The role of Audiovisual Publishers in the future of Communication

by Gaetano Stucchi

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Contents

Foreword

I have known Gaetano Stucchi for some years. We have met at regular intervals during the many meeting opportunities available to those who work in audiovisuals: festivals, hearings before the European Commission, congresses, and, in particular, the yearly appointment of Eurovisioni in Rome.

Only last October, though, during a beautiful evening organized by Eutelsat to present high definition at the Casa del Cinema (the same place where we decided to present this research, also thanks to the generous hospitality of our common friend Felice Laudadio), did we engage in a enjoyable, broad and endless dialogue on the future of audiovisuals.

We stayed until three in the morning comparing experiences, opinions, data, analyses… without reaching a conclusion.

In the following weeks and months we started an intense written correspondence (obviously by e-mail and Skype) exchanging information taken from several sources, aimed at supporting our contrasting theses on the different issues of that long but never exhausting war of words.

To be honest, this second phase of the debate also seemed to fail to reach any result, since we both used great skill in finding positions supporting our opposing opinions, also using the information brought by our opponent as supporting evidence of our own views.

Basically we could not find a balance between my conservative position of central control advocate, and his, in my opinion, too Darwinian-deterministic, where I mistakenly read the echo of the cloying self-assurance typical of some telecommunication companies, interested more in continuing their carrier activities than in becoming audiovisual publishers.

In fact, for many operators, the only creed and goal is the generation of traffic in the network (regardless of its nature).

I thought Gaetano’s opinions and scholarly argumentations concealed between their lines an uncritical exaltation of the possibilities provided by the networks, which would have inevitably led to the prevalence of quantity- over quality-related concepts.

I perceived in his opinions, some sort of hidden approval of patent-like compulsory licence forms, opposing my ironclad undisputable protection of the copyright.

I was suspicious of the very concept of a theoretical transition to any form of lump-sum compensation of the creativity, as if all artistic expressions having the same size, (length for music and films, dimensions for paintings and statues, or any other aberrant invention yet to see the light) were entitled to a similar and undifferentiated compensation.

Gaetano never supported such absurdities, but others could use his positions to do so.

When, in the framework of the initiatives planned under Univideo 2006 Agenda, we decided to focus on the situation and the possible developments of the audiovisual market, hanging between online and offline, I immediately thought of asking Gaetano Stucchi to collect and systematize all his extremely vast knowledge in this field.

Since the onset of project definition, the stated purpose was to provide all observers with a balanced segment analysis, capable of observing and analyzing all audiovisual market perspectives in the light of technological innovations.

I expected that probably I would not agree, like many Univideo Associates, with some of the conclusions eventually reached in the essay, but I accepted the risk because I am convinced that, in a dialogue between people who have a high opinion of each other, are expert in the subject, and express their ideas in full good faith (all these being equally essential features, though not always displayed in the discussions on our market segment) you provide good service to the common good, to the truth, and to the many people who work with us to increase the competitiveness and respectability of cinema and audiovisuals in Italy, as well as their openness to the creation of new ideas and stimuli for the artists and the public.

After a careful reading of this work, which I wanted to see only when completed, as is the case for all publishers respectful of their authors, I must admit that, on several issues, we simply did not understand each other (and an essay is not only aimed at clarifying the opinion of the writer, but also at deeply questioning readers over their ideas), but also that I was probably wrong in barricading behind positions which, in perspective, could maybe be considered as too dogmatic.

I must admit that Gaetano Stucchi has succeeded in convincing even me on more than one issue, and those who know me are aware that it is not easy, with his genial intuitions and deep analyses.

I recommend everybody to cherish this booklet, which, I am sure, will be useful for a long time to come.

Davide Rossi, President of Univideo

Summary

Nowadays many things are changing in the production and consumption of movies and audiovisuals. However, not as many as some superficial prophets would like.

