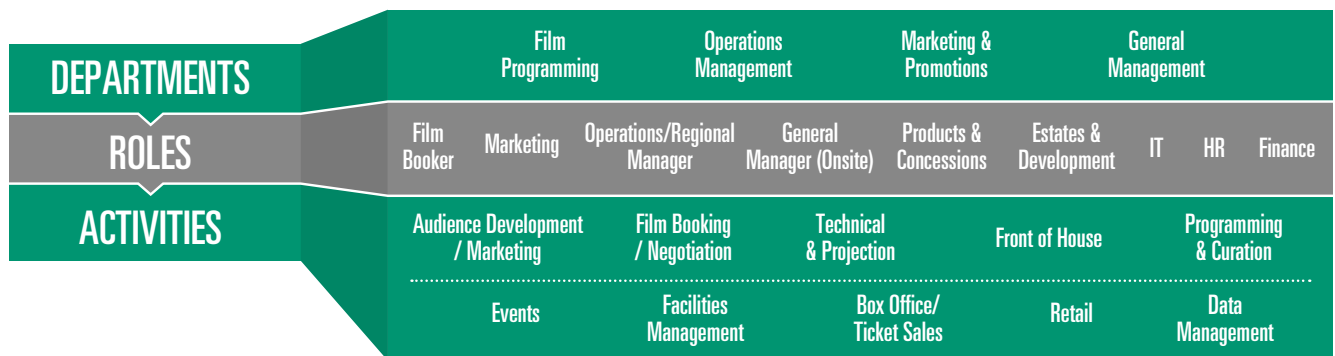
audiences the chance to experience cutting-edge digital 3D. The conversion of the UK cinema sector to digital projection technology is now 100% complete – a total of 3,947 cinema screens in the UK.

## Event cinema

Developing and growing the cinema audience remains at the heart of the evolving cinema landscape. Digital technology has enabled cinemas to be more flexible and offer audiences a broader range of content. One particular area of growth within cinemas has been the rise of 'event cinema' – live (or 'as live') opera, ballet, theatre, music, gaming and sporting events.



# How exhibition works



Showroom Workstation, Sheffield

# Doing the job



# Want to work in film programming?

## WHAT YOU NEED TO KNOW OR UNDERSTAND

1. The potential cinema going audience and how they may be targeted for different genres of film.

2. The types of data generated by the cinema's computerised box office/ticketing systems.

3. Intellectual property (IP), licensing and the terms of any contractual agreements with distribution companies, including the percentage each party takes and any minimum guarantee or distribution fee.

4. The importance of having good relations with distribution companies.

5. Industry 'know-how' – other departments within exhibition, other parts of the film value chain (finance, pre-to-post production) and general knowledge of film (history, culture, trivia, gossip).

## WHAT YOU MUST BE ABLE TO DO

1. Understand different audience demographics, use focus groups and surveys to gauge audience viewpoints, form partnerships with local/regional organisations and ensure box office staff are well informed about the cinema's programme.

2. Analyse data and statistics from the previous week to determine which films to 'hold over' and decide film-screening times.

3. Conduct complex negotiations with distribution companies to agree which films to show and on what 'terms' (split of box office, etc.)

4. Establish and maintain relationships with a broad range of individuals, manage expectations, operate in line with your company's objectives. Remain professionally objective about material while expressing an opinion.

5. Apply your knowledge of the film industry to help communicate with the relevant parties and make effective decisions.

## Want to work in film programming?



### WHAT YOU NEED TO KNOW OR UNDERSTAND

6. The various film formats (digital cinema prints, 35mm, IMAX<sup>®</sup>), associated technology, procedures and accessible formats.

7. Engaging audiences through thematic programming and draw audiences to less well-known films.

8. The importance of correctly timing cinema activities – film release dates, show times and operating hours.

### WHAT YOU MUST BE ABLE TO DO

6. Liaise with the technical department to ensure the correct number and format of prints is available.

7. Use themes to start a conversation with an audience, articulate complex ideas beyond the scope of a single film and draw attention/admissions to less well-known films.

8. Schedule cinema activities and ensure delivery is precisely timed.

# Want to work in operations?

## WHAT YOU NEED TO KNOW OR UNDERSTAND

1. How to manage staff and improve performance.

2. The importance of correctly timing cinema activities – film release dates, show times and operating hours.

3. The requirements of the Health & Safety at Work Act 1974, and the implications for cinema operations.

4. What excellent customer service looks like.

5. How to manage all aspects of the facilities: heating and lighting, cleaning and maintenance, accessibility and security.

