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# CINEMA ONLINE

## Past and Present

European Parliament 17.02.2009



# The Mission

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- Assess feasibility of a pan-European film portal
- Find ways to improve collaboration among EU film stakeholders
- Identify VOD challenges
- Provide an overview of EU policy on VOD



# Feasibility Study

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## Feasibility Constraints

- Rights issue (availability)
- Commercial issues
- Cost
- Can be implemented
- No commercial aim  
(Media Literacy)

## Public interest justifications

- Film Literacy
- Cultural diversity



# Outcome

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- Film portal to promote European cinema, its history, its diversity
- Set up cost : € 400 000 to € 0.9 million (2 options)
- Content Film Portal :
  - 24 to 27 films (1 per Member State)
  - Film heritage
  - Download and streaming (no DRM)
  - Educational features (reviews, interviews, blogs etc.)
  - E-learning tools
  - Subtitling
- National Film Institutes (15 out of 24, 3 against)



## Different Technical Options Impact on Costs

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- Outsourcing vs. in-house
- Platform (VOD channel)
- Partnership (national initiatives)
- Subtitling (23 official languages)



# The VOD Market

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- A new source of revenue for the film industry (IPTV, VOD, Mobile, cable, satellite)
- An opportunity for European cinema to travel (Long Tail)
- A market that requires a change of mindset from
  - The industry
  - The regulators (national, European)



# The Challenges to make VOD an Opportunity

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- Manage the transition from analog to the digital economy
  - Digital economy empowers consumers
  - Initially VOD revenue will not support film financing
  - VOD upset traditional value chain (retail – TV - pay-tv - exhibition)
- Rights and market fragmentation (linguistic, cultural)
- Legal offers still insufficient to compete with illegal offers
- Who should manage VOD rights?  
(Filmmaker, producer, distributor, aggregator)



## Key issues: Access to Distribution Platforms

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- Specific European VOD portal  
→ Marginalises European cinema
- The large players active worldwide (Google, Viacom, Amazon) and the larger national players (Telcoms, TV)
- Access to European films? Facilitate rights acquisition
- Review film support policy to adapt to digital shift (windows, financing)





# The MEDIA Programme

(budget €755 million 2007-2013)

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- Aim :  
Encourage national VOD platforms to offer European films or AV content (€10 million in 2 years)
- Insufficient to address market fragmentation :
  - Support cross collaboration between national platforms
  - Infrastructure to ease licensing process
  - Finance consumer research studies (understand consumers)
  - Build bridge with technology sector (FP7)



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