IS MULTIPLEX DEAD?

The sudden and far-reaching impacts of the pandemic have given the necessary space for businesses, everywhere, to reconsider their *modus operandi*. Cinema remains no exception and, here, The Big Picture's **Mike Thomson** examines some of the many reasons why Exhibition-Distribution should use the juncture as an opportunity to effect genuine change. This, he says, means ditching the traditional, if also subsequently rather ailing and tired, 'multiplex model' for something much more flexible.

So, multiplex is dead. If little else, it's a controversial as well as provocatively eye-catching headline but, as with seemingly everything else in 2020, so far, reality and its scale seem to be moving faster than any sensible predictions; and, as such, few claims today can be initially dismissed as implausible. To begin with, it shouId be clear that the thrust, here, is that it is the very concept of Multiplex and its execution that are failing, and *not* Cinema as an artform. Cinema will survive the pandemic along with the attendant problems it has raised, but it *will* need to change. As to the *type* of cinema model that will prevail, however, is the substance of our article. It should also be added that, by 'Multiplex', we are referring particularly to the large – and, many say, typically soulless – out-of-town boxes built around 20-25 years ago, during the mid-to-late 1990s' first and second-waves of multiplex expansion within mature markets. That's neither to say, though, that, in the long run – and even amid emerging territories – large multiplexes are necessarily invulnerable.

Today, there are many factors that are influencing the demise of the old multiplex, including recent phenomena such as 'localisation', together with the slow death of the high street, and even *its* need to change. There are also product-streams as well as ongoing changes in demographics. For our purposes, the UK is being held up as a fitting example of a mature market, although of course much here also applies to others.

A TEMPORARY MEASURE?

A few weeks back, and immediately following Universal's announcement to yet again reschedule *Bond* until April of 2021, we'd witnessed Cineworld's decision to temporarily suspend all of its 127 UK operations as well as its entire Regal circuit in the U.S. And then, on the heels of this, no doubt extremely difficult, decision, Odeon, too, had put 30 out of its own 120 sites onto part-time; before another major, Vue, had taken action, closing 21 cinemas in its UK estate for three days-a-week.

Of course, this isn't to say that these cinemas won't ever reopen, simply that many will represent under-performing locations, which includes even some of the bigger, key London sites, among them, in Leicester Square. That said, there are already some cinemas that hadn't reopened following lockdown, such as the Vue at Park Royal, Acton. But, as the lack of product, rising numbers of COVID-cases and the proliferation of local lockdowns continues, the sad probability is that more and more multi-screen cinemas will permanently close and likely will represent the older (although not exclusively) out-of-town model.

Further, it's been The Big Picture's view for some time now that the old multiplex model has in fact run its course. Launched in the UK by AMC in 1984/85 at Centrepoint, Milton Keynes, its once-refreshing style has enjoyed a good 35-year run. In fact, the growth of large out-of-town multiplexes had developed during the 'land-grab phase' during the '90s, led initially by both Virgin and Warner-Village, also UCI and Showcase – some of which, it should be noted, had actually never really performed well at all.

Multiplex was a new as well as exciting phenomenon and, c.1997, I recall visiting Orange County in Los Angeles to learn how very large multiplexes worked. This was ahead of the opening of our own 20-screener Virgin Megaplex in Sheffield, and I remember returning to the UK amazed at how closely-packed were their 15, 20 and 25-screen cinemas and wondering how they could all

WHITE ELEPHANT CINEMA?
The older, maturer, 'out-of-town box' cinema model is in many ways showing its inflexibility today

survive. The truth, of course, is that they didn't. Indeed, back in 2000, the infamous U.S. over-screening frenzy – itself spawned by cheap available credit, also greed and a vanity-fuelled race to become the 'biggest and the best' – had ended in a cheek-by-jowl expansion of too many, even +30-screen, megaplexes. The result? A filing by the top 12 North American exhibitors for Chapter 11, the process from which, some say, has only recently seen full extrication. Now, two decades on, many similarly-large cinemas remain under threat. Many have been converted and refurbished with bigger and better (including, more recently, recliner) seating to improve their offer while reducing capacity; but the question all along has been, and remains, whether that would be sufficient to save them.