The value chain of audiovisual communications is undergoing considerable changes, especially in its middle segments, i.e., the path of the final product towards its audience (distribution circuits, procedures and technologies). The influence of consumer behaviour on the content and structure of the supply is growing: presently it increasingly involves the ability and decision to become content producer (prosumer). Times, places and tools to consume or produce audiovisual images proliferate, and differentiate from the traditional rites.

However, the overall individual and collective resources available for audiovisual products (time, money, motivation, ability, etc.) remain almost the same: user needs and potential demands differentiate in terms of media and displays, rather than of content type.

On one side the opening of mobility spaces and time frames to audiovisual communications obviously increases the development of short formats; on the other, big events (sports first of all) and high value added works (movies, TV fictions, quality docs, etc) are still premium products for large audiences, and enforce their language, duration and communication codes.

However, some kind of clear coherence between content typologies and means of consumption remains, despite the diversity in carriage and delivery technologies. Some innovations are possible, of course, and it would be nice to get video-calls on the TV receiver in our living room (although…), much less comfortable to look at the latest Spielberg movie or the World Cup final match on a cell phone!

In this changing scenario, a kind of mediation between production and consumers is increasingly necessary, even more so in the expanded and borderless Internet world, where the entire audiovisual sector will be soon forced to integrate.

This is the role of video publishers, who retrieve, select and organise audiovisual creative works; certify their professional and technical quality; protect right holders' intellectual property and remuneration; and finally bring them to the users through the best channels and techniques

Faced with this ocean of contents, including audiovisuals (with an increasing share of self-produced works), it seems very important, if not vital, for the industry to ensure a legal way to access the added value contents, while offering viewers a kind of reference system to help them in their choices.

The world of movies and audiovisuals is more akin to the essential paradigm of press publishing, the archetype of all intangible and symbolic products than to the other industries based on mechanical reproduction, such as the recorded music sector, too often and inappropriately quoted.

Last but not least, the problem of financing new productions can best be properly addressed by the video publishing sector, since it has the right financial size and trends to ensure a healthy economical life to each single creative work and to the whole audiovisual system.

"The future isn't what it used to be"

Arthur C. Clarke, scientist and SF writer

Synthèse

"Prediction is difficult . . . . . especially of the future"
Niels Böhr, Nobel Prize - 1922

Beaucoup de choses changent de nos jours dans la production et la consommation de cinéma et de produits audiovisuels. Mais pas autant qu'il le prétendent les prophètes les plus hâtifs.

La chaîne de la valeur de la communication audiovisuelle est en train de se modifier considérablement, surtout dans ses segments intermédiaires, c'est-à-dire dans le parcours de l'œuvre vers son public (circuits, formes et technologies distributives).
Les modes de consommation du spectateur influencent de plus en plus les contenus mêmes et l' organisation de l' offre: ils arrivent, toujours plus souvent , jusqu'à la capacité et à la détermination du consommateur de devenir lui-même producteur de contenus (*prosumer*).
Les temps, les lieux et les outils pour créer ou consommer des images audiovisuelles se multiplient et se déplacent par rapport aux rites traditionnels.

Mais l'ensemble des ressources individuelles et collectives destinées aux produits audiovisuels (temps, argent, attention, compétences, etc.) reste presque le même; et les besoins ou la demande potentielle des spectateurs manifestent plutôt des oscillations entre les divers medias et les écrans respectifs, qu' entre différentes typologies de contenu.

Si d'un coté la conquête à la communication audiovisuelle des espaces de mobilité ne peut que relancer les formats courts, de l'autre les grands évènements (du sport, avant tout) et les œuvres à forte valeur ajoutée (les films, la fiction TV, les grands documentaires, etc) sont encore les produits *premium* de l' offre audiovisuelle grand public, avec leurs modes établis de langage, de durée et de codes communicationnels.

