

was pirated] two, three, four months ahead of release," he remarked. BVI is "taking really aggressive measures at screenings," Zoradi adds, including name-checking every attendee "so we physically know everyone who's there."

Rising Star's Paul Heth estimates that piracy costs "15-25 percent of box office opportunity," and underlines the need to "tighten up how materials get out."

UIP's Andrew Cripps believes that exhibition and distribution execs in every country need to "reexamine how we do business, how we market movies." As an example, Cripps pointed out that "young male demos are not watching TV; they're on the internet. We need the message to get to them in the right environment."

Sony International's Mark Zucker agrees, noting that his company is focusing marketing efforts on the internet, cell phones and other handheld devices, though he acknowledges that "TV is still critical and gets the biggest piece of the budget."

Vue Entertainment's Tim Richards likewise advocates "being aggressive in understanding the consumer—who they are and what they want. We are competing for their leisure time." He also addressed the cinema advertising issue, theorizing that it's a matter of familiarity; while U.S. consumers are "not used to advertising" and thus more critical of it, UK audiences are accustomed to a long ad program, and either enjoy it or know when to show up to skip it.

Richards declares that the theatre-going experience must be "easy, convenient and dynamic; quality and comfort are paramount," adding, "We need to get them away from the iPod, and we're not going to do that with inferior product"—although he believes that the novelty factor of handheld devices will eventually wear off. "People are social animals. And, in the long term, no one's going to want to look at a quarter-inch King Kong. There will be a turnaround."

Another strategy BVI has employed, says Zoradi, is "empowering each of our GMs to look for local-language pictures," which, he estimates, make up 15 to 25 percent of BVI's business. "I don't think there's a country where local-language product is not going to grow." Everyone on the panel was optimistic about the possibilities digital cinema will bring. "It will be fantastic for all of us because of 3-D and better projection," says Fox's Hanneman.

Meanwhile, developing markets around the world have learned from the mistakes of mature markets like the U.S., and know not to overbuild in close proximity and over-release films in small windows.

During the Q&A that followed the discussion, a frustrated exhibitor cited the studios' increasing tendency to shrink the DVD window, and asked point blank if they're even interested in the theatre window anymore—a bold question that drew a big round of applause from a similarly alienated audience of theatre operators. All the studio execs were quick to declare that they are. "Studios say, 'How do we maximize this investment we've made?'" explains BVI's Zoradi. "We have to make sure we continue to keep the consumer coming back. But the best economic

model is the one we currently have." "It can't be a we/they mentality," stresses Rising Star's Heth. "We have to find a way to make more of an impact. We have to work together."—C.J.

## INTERNATIONAL DAY LUNCHEON

If a theme emerged during ShoWest International Day, it was, yes, the challenges of an industry facing sagging ticket sales, piracy and shrinking release windows, but also one of community.

In accepting his Achievement in Filmmaking award, Guillermo del Toro acknowledged the difficulties that the industry is facing—especially exhibitors. "We as creators often complain how hard it is to make a movie, how difficult it is to realize a dream," he admitted. "But it's showbusiness, right? We have to show it for it to mean business."

The writer-director-producer concluded with a rallying cry: "We have to keep doing what we do, which is show people places and characters that they will never get to meet in their daily life, and make them come out of their homes and experience it together," he said. "In this we have to be the ones holding the fort. All of us."

After lunch, MPAA chairman and CEO Dan Glickman provided a preview of sorts of his industry address the following morning but with an international flair. Citing Thomas Friedman's non-fiction bestseller "The World Is Flat"—"It reflects the fact of how the world is changing so dramatically that the barriers that used to separate us are no longer there"—Glickman

reflected on "how small the world really is... and what it says for an industry that is part of this great international marketplace." The issues faced by American exhibition are the same in the international industry, he said, and his organization is working on a global level to get members' product into different places in the world, fight piracy and promote the "power and glory of movies."

"Theatre owners, you in this room, are a key part of the coalition of working to contain film piracy," Glickman said to the international attendees. "Not only do you represent the first line of defense against the thieves who would steal our product from your screens, but you understand better than anyone the impact of piracy on your local business." To that end, the MPAA announced with NATO an Internet initiative to combat piracy on a theatre level. The site, [www.fightfilmtheft.org](http://www.fightfilmtheft.org), is an online training program that aims to arm employees with information to identify and prevent illegal camcording of films in cinemas.—Annlee Ellingson

## DIGITAL CINEMA: THE INTERNATIONAL PERSPECTIVE

With the completion of the Digital Cinema Initiatives specification last July and the development of a couple of competing deployment initiatives late last year, 2006 has emerged a seminal year for digital cinema. There's still work to be done: DCI's much-respected recommendations will serve as a blueprint for the more detailed standards being finalized by SMPTE, and there remains a debate as to the pace at which the rollout should take place. But momentum is building, and at this point the transition is inevitable.

"From a performance standpoint for major motion pictures, the international market generally and significantly outperforms the U.S. market in pure box-office performance," said Julian Levin, executive VP of digital exhibition and non-theatrical sales for Twentieth Century Fox. While the U.S. has about 35,000 screens, there are more than 100,000 overseas, and, while U.S. exhibitors play almost exclusively domestic product, their international counterparts program not only Hollywood movies but also a high percentage of local productions.

"So clearly from an economic, creative and volume perspective," Levin said, "the transition to digital cinema is not only a U.S.-driven initiative. The international markets will make up the lion's share of the world's screens in order to achieve the ultimate scale and global adoption of digital cinema."



ShoWest focused on cleaning up at the box office...



...and ushering in new technologies.