SNAIL'S PACE

For sure, the Cinema industry isn't exactly renowned for dynamic change. It's conservative with a capital 'C' and, after film was first developed in the late 18th century, it was only by the mid-1920s that we saw the advent of the talkies... and then colour... and then nothing, save for the odd fad, such as 3D – mainly during the 'Fifties – until the Digital Revolution began to accelerate by the mid-2000s. The release of *Avatar* in 2009, had not only kick-started the 3D revival, it'd also helped drive more cinemas toward to the digital switch.

Neither had the Exhibition-Distribution model really changed very much. Cinemas, now able to work off of reduced footprints, began occupying buildings previously too challenging for town centre use. These included those of the Everyman expansion across the UK but, in the final analysis, they were still simply single-purpose boxes.

Digital has also made it easier for independent cinemas: easier, that is, to deliver flexible programming; whereas the same hasn't really altered much for the larger chains, where distribution has largely adhered to its rigid policies. More recently, the growth of Event Cinema has also helped to diversify the cinema-going offer but, for all its growth, still represents but 5% of total box office and, again, cinemas have yet to really demonstrate a major design-change to reflect an evolution both in product and customer experience.

Clockwise from top left:
Home Manchester, Everyman Liverpool and The Brewery Arts Centre in Kendal

SOCIAL CINEMA
Several UK independents able to offer a more affluent movie-going proposition – including food, music and arts – continue to prosper

TWO TRENDS

Slowly, two distinct models have become manifest in more mature territories and, from time-to-time, within emerging markets also. Again, using the UK to illustrate: one is what we might call a 'technically-led' solution aimed at the younger market i.e. with offers such as IMAX, 4DX, Screen X etc, and a fitting example of this will be the aforementioned 20-screen multiplex in Sheffield having undergone a £5m refit to focus upon just such offers. The other is a more 'social' style of cinema, in which a more upmarket offer aimed at mature customers has emerged, the same spearheaded by chains such as Everyman and Curzon. There are other offers that don't fit comfortably into either of these two category-types, but they probably align closer to the social/upmarket proposition. These perhaps include Cinema de Lux and The Light, for which, again, while being overall mass-market, within that proposition there still exists a slightly more upmarket tiering.

What is interesting, here, is that the two UK winners from *Tenet* (if under the circumstances 'winning' can be claimed) *were* Everyman and IMAX – as well as globally for the latter, too, occupying 14% of global market-share from just 1% of screens. Everyman also significantly outperformed its usual market-share on this title.

One more recent success has been the renting out of smaller screens. The Big Picture has been encouraging its Middle Eastern clientele, in particular, to offer more screens with reduced capacities, and especially those with fewer than 40 seats that could be used more flexibly, whether they represent VIP or merely decent standard auditoria. Muvi Cinemas similarly experienced sell-outs to large numbers of extended movie-going families which opted for smaller screens and could thus point the way to smaller auditoria being booked in a more 'on-demand' manner, going forward.

DEMISE OF THE HIGH STREET AND ITS REVIVAL

It should also be noted that, already, the independent sector has performed better during the pandemic. Part of the reason for this may be down to their more flexible programming, but also to do with another phenomenon that has accelerated during this time: namely, that of 'localisation'. For some time now, The Big Picture has been working with developers and local authorities on repurposing the high street and bringing back services, among them, Leisure. Retail and F&B operators were already facing numerous existential challenges which the onset of COVID-19 had served only to exacerbate.

IMAGE: Courtesy of the BFI

For too long, local authorities and developers had focused upon out-of-town sites, often moving retail, leisure and services away from town centres. As such, the days of merely 'popping into town' to go to the bank or do some shopping evaporated as key services, such as bank branches, also disappeared. Local independent shops also vanished from many high streets and for various reasons, leaving larger high street brands that could be located on any high street of somewhat homogenous appearance. Cinemas often act as a bridge between the daytime and evening economies and encourage more family-focused and associated offers, like restaurants. Many town centres have now since lost this, effectively closing at 6pm while offering mainly just pubs in the evening. As a result, customers had been left with little choice but to concentrate their shopping and leisure habits in the out-of-town areas.