6. All aspects of retail operations.

## WHAT YOU MUST BE ABLE TO DO

1. Manage staff and improve performance.

2. Schedule cinema activities and ensure delivery is precisely timed.

3. Ensure that all operations adhere to safe working practices.

4. Monitor levels of customer satisfaction and motivate staff to deliver an excellent service.

5. Monitor service delivery, ensure quality and efficiency, manage staff and contractors and maintain anti-piracy measures.

6. Monitor sales, stock and customer service, manage merchandising, review product lines and respond to issues.





## Want to work in **marketing & promotions?**



### **WHAT YOU NEED TO KNOW OR UNDERSTAND**

1. Industry 'know-how' – other departments within exhibition, other parts of the film value chain (finance, pre-to-post production) and general knowledge of film (history, culture, trivia, gossip).

2. What consumers want from the cinema-going experience.

3. The different requirements of film, brand and retail marketing.

### **WHAT YOU MUST BE ABLE TO DO**

1. Apply your knowledge of the film industry to help communicate with the relevant parties and make effective decisions.

2. Understand different audience demographics, use focus groups and surveys to determine/understand what audience's want.

3. Ensure the cinema's overall offer engages the widest possible range of customers, by utilising all communication channels (print, mobile, social, radio) and using local and regional marketing activities.

## Want to work in marketing & promotions?

### WHAT YOU NEED TO KNOW OR UNDERSTAND

4. The benefits of various promotional campaigns.

5. The importance of communicating clear messages to all parties.

6. The various external communications that may be necessary.

7. The possibilities offered by digital and emerging technology.

8. The value of the big screen experience and the shared responsibility of those in the industry to promote it.

### WHAT YOU MUST BE ABLE TO DO

4. Use various promotional tools (2 for 1 deals, VIP tickets, membership schemes) to boost sales.

5. Give people good reason to spend their time and money at the cinema.

6. Use external agencies and trade press to raise awareness of relevant activities.

7. Exploit opportunities brought about by digital and new technology, such as event cinema etc.

8. Wherever possible remind people why the big screen is the best place to watch a film.

# Want to work in cinema management?

## WHAT YOU NEED TO KNOW OR UNDERSTAND

1. What a smooth-running cinema operation looks like, in line with relevant legislation and policy.

2. How to lead teams of people towards a strategic vision.

3. Day-to-day business administration activities.

4. How to measure staff against the standards and targets set. Understand cinema marketing and sales.

5. How to resolve issues and solutions effectively.

6. What excellent customer service looks like.

## WHAT YOU MUST BE ABLE TO DO

1. Oversee the cinema operation and ensure it is as successful as possible. Deliver excellent cinema presentation and showmanship.

2. Determine the strategic vision of the business, clearly communicate it to others and motivate teams to achieve.

3. Carry out the relevant business administration activities, such as interpersonal communication, producing business documents and data analysis.

4. Establish service delivery targets and standards, monitor operations, review sales figures and oversee staff appraisal systems.

5. Listen to the concerns of staff/others and find solutions to management issues.

6. Monitor levels of customer satisfaction, ensure staff are trained and motivated to deliver an excellent service.

# The inside track

We spoke to people who have worked in the industry for many years; here are some examples of the experience and abilities that might make you attractive to an exhibition company:

- Watch and learn. Be creative, imaginative and ambitious. Have passion and enthusiasm.
- Understand the industry – the conventions (ways of doing things); when you can book; competition; how much to pay for film (cost/ income, profit/loss); licences (content, premises); operating a programme; balancing critical rigour and showmanship.
- Think of the audience. Get a feel for the different types of audiences for different films, use first-hand evidence and audience research, develop specialisms.
- Have regular conversations with distribution companies to develop and maintain a good relationship.
- Understand that programming is negotiation with distribution companies vs. meeting the needs of the audience.



# Career paths

**Sophie Doherty** started her career in management and cinema management then landed a job as a Film Buyer for Vue cinemas. Sophie is now Theatrical Sales Manager at Walt Disney Studios UK.

**Ian Wild** is the Chief Executive of the Showroom & Workstation, where he helps run one of the largest independent cinemas in Europe.