Surtout une cohérence évidente se confirme entre typologie de produit et mode de consommation finale, qui est assez indépendante de la technologie de transport et *delivery* à l'utilisateur. Certes, des innovations aussi sont possibles et souhaitables, et peut-être qu'il serait agréable de recevoir les appels du vidéophone sur le grand écran du téléviseur (peut-être !?): moins amusant de regarder sur le portable le dernier film de Spielberg (ou la finale de la Coupe du Monde de football)!

Dans ce paysage en mutation, un rôle et une fonction médiatrice entre production et public se confirme indispensable, encore plus dans l'univers élargi et sans frontières de l'Internet, dans lequel désormais va migrer l'ensemble du secteur audiovisuel.

C' est justement le rôle de l'éditeur vidéo, qui récupère, sélectionne et réorganise les œuvres de la création audiovisuelle, garanti leur qualité technique et professionnelle, protége leur propriété intellectuelle et leur rémunération, les propose au consommateur final avec les modalités et les techniques les plus adaptées.

En face des vagues gigantesques de contenus, même audiovisuels, qui circulent sur le Web (de plus en plus autoproduits), il semblerait pas simplement utile, mais nécessaire cet engagement de l'industrie du secteur à assurer un service d' accès légal aux contenus à valeur ajoutée; et offrir en même temps au spectateur un système solide de points de repère (et de validation) pour ses choix.

C' est le paradigme typique de l' éditeur papier, prototype et model de tous les marchés de l'immatériel et des biens symboliques, dont le cinéma et l'audiovisuel sont beaucoup plus proches et homologues que des autres marchés de la reproduction mécanique, y compris celui de la musique enregistrée, si souvent pris comme référence et évoqué en raccourci.

Last but not least, le problème du financement de la production nouvelle et future doit trouver justement dans l'action de l'éditeur vidéo l'articulation clé pour stabiliser et assurer le cycle économique de chaque œuvre et de l'ensemble du système audiovisuel.

"The future isn't what it used to be"

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Once upon a time

Home Video: a silent and deep revolution.

The seventies: The VHS standard for cassettes and VCRs is launched on the ("underlying", as Jannacci would say) market.

> **Everything started with home made video recordings, in short, "home video".**
> **In other words, when every movie or TV viewer had the possibility of availing of his/her "own" (rented or purchased) copy of any film or TV program.**

Theoretically, this meant having a copy of all movies and programs ever produced, from the birth of audiovisual language until the present day.

I recall, as everybody, the enthusiasm of the fans, as well as of the general public: the feeling of having achieved a new relationship with one's favourite works and with the most fascinating language of the century: cinema.

As is always the case with new mass-consumption-oriented products, the initial reaction of the main players on the market was one of scepticism and fear; in 1970 even the mythical

> **Jack Valenti, certainly not the most obtuse observer, found himself saying that "the new intrusive VCR (home video recorders) technology threatened the financial viability and the future of the whole film and television industry".**

As we all know he was wrong in the apocalyptic message of his prophecy; but he had properly grasped the "historical" importance of the new technology, not only because of its financial consequences, its contribution to financing films production, its massive (and absolutely positive) influence on the development of the audiovisual market.

> **In fact, the new technology enabling the "private copying" of audiovisual works radically changed film viewers/consumers status: first, it allowed them a hitherto unknown freedom and ease of access to viewing, flexibility in time (and space) as well as in the modes of their communication experience.**

In so doing, this technology placed them in the same old position of book readers, the film was considered equivalent to a book; and exalted the motivation and incentives to (individual and family) consumption of audiovisual works by a growing number of "new customers", increasingly willing to pay for the comfort and advantages (including cost savings) of this new way of "going to the movies".

Why, in a period of universal digitalization, are we quoting books and literature, rather than CDs and music?
Because, as Umberto Eco once said, a printed book is a technologically unsurpassed medium in terms of flexibility and independence, the most efficient way to reproduce and "consume" a creative work. Consider the absolute freedom of a reader with a book in his hands…

> **Portability, browsability, interactivity, customization… A book is unbeatable in all the typical performances of digital media, (also thanks to its specific constituting material, the written-spoken language, the main language of our civilization**.