Cinema has a positive role to play in the revival of high streets and this is where independents, especially – be they mom-&-pops, part of more regional chains (think Scott or Merlin) or even the bigger indie circuits, the likes of Everyman, Arc and Curzon – have at their disposal opportunities to lead the way. There are also many creative independent cinemas in the UK. Creative in terms of design, marketing, programming, space-usage also delivery; and, as well as being local, cinemas do need to reflect and serve their communities. While many independents *are* certainly achieving this, going forward, they will need to do even more in terms of being flexible.

Multi-screened cinemas are not going to disappear entirely either; but the screen and seatcounts we believe will lessen over time, with possibly eight as the new maximum. The mix of those screens will also further change with probably still one premium screen and perhaps one half that size, followed by a flank of much smaller screens which, in our view, could be more flexible in their use, so that we might have a six-screen cinema with units each seating 240, 120, 80, and three of, say, 40. As usual, all of course will depend upon location, admission potential and other factors, in addition to what the cinema itself forms a part of or will be used for.

GENUINE FLEXIBILITY – HOW?

A further facet of our work involves the devising of more flexible venues – ones still perhaps anchored by theatre offers rather than just being other merely straight 'cinema boxes'. We live in an unstructured world and yet Cinema itself remains particularly structured. As a for instance, cinemas claim that they can host conferences – and indeed in the 1990s and early 2000s there had been some evidence of this along with much talk as to how Cinema's daily downtime would be filled – and yet most, if not all, aren't built anywhere near as adequately so as to be able to deliver. As it stands, few, for example, are built replete with break-out spaces, multi-use rooms, retractable seating etc. to qualify as truly multi-dimensional.

Our research and experience regarding such potential informs that if offering multi-use venues, including auditoria, they *must* be planned as such from the outset rather than attempting to adapt mid-stream. So if, for example, the offer is to comprise conferencing, then technical specs and services, such as lighting, need to be designed-in at inception since, for this use, cinema lighting won't work, especially if there will be a stage area. Screen images will also need to be adjusted otherwise they will cut across presenters. As mentioned above, for

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MIKE THOMSON
Founding Director
The Big Picture

adequate space-planning, these activities demand other in-built services such as break-out spaces and cloakrooms.

It is also often a mistake to try to accommodate too many varied elements within any particular space as this will often lead to none of them working particularly well. A good example of this is offering film, conferencing and theatrical events in a single auditorium since they do share common features; but by suddenly adding an e-Sports facility into the mix, this then creates too many issues.

DIVERSE OFFER
Some indies, like Quad and Zeffirellis (right), are proving to be especially creative in terms of programming, space-usage and delivery within their individual communities

On the incidental topic of e-Sports, the genre does have potential within a cinema-anchored venue, but of note is that that venue will be less likely to be running major gaming finals for the simple reason that these are now already so huge that the play-offs are since-booked for major stadia. That said, the sector will grow, as will also the need for e-Sports cafés in which smaller gaming events can take place; but, important is not to underestimate the skills that gaming is developing that employers will soon be getting up to speed with and tapping into. Digital skills training is another opportunity for a digital-based venue within a flexible auditorium where both screen and

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J. TIMOTHY RICHARDS
Chief Executive Officer
Vue Entertainment

projector can be used and with seats suitably rearranged. Thankfully, there are already different examples of successful British multiple-use venues, such as Home (in Manchester) and Quad (in Derby), which remain creative in terms of their programming, space-usage and delivery while also reflecting well their communities and for which the addition of further screens would be beneficial.

A HURRAH FOR HOLLYWOOD?

