



UNIFRANCE INTERNATIONAL SERIES OF DISCUSSIONS

**NEW REALITY FOR FILM IN THE LIGHT OF THE COVID-19 CRISIS
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1. *The lockdown*

- Film discovered it could survive for a period in a virtual world but it now needs to ensure it can thrive in the real one.
- The pandemic crisis is far from over for film. There remains a threat of a second wave of infections and, perhaps even more concerning, the scale of the economic fallout from the shutdown on consumer demand, public spending and market confidence is unknown.
- Public sector support played a major role in ensuring that the lockdown did not kill businesses but that support is finite and the sector needs an urgent return of the audience to cinemas for its long-term survival.

2. *The captive audience*

- The surge in VOD audiences across the world accelerated growth that was already taking place before the lockdown.
- On-demand online viewing took a number of forms with transactional, subscription and advertising-based free models growing.
- A significant section of the audience appears to have taken advantage of greater free time to explore more challenging, new and diverse films.
- Inevitably, some of that audience will be lost as the market opens up and there is greater competition for time. The industry needs to explore ways of turning a captive audience into permanent film-goers.
- It will be important to gather and share lessons on marketing innovation, social media use and other forms of communication.

3. *Covid economics*

- There is scepticism about how far VOD growth represents a new economic model in its own right. Revenues for most films were a fraction of what might have been expected for a theatrically-led all-windows release.
- Relationships were developed or expanded in the shutdown between sales agents, producers, distributors and cinemas with platforms.
- There were enough signs of new and untapped market potential for independent film to encourage debate about a new ecosystem, combining the best of online, on-demand screening with the curatorial and culturally important value of the theatrical release, with the cinema and festival experience.
- The economics of lockdown were the economics of necessity and some may wish to return urgently to the status quo. But returning to the old normal may not be either possible or necessarily desirable and debate will be important.



4. Market opportunities

- Some genres appear to have done well during the shutdown with promising implications for future growth. They include documentary and animation.
- Halted production on some major productions, disruption in key international markets and confusion over release dates may cause serious issues for Hollywood, potentially leaving a market gap for European and other non-US films.
- In some ways, the lockdown reinforced the value of film. Online viewing was very high, including for some films that might have expected a very small theatrical release. Many distributors and cinemas also took the opportunity to explore new ways to engage their audiences and to enhance their place as a trusted brand.
- The value of co-productions had been one of the great stories of film in recent years and those international partnerships will not only be crucial to the recovery and revival of some developing film territories, it might also open up opportunities for export and partnership from major co-productions countries, such as France.

5. A new ecosystem

- The closure of festivals and markets has concentrated minds on building local audiences and businesses, while conducting more international business online, which would have environmental as well as economic benefits.
- During the pandemic, distributors and cinemas were forced into partnerships with VOD, or to expand their own work, and the value of those relationships may remain valuable in a slow transition to full opening.
- The new realities for the film industry need to reflect not just the economic, social and cultural lessons of the lockdown but to embrace the debate around diversity and inclusion that has become still stronger during the crisis.
- Discussions which had an ideological edge needed to become more practical and tactical, some suggested, with more flexibility, for example, over media chronology (release windows).
- There may be greater emphasis on local markets and local audiences given the shock of the lockdown. But film is a global business and international partnership will be at the core of any viable ecosystem.
- International relationships, global industry partnerships and markets and festivals may make greater use of online interaction, whose use has been enhanced by the lockdown.

6. Public bodies

- Government and public bodies played an essential role across the world in ensuring that the film industry could survive during its enforced shutdown, with general support for furloughing staff to specific targeted measures for different parts of the value chain.
- The speed of engagement between industry bodies and government at regional, national and international level was impressive in many countries, and action taken reflected the importance of the creative sector to economic success.
- The same flexible, imaginative and proactive approach to keep industry alive will be essential in what may be a still more challenging role in ensuring the industry can quickly return to its previous growth.
- Public and industry bodies will have to fight hard to ensure that government gets the message that supporting arts and culture is also essential to the economic health of a country.



7. *A new normal?*

- Claims of a new normal were largely premature and based on a lot of conjecture and wishful thinking.
- During the lockdown, the emphasis was necessarily on short-term survival of productions, distribution businesses and key industry infrastructure, not least cinemas.
- The longer-term lessons of the crisis represent an opportunity for industry as it enters a challenging new period.
- A vital industry debate needs to be thoroughly informed by evidence and data and approached with an open mind by all sections of the business.
- The most essential knowledge is about audience demands, needs, desires and habits and the shutdown will have provided some valuable missing insights.
- Although many will be struggling along the value chain, any meaningful debate about the new normal ought to focus first on the opportunities because the lockdown, above all, demonstrated the continuing economic, cultural and social value of film and its local and international importance.
- Investment will be needed from the public sector in research and development to maximise the positive developments of the lockdown.