Hear their real life stories on the Creative Skillset website:

[www.creativeskillset.org/SophieDoherty](http://www.creativeskillset.org/SophieDoherty)

[www.creativeskillset.org/IanWild](http://www.creativeskillset.org/IanWild)



# Facts and figures

- 77% of the UK population goes to the cinema at least once a year.
- 74% of people see the cinema as the best place to watch a film.
- In 2015 there were almost 172 million visits to UK cinemas, generating box office of over £1.24 billion.
- In 2015, there were 786 mainstream cinemas (4,123 screens) across the UK. Almost 80% of screens are in multiplexes, but these represent only 43% of all sites. Smaller mainstream sites represented the majority of the rest of the screens, along with mixed arts venues.
- There are some 650 community cinema providers, with around 60,000 members.
- The average cinema ticket price in 2015 was £7.21.
- There were 761 films released at UK cinemas in 2015.
- The highest-grossing film of all time in the UK is Star Wars: The Force Awakens which, to date, has taken over £122 million at UK cinemas.
- In 2015, 3D accounted for 10.4% of the total UK and Ireland box office.
- In 2015, event cinema accounted for 2.8% of UK and Ireland box office.
- UK cinema operators directly employ over 17,500 people and support many thousands more jobs in the wider film industry.

Source: UK Cinema Annual Report 2015.

# Glossary of terms

## **1. THEATRICAL**

*presented in cinemas*

## **2. TERRITORIES**

*countries*

## **3. MAJORS**

*Hollywood studios*

## **4. INDEPENDENT**

*unaffiliated with majors*

## **5. SLATE**

*portfolio of films acquired*

## **6. MARKETS**

*film festivals or other events where sales companies sell films at various stages of production*

## **7. ACQUISITION**

*acquiring/obtaining the right (licence) to bring films to market, either for sales or distribution*

## **8. INTELLECTUAL PROPERTY**

*legal term that refers to the ownership of ideas ('creations of the mind'); rights holder*

## **9. MARKETABILITY**

*how it can be promoted to its particular audience*

## **10. PLAYABILITY**

*how it actually performs in the market place*

## **11. ATTACHMENTS (RE. SALES)**

*named individuals (normally director and/or key cast) on whose involvement pre-sale or other contracts for a prospective production may depend*

## **12. RENTALS**

*the distribution company's net share*

## **13. LICENSING**

*selling of rights*

## **14. EVENT CINEMA**

*presentation of live events (theatre, etc.) via satellite feeds*

## **15. MUSIC CUE SHEET**

*list of music used in the film*

## **16. SHOOTING SCRIPT/DIALOGUE LIST**

*an accurate record of scenes and dialogue for use in preparing subtitles*

## **17. FILM FESTIVAL EXCLUSIVITY**

## **18. CLAUSE**

*eg a film shown at Clermont-Ferrand (January) is ineligible for Cannes (May)*

## **19. SATURATION RELEASE**

*opens on all screens*

## **20. HOLDOVER**

*remain on the cinema screen for another week*

## **21. MOVE OVER**

*when a copy of a film on release transfers to another first run cinema*

## **22. 35mm; Super 16; 70mm**

*physical film print formats*

## **23. DCP**

*digital cinema package*

## **24. KDM**

*key delivery message*

## **25. CLASSIFICATION**

*the rating of films by the BBFC*

**26. C.O.T. ('COSTS OFF THE TOP')**

*deduction of expenditure before percentage is owed to a sales company or producer*

**27. COUNTER PROGRAMMING**

*scheduling a film of alternative audience interest the same day as a blockbuster*

**28. CROSS-COLLATERALISED/ CROSSED**

*losses from the exploitation of one set of rights (eg theatrical releasing) offset against profits from another (eg video or television sales)*

**29. CROSS OVER (1)**

*when a film appeals to different types of audience (eg both art house and mainstream)*

**30. CROSS OVER (2)**

*distribution company sends film print from one cinema to the next because bookings are close together*

**31. DISTRIBUTION COMPANY**

*company handling distribution and releasing of a film in a particular territory, on any given format*

**32. EPK**

*electronic press kit*

**33. EXHIBITION COMPANY**

*a cinema, film society, film club, etc. that shows films*

**34. FOUR-WALL**

*to hire or underwrite a cinema screen for theatrical releasing*

**35. FREE TELEVISION**

*the main UK free-to-air digital channels*

**36. HOUSE TERMS**

*a cinema screen's standard payment scale of percentages.*

**37. MINIMUM GUARANTEE/MG**

*the lowest amount an exhibition company will pay a distribution company against an agreed percentage normally paid in advance – the minimum sum a buyer agrees to pay to licence rights even if the agreed profit share works out lower. If it works out higher, then overages are paid*