As was covered earlier, content remains another factor for which independent cinemas certainly enjoy more flexibility. However, the current lack of releasing has particularly highlighted that the UK's (and other mature markets'), principal reliance revolves around one main product stream: blockbusters. It is well-known that having just one large customer, for example, is seldom a good business practice and so is relying upon one main product-source, Hollywood, any better? While the studios have always 'made the right noises' in terms of supply, lockdown has also provided them with opportunities to experiment with their bigger titles and, as we've seen with the likes of *Trolls World Tour* – and subsequently *Mulan* and, more recently, *Soul* – even bypassing cinemas altogether. The current 'windows agreement', under even further attack of late, is unlikely to remain long in its present form as Vue Entertainment's Chief Executive Tim Richards also recently acknowledged regarding the unexpected 'Bond delay' having caught everyone by surprise: "We reopened on the basis that we were going to be getting movies… which then didn't arrive. There are a lot of players that do not have Vue's size or scale and that will not survive. [For our part] we will [survive] – we just need movies". Indeed, is he not quite right in declaring that, as a result, the company now *has* to remain flexible.

Meanwhile, more and more head-of-studio positions – having long-since comprised a revolving door anyway – are increasingly being filled by younger and younger executives with non-cinema content backgrounds. Content-wise, neither Netflix or Amazon may pose such a tremendous threat, perhaps, but revenue-stream models, and how their teams view and deliver content, *are* different and will surely influence a product-stream that has stayed rigid for years. It is time, perhaps, for a new and younger vision in the Cinema world too.

It's also notable that not all markets are suffering in the same way or even to the same extents since where there is strong local product – and thus a reduced reliance upon Hollywood – performance under lockdown and/or projected box office, is demonstrating to be better. The charting of various market-performances, as presented at a recent Big Picture-Celluloid Junkie-Filmgrail weekly webinar, uncovered that the less-Hollywood-dependent markets do fare relatively better, examples of which include, say, France and Japan.

CINEMA'S FUTURE?

So where exactly does all of this leave Cinema? Well, as stated at the outset, Cinema itself isn't dead, and neither are films. However, the old model of showing films *is* and whilst the pandemic has rudely coerced all concerned parties to begin to rethink, now seems also to be as good a juncture as any for Exhibition to review its estates, ditch the deadwood and begin its own search for new and enticing opportunities.

While there are few firm stats as yet, predictions of closures in the UK, alone, typically range from 20-40% and with some even as pessimistic as 70%. And while the latter is, hopefully, most unlikely, it's also true that we'd all banked upon being able to show Bond last month following its initial shunting at the onset of lockdown. Indeed, according to Damian Drabble, Cinema Advisor to Cineops – a cinema and entertainment consultancy specialising in operational and project management support – foresees an overall screen-reduction of some 30-40% amid developed western markets and with the bigger plex-locations being the most vulnerable. He said: "In the UK, at least, unless there is some gigantic government bail-out, our industry will become a blood-bath as I can't

Unless there's some gigantic government bail-out, our industry will become a blood-bath as I don't see normal releasing resuming until 2021... in developed Western markets I predict an overall screen-reduction of about 30-40% as well as a shift toward reduced screencounts

DAMIAN DRABBLE
Cinema Advisor: Cineops

see normal product-releases resuming until the Spring of 2021... I also envision something of a paradigm shift toward venues of less than eight screens and, even then, coming with a more adult and affluent offer".

Whatever the outcome, localisation has helped in pushing the town centre agenda and can only accelerate the death of the older 'out-of-town box', while even those presently undergoing makeovers may still be under threat. Yes, a newer, more flexible, venue delivering a more varied product and experience is needed.

THE ŌMA DIFFERENCE?

One particularly interesting, if not also revolutionary example of the adaptation and development of a new theatrical offer is none other than the imminent Ōma

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EXHIBITION'S ARCHITECTURAL REVOLUTION?