Let us also consider its unbeatable user-friendly, and the very limited "infrastructural", features (and usage costs) needed for its "consumption":

No network connections, no bandwidth, no telephone lines, no receiving antennas or decoders, not even electricity or full batteries. Daylight suffices for a book and, at night, in the worst case, a candle is enough.

Approximately in the same years, the walkman revolution highlighted even more the fast development of cultural consumption, particularly of music, carrying it to an individual and private dimension, extending it to new physical and time frames of everyday life: in summary the customized, pervasive and flexible feature of the supply and demand of “imaginary” goods, which could be prophesized as the main trend and goal of the “new” digital communication and entertainment industry.

In this changing environment, the technical and material complexity of cinema and TV, their organizational and financial “weight”, restrained their production and especially their consumption to a set of constraints, procedures and formats that had little in common with the actual nature and huge potential of the audiovisual language.

> **The rigidity of public and collective movie consumption in theatres, or family-organized TV consumption have deeply (and positively) marked the early days and history of these first forms of audiovisual products distribution for a long time, as well as their features and the organization of their respective audiences (i.e., of their relevant markets).**

Only with the advent of private video recordings and videocassettes (followed by DVDs), i.e., the equivalent of books and records, could films and TV programs enter the realm of individual consumption and, simultaneously, of possession, and no longer be objects of mere viewing. In this way they fully reached, without filters or objective conditionings, the family of freely chosen and managed cultural experiences: no longer just ephemeral, but permanent and symbolic, therefore constituting a personal identity and a “wealth” of tastes and choices of each individual viewer/listener/reader.

> **These “new” viewers, freed from the liens of distribution and movie theatres, as well as from those of TV programs, became the sole responsible, or better, much more responsible of their purchasing and rental decisions, their budgets, and preferences.**

But, especially with the invention of analogue video recording for personal use, did the audiovisual industry finally succeed to link back to the modes of operation of any cultural system based on a language technique, thus becoming a <u>linguistic institution</u>, as defined by E. Gombrich.

> **Everything produced within, and using, this type of “institution” exists eternally, because it can be played indefinitely, and each future viewer will be able to “consume” it forever and ever: the linguistic institution becomes some sort of universe, parallel to the real one, the purpose of which is never to end, as is the case for literature, music or painting.**

Furthermore, this institution tends to build up upon itself as all <u>self-referencing systems</u>, rather than follow external, objective and historical impulses. The debate on the relationship between art and history, art and society, art and economics has been long and exhausting (and still continues!): but no serious consideration could deny that any work consisting of (verbal or visual; music or architecture) language feeds first on what has been already said and done with that language. The creator, the author, whether individual or collective, starts from his or her knowledge and mastery of a specific language and its relevant techniques, i.e., of the works preceding his or her own: regardless of whether this is consequent to the privileges of culture and education or spontaneous and empirical.

Access to the products of a linguistic institution – cinema, music, literature, fine arts – is therefore governed by a structure of supply similar to a huge Catalogue, some kind of encyclopaedic hypertext of all works ever produced using that language: everything included in this Catalogue is theoretically available to each consumer at any time.

> **The first real technological revolution in the audiovisual field was not the soundtrack or colour, not even electronic images; it was the availability in each and every home of analogue recordings, followed by a stronger emphasis on digital memory, which have implemented this theoretical possibility to access the whole audiovisual wealth, like all mechanical reproducibility arts, such as music and literature.**

This development of the audiovisual system into a linguistic institution further highlights the internationalization and globalization trends of the film and TV programs market, already powerfully driven by the universal nature of the audiovisual language ("the language of reality" as Pasolini called it). The social and industrial fallout of all technological innovations based on digital memory storages unambiguously stresses the importance to avail of large "quantities of products": since a range capable of meeting all the different demands of the various markets, in other words a truly competitive range, can only be structured with large shares of the "total" audiovisual Catalogue.