**38. NON-THEATRICAL**

*screening film outside of purpose-built venues*

**39. ADDED VALUE**

*enhancing the experience of audiences; providing audiences with opportunities to develop knowledge and better understanding of film*

**40. THEATRICAL WINDOW**

*the period of theatrical exclusivity between a film's release in the cinema and on other entertainment platforms. The average UK window has decreased significantly in the last two decades, from around 27 weeks in 1999 to just over 15 weeks in 2015.*

**41. HOLDBACK**

*a commitment to hold the release in a defined territory or media back to give priority to another*

**42. B2B**

*business to business. A transaction that takes place between businesses, as opposed to between a business and individual customers*

**43. OVERAGES**

*(good) when a successful release generates a profit share in excess of the advance minimum guarantee paid such that additional payments start flowing "upstream" towards financiers and filmmakers. Alternatively (bad) cost overruns on a production budget*

**44. B2C**

*business to consumer. A transaction that takes place between a business and its individual customers (consumers).*



# Key contributors & resources

The content in this resource pack has been developed with the following partner organisations that have generously contributed content and information. Please visit their websites if you would like more detailed information and advice about these crucial areas of the film industry.

## Film Distributors' Association

launchingfilms.com #launchingfilms

**The Film Distributors' Association (FDA)** is the trade body for theatrical film distributors in the UK  
[www.launchingfilms.com](http://www.launchingfilms.com)

*Trace a film's vital journey to reach cinema audiences by reading *The FDA Guide to UK Film Distribution*. Watch experts discuss how the industry works in detail in the *Film Futures* and *Inside Distribution* video series. Read the latest facts and figures about the UK film distribution industry in the *FDA Yearbook 2016*.*



**The UK Cinema Association (UKCA)** represents the interests of over 90 per cent of UK cinema operators.  
[www.cinemauk.org.uk](http://www.cinemauk.org.uk)

*Read about the roles within the cinema sector and how the cinema sector operates. Research the latest facts and figures, and learn about key issues for the UK cinema industry on the UKCA website and in the *UK Cinema Annual Report 2015*.*



**The Independent Cinema Office (ICO)** is the national support organisation for independent exhibitors of all kinds including cinemas, film festivals and film societies.  
[www.independentcinemaoffice.org.uk](http://www.independentcinemaoffice.org.uk)

*Access advice and information relating to cinemas, film festivals and film societies on the ICO website, including a map of UK cinemas, a technical case studies knowledge base of cinemas across the UK, plus lists of useful organisations and publications. Find current training programmes relevant to the film exhibition sector. Watch videos about the exhibition sector on the ICO's YouTube channel. ICO also runs a free jobs service that is the most comprehensive way to hear about new roles at every level of the exhibition industry and for all roles.*

## FilmExportUK

**Film Export UK** is the trade body for companies with UK offices selling, marketing and distributing independent feature films around the world.  
[www.filmexportuk.com](http://www.filmexportuk.com)

*Read *Film Export UK's Training Standards for New Entrants into the Film Sales Sector* document for more information about the knowledge and understanding required for the film sales sector. Find current training programmes relevant to the film sales sector, a calendar of festivals and markets, plus a list of UK films for sale at recent markets.*



# Additional links & resources

Some of the content within this resource pack has been extracted or informed by the following industry websites and publications, where you can find more useful information and resources:.

## **BFI Film Audience Network**

[www.bfi.org.uk/what-s/around-uk/film-audience-network](http://www.bfi.org.uk/what-s/around-uk/film-audience-network)

## **BFI film industry statistics and report**

[www.bfi.org.uk/education-research/film-industry-statistics-research](http://www.bfi.org.uk/education-research/film-industry-statistics-research)

## **filmsite**

[www.filmsite.org](http://www.filmsite.org)

Learn about major milestones and turning points in the history of film that helped shaped the world body of cinema

## **Hiive**

[www.Hiive.co.uk](http://www.Hiive.co.uk)

## **Creative Skillset**

[www.creativeskillset.org](http://www.creativeskillset.org)

## **Delivering Dreams: A Century of British Film Distribution, by Geoffrey Macnab**

with foreword by David Puttnam. Publisher: I.B.Tauris (2015)