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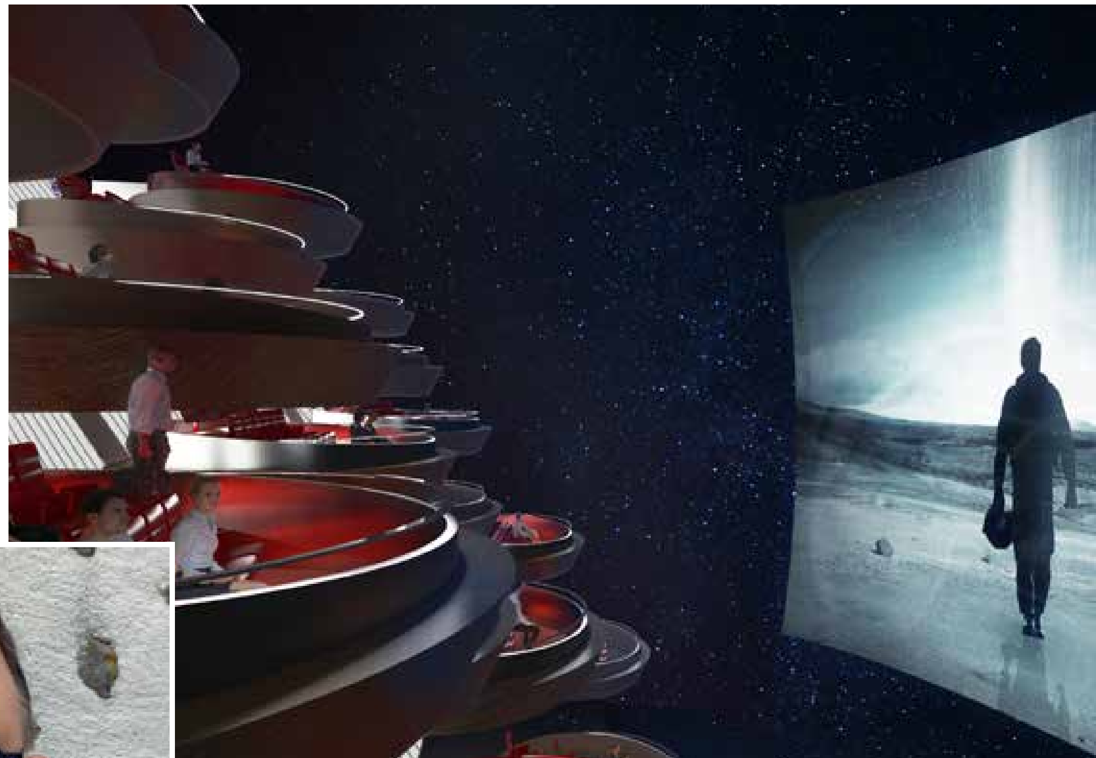
Cinema, the launch of the very first example of which is currently being planned just outside of Paris for 2021. Taking again the *Tenet* example in which both Everyman and IMAX had perhaps benefited most, this in some ways meshes the two approaches while succeeding in surmounting some of our more pressing COVID-wrought issues. The Ōma Cinema represents very much a large-screen experience but with unconventional, as well as in-built socially-distanced, seating arrangements (such that customers



While cinema layouts have remained far too static for far too long, rethinking the seat-screen configuration can open up a much more dynamic experience, while putting the 'theatrical' back into cinema presentation

JEAN-MARIE DURA
Consultant
Ōma Cinema

are now seated within 'self-contained pods' comprising capacities of up to 18); also with what is believed will be a superior projection method and thus much-improved movie-goer-immersion. Furnish with some retractable seating in the non-balcony areas also and what is that if not a truly flexible model? It's arguably a good example of the type of thinking now needed.

As declares Jean-Marie Dura, former UGC Principal and now consultant for the Ōma project: "Cinema layouts, by and large, have remained static for far too many years; however by rethinking the physical shape and seating-layouts around the screen can open up a much more dynamic experience". As a throwback, then, to the glory days and sophistication of the likes of live Opera?