UNIVIDEO Associates are right in being proud of the over 15,000 titles (maybe too cautious an estimate) already available in DVD.
Furthermore, it is worth reminding that, according to the lucky long tail theory accurately demonstrated by the experience of the turnovers of AMAZON and NETFLIX, managing and offering a very wide range of titles (books, records or films) to the public is a commercially profitable strategy.

Even more so, over several seasons, the long list of “minor” titles, consisting of countless classics, specialist or elite-oriented, cult or forgotten works (the long tail) ends up selling overall more than the few current blockbusters.

In this sense, we must inevitably repeat that the future economic scenario of the communication industry awards the main competitive advantage to those who control the famous “content”, the programs, the "software", the catalogue, over those who own the transport networks.

This unless phone calls greatly exceed films in conquering consumers’ time and resources (i.e., mobile phones outweighing DVDs), i.e., pure communication exceeds value added products and creative works.
However, this is certainly not a technological challenge, nor a simple market struggle, or the eternal dilemma between the old and the new.

The new knowledge and digital communication tools, starting from the Internet, are in fact neutral with respect to this basic alternative: in other words they can support equally well reflection, research, imagination, and dreams just as well as mechanical chatter, day-to-day materiality, purposeful and futile exchange of information, in other words, “practical” life in the most vegetative meaning of the term.

We must also agree, once and for all, on what we mean by “entertainment” in the audiovisual jargon…
Entertainment industry was born based on the concept of creative products, with an added value consisting of talent and fantasy, resource investment, quality of communication and enjoyment to use, including valuable components, for which consumers are ready to pay, as they cannot renounce this product logic.

The other option, consisting of SMS and ring tones, minimal communication or mechanical games (though videogames increasingly look like actual creative works!), is legitimate and respectable, but refers to a different type of production and consumption, an entirely different financial chain.
Maybe it even relates to a different civilization perspective, another society and development project (although several age-related, financial and cultural elements lead us not to overestimate the extent of these consumption behaviours).
In other words, we can define both things as “Entertainment” but they are very different one from the other.

Movies, on the other hand, that is the whole range of all the films ever produced, regardless of their format and type, have become part of what we call “our culture” and, together with them, the entire audiovisual “literature”.
Even our school system seems to have gained awareness of this phenomenon in all its institutions and at all levels, though at the slow speed characterizing its processes (at least in our country), and is finally starting to devote appropriate attention to communication and audiovisuals.
Behind the concept of media literacy, gradually returning as a “political” priority of the European Commission, there is not only the preventive and protective philosophy of the old pedagogical (and sceptical) approach to new forms of expression, but also the desire to invest in this new cultural importance of our wealth and in audiovisual creations, a vital space for regional and national identities in our continent, and in particular for the free individual expression of future generations (those who today seem absorbed only by SMS and ring tones).

> **Even more so, movies have become a real “discussion society”, a powerful subject of conversation and cohesion, shared by very large segments of our society who find in them the possibility to identify themselves and “talk” to each other, that is, to act as full members of a community.**

Let us just consider the proliferation of theme channels devoted to the universe of cinema, its works, news, industry and stars: the subject of cinema envelops us from all sides, it comes from satellites or cables, it takes new spaces in the media and in our free time, not only in terms of new film releases, but of its characters, technicians, stars, authors, and themes, as well as its increasingly strong entanglement with our community an private life.

This is somewhat similar to sports (soccer, in particular, here), or television, both in terms of programs and of great events being “distributed” to the public as a whole (thus contributing to the consolidation of a common citizenship).

At this stage, cinema, like literature, deserves and asks for its own publishing industry.

The Internet effect

Another revolution, this time a global one: changing the rules of the game.

The introduction of the Internet in the communication and, consequently, in the audiovisual world, was the second huge evolution and change factor in our cultural consumption practices.