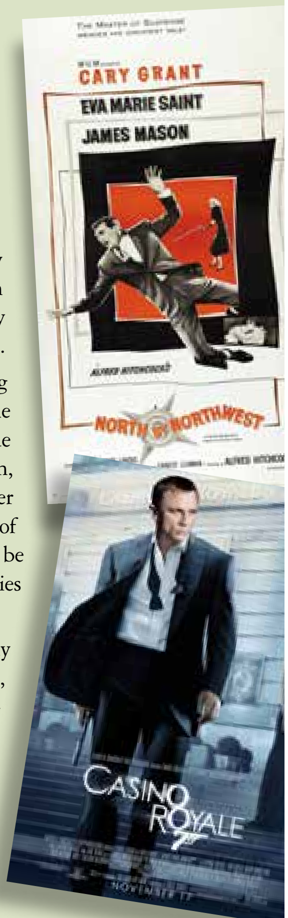
Responds Dura: "Yes, by placing the audience that much closer to the action – while also minimising distraction and providing proper immersion within the screen's size and scope – the concept behind the Ōma Cinema's layout is to both emulate and magnify the kind of opera-style boxes of the past and with a classy as well as definitive modern touch". It's an approach, he says, which could firmly reinstate the 'theatrical' back into cinema presentation. He also observes that people are becoming much more attracted to unique and unusual experiences and that the design of the Ōma Cinema will provide just that for cinema operators: a unique and standout vehicle built for audiences to experience and to immerse themselves in viewing films better than before.

By way of conclusion, then, considered properly, Film, Event Cinema, e-Sports, Conferencing, Live Productions, Digital Events and/or indeed almost any community-facing situation imaginable, could each be delivered through fluid cinema-led, multi-screened venues – just not of the inflexible outmoded box that still persists today. Of course, one principal question does remain: "*Who* will be sufficiently brave to develop and deliver an entirely new cinema model?" We've seen the Ōma Cinema as perhaps one foretaste, so watch this space, say we.

https://the-bigpicture.com

MIKE BOWERS
President & CEO: Harkins Theatres

I'M A BIG Cary Grant fan, so the 1959 classic *North by Northwest* is my all-time favourite. This film is a quintessential example of the way Hitchcock takes ordinary people and throws them into extraordinary circumstances. In an instant, the protagonist, Roger Thornhill (played by Grant), goes from carefree ad-exec to spy and public enemy as an accused killer – it's brilliant. The chemistry between, and the performances by, Cary Grant and Eva Marie Saint are perfect; and the cinematography and incredible set-design, groundbreaking. In fact, written directly for the screen, it was nominated for three Academy Awards for Best Film Editing, Best Art Direction – Set Decoration, Color and Best Writing, Story and Screenplay – Written Directly for the Screen.



One of my favourite parts is the crop-dusting scene – when Thornhill is waiting to meet the man for whom he's mistaken – with no dialogue or music for over four minutes. In my opinion, it is still one of the most riveting moments ever filmed. In fact, I have viewed this film dozens of times already, but my preferred way to see it will be when we bring it back as part of our classics series to experience it on the big screen.

Another favourite is the Bond series, and especially 2006's *Casino Royale*. From the very opening act, you know that there is a new Bond universe – one that is both gritty and realistic – and with Bond's fallibility replacing camp and fantasy. Daniel Craig is also my favourite Bond and Eva Green is mesmerising as Vesper. There is action, mystery, romance, tragedy and thrills here, along with an occasional wink. I cannot wait to see *No Time to Die* many times over on our largest screen...

I'm cheating because tied for my second favourite is Christopher Nolan's *Memento* (2000), which blew me away. It is one of those movies that demonstrates just what Cinema is capable of and I immediately wanted to walk back in and watch it again. The concept, non-linear storyline and Guy Pierce's performance were each amazing; and although it wasn't Nolan's biggest commercial success, I believe it had an outsized cultural influence and I am sure it will be taught in Film schools for a long time to come.

There is nothing like the magic of the movies. Some of my favourite memories as a kid happened on occasions when I would skip school and spend the entire day watching movies in a cinema – paying for each ticket, of course! That same love of Cinema and how it can impact people is what drives me today and is what will always drive guests back into our theatres.

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