> **For a while the Web seemed destined to replace all other distribution systems and mediums; the combination between the endless capacity of digital storage systems and the capillary, and in perspective the total pervasiveness of the World Wide Web, seemed capable of eliminating all existing forms and circuits of public access to the contents, including films, books, music and news.**

All these products, languages and services could be reduced to an individual numerical code, a single recording, transport, storage and reproduction technique. This integration of all intangible assets and their technological infrastructures seemed to pave the way to a great convergence of all cultural industry markets, all our consumption patterns, all forms of circulation of information and knowledge.

However, like all apocalyptic and alternative oppositions, the announced clash between the Internet and the traditional circuits of knowledge rapidly faded and the equilibrium points that could probably be expected were found.

Far from destroying the universe of printed books, online publications concentrated on the segments where the “time-space” factor is objectively essential to the purposes and nature of communication, such as scientific research:

> **The Web is undoubtedly the perfect tool to instantly distribute knowledge, discoveries and information, the value of which, as in scientific discoveries, is proportional to the speed and universality of their dissemination and critical processing.**

Similarly, the music through the Internet, legally or illegally consumed, distributed for payment or pirated peer to peer, has certainly produced a dramatic drop in store sales of records, cassettes and CDs, but, at the same time, revenues originated from ring tones and song downloads on mobile phones, CD purchases from online catalogues, new forms of music use and consumption related to new digital technologies have compensated and even increased the overall segment profits.

In general a "division of tasks" between the Web and the traditional distribution infrastructures, between the huge digital databases of AMAZON, NETFLIX and APPLE STORE, real "immaterial storages", and the old warehouses containing physical copies of cultural products progressively developed: where the former have become an irreplaceable tool of consultation, research, comparison, financial evaluation and spending decision, the latter still are and remain the destination of "normal" purchases of readers, viewers and even listeners.

The model, applicable to most tangible consumer products (getting information on the Internet, but purchasing "live") is only partly changed for cultural products, and in particular for some "light" types of audiovisual contents: modern music and online magazines, video clips and sound logos, short films and news, i.e., in general, brief contents.
These ephemeral contents, destined to a fast consumption, rather than to a long-term preservation, immediately desirable (the "time" element again) for specific stimuli and uses, certainly find in the Internet distribution the ideal features to meet their respective purchasers' motivations, thanks to its instant speed and its by now rather reliable technological standards,

> **Very often, after all, these motivations are characterized by performance-driven intentions, i.e., by the need to "have" the availability of a specific content in order to act-out other behaviours and reach other goals; or in order to implement a symbolic agenda aimed at the recognition, belonging, and legitimisation as "up-to-date" information or entertainment consumers.**

This explains the fast nature of transactions and their related micro-payments, the current expenditure, rather than the investment-driven attitude of purchasers, the almost non-reflexive but very impulsive behaviour, the inevitable reliance on a remote mechanism: in short, just a "click" away!

When the content required has a higher intrinsic value, a long-term use, or even a possible integration in the personal or family wealth of cultural and symbolic objects (and the financial weight consequent thereto), the purchase is preferably finalized (as for tangible goods: cars, clothes, furniture, appliances) through traditional channels.
Suffice it to observe the limits, in terms of not only quantity, and the extent of the increasing TV-shopping activities in our country, their favourite products, their inclusion, once certain consumers' decision levels are exceeded, into simple advertisement promotion functions.

After all, the latest surveys (one example for all being "FLUID LIVES", a worldwide survey conducted by Isobar and YAHOO) highlight this performance paradigm common to the Internet and mobile communications: an almost "humanistic" boost of the individual citizen-consumer's information and pro-decision-making features, exalting its knowledge possibilities and assessment tools prior to each decision and transaction.
The fact that our daily decisions, in particular those involving expenses and the important ones, tend to rely on the preliminary investigative use of the

Web through a complex though increasingly familiar mechanism of consultation and comparison between alternatives and quotations affects our confidence and purchase propensity, in addition to merely reinforcing our subjectivity, freedom of choice, quality of the proposals, and excites their competitive dynamics, influencing the essential mediations between the enormous amount of information to which we are exposed and the limited individuality of our options and investments.

Therefore both the purchase and, even more so, the online use of cultural products are well-identified phenomena, tending to integrate with traditional intangible product consumption circuits, obviously producing a substantial reorganization of the value chain and financial operation of each segment in the culture industry, without endangering to an extreme and lethal extent the oldest segments of their respective distribution systems (except for some specific cases).

The impact of this phenomenon is presently very different in the music, book and audiovisual markets. It is strong, though not catastrophic on the first, limited and almost complementary on the second, competitive, but in some ways ancillary, to the third.

> **If we consider two extreme types, obviously a new song is destined to a repeated, frequent, listening, concentrated (though not necessarily prolonged) over time, as opposed to a classic film which shall not be viewed as frequently or with the same interest (also due to its length and the time budget required), but will certainly remain attractive for a longer period (to a certain extent, forever?).**

Intermediate cases are obvious, for instance evergreen songs on the one hand and current films on the other, and they follow partially opposite consumption paradigms. However, these are a minority, though systematic, compared with the average consumption behaviours of each segment. Likewise, cult movies, favourite music, cartoons children audiences and paraprofessional jazz audiences are exceptions to the above, though with recurring modes.

> **In short, the “Internet effect” is not unique, unambiguous, unilateral, or irreparable.**
> **It depends on the type of product, public, consumption, as well as on the response and adaptation strategy of the operators in each field.**

In the audiovisual market, the future winning model seems to be the one drawn from AMAZON and from the book industry, already shown in the NETFLIX experience, where the marketing of cinema and TV works applies.
An “electronic store” can afford an unlimited range of titles, including the most marginal and rarest, thanks to the use of digital storage and databases.
Access and browsing through this endless warehouse is ensured thanks to the Internet, allowing to accurately and quickly find, choose and order the title required.
Delivery and payment still rely, maybe not for long, on traditional means, such as traditional mail and credit cards.

However, the object of the transaction remains a product the added value of which is “edited” by a subject appropriating the ownership and responsibility thereof, i.e., its ideation, supervision and realization, as well as its reproduction, distribution and sale, both of the physical and virtual copies, in retail stores or online.

> **The pervasive and planetary character of the Internet is obviously unbeatable from the penetration, “time to market” and contact with each individual client’s standpoint. The ubiquity and perfect global standardization of this infrastructure theoretically allows**

reaching every viewer, interested in the most unheard of audiovisual title, anywhere, instantly, and in a customized way.

All barriers fall, there are no more spaces and times “devoted” to consumption, even moving subjects and places become reachable: the dream, or the nightmare, of consumption civilization extends beyond all boundaries.

The issue of mobility as an area of communication and entertainment, a special kind of “free time” to be reacquired by the intangible assets market is being born. But we shall come back to it.

From the standpoint of audiovisual viewers, the Web is a permanent and exhausting temptation: an infinite search, complete information on the Catalogue of movies, TV, video art…

An unrelenting, imperfect yet so vertiginous consultation that it becomes self-gratifying (think about the impact of IMDB on the rites of traditional and “handcrafted” cinephiles).
If cinema as a “social issue” or a shared cult is exalted by this, its recreational value, its nature as private and personal pleasure still requires a theatre or the ownership of a copy: the two mechanisms conveying the use of the work in a physical, concrete and exclusive relationship.

However the recent decision commonly agreed upon by a group of (actually nearly all) US majors about the simultaneous exploitation of their new titles in DVD and online only six weeks after the theatrical release, clearly shows that theatres are the weak link in the present distribution chain.

Regardless of the understandable anti-piracy motivations, this decision shows that the so-called media chronology, that is the system of exclusive exploitation time frames for the different

segments of the audiovisual system, cannot survive for long without, or even in contrast with a specific financial logic.

Particularly event-films, not many but commercially essential compared with the overall (US and worldwide) film production, can certainly not reject these new distribution tools (digital satellite, broadband, DVD, etc.), potentially capable of such relevant and positive effects on the time-space modes of their circulation. Nor can we ask those who have invested in these films, and therefore own the rights thereto, to give up the optimization of cash flows and profits, i.e., the possibility to better finance new productions in the name of an unchangeable operating organization, whose segments and financial logic are by definition perfectible and subject to development.

The somewhat physiological principle that, like in any developmental process in nature and social organization, the suffering of a segment (theatres in this case) is parallel to an overall progress of the whole field, is confirmed here, as in the music segment.

This also means in perspective the definitive supremacy in DVD sales over rentals.

According to a 2005 survey by the CNC (Centre National de la Cinèmatographie) in Paris, the preferred access mode for DVD consumption by European viewers is by far the purchase; the surprising thing is, though, that rentals are exceeded even by free circulation (loan, exchange, etc.), the second source of supply on average (except in Spain and in Italy).

T 6 Modes et parts d'approvisionnement en DVD des foyers européens, en % du marché, 2005

	Achat	Location	Emprunt, prêt, échange	Total
France	46,6%	23,9%	29,5%	100%
Royaume-Uni	60,3%	19,2%	20,5%	100%
Allemagne	51,4%	15,7%	32,8%	100%
Espagne	33,1%	38,0%	28,8%	100%
Italie	37,9%	35,3%	26,9%	100%
Moyenne des 5 pays	**46,9%**	**25,2%**	**27,9%**	**100%**

Source: CNC

The next step in the DVD – Internet combination is inevitably the transition from the physical delivery of the medium in the video shop or through the mail such as with AMAZON / NETFLIX, to the downloading (o streaming) to an iPod (for music) or a VOD (for films).

The migration towards these new distribution forms has already officially started with APPLE announcing the imminent launch of a video iPod (called iTV) with a first, preliminary list of available (Disney) movies.

This phenomenon is just around the corner, but its nature and impact on rentals or sales of contents deserve different considerations and response strategies.

The only feature common to both cases is the need for sure and reliable DRM (Digital Rights Management) solutions for the scrupulous control of licensed and authorized uses, to guarantee full compliance with the intellectual property rights, a feature by now embedded in nearly all the most recent technological developments of the different online distribution platforms, both in proprietary and in open forms. The debate between supporters of the two alternatives, who do not lack reasons for and against the reference example: the success of APPLE and the iTunes service with proprietary DRM is interesting and so far unresolved.

It is hard to deny that DVD film rental activities find their main justification in the possibility to surrogate the rigidity and shortcomings of film distribution in theatres and pay-TV compared with the public potential demand (limited locations, limited selection, box office and TV programs filtering, as well as, often, questionable technical quality, at least so far, pending the introduction of High Definition): **i.e., surrogate the weakness of a limited and conditioned Catalogue, also with respect to the limited referent of the supply of current releases.**

Certainly, the DVD response suffers from being dependent on the physical medium (production, quantity, storage, and, most important, time to market) and the consequent frailty of its exploitation time frame. It is not a case that the announced debut of VOD services immediately disturbed the marketing schedule of the different media, and in particular the anachronisms of DVD rentals (consider the compulsory return times and related fines) and became a more or less open candidate, with its specific advantages in terms of flexibility, penetration, range offered, ease of use, etc., to replace the additional and integration functions of traditional distribution. Eventually, a direct clash between the two devices seems inevitable, and the Web, as always when time, space and customization are at stake, looks unbeatable once again.

The sale of DVD titles is different altogether, here the premium is the objective and enriched value of the product, its technical and publishing features, the possession and physical availability thereof on the home shelf (next to books and records), rather than the topicality and immediate viewing features.

Therefore, time and space give way to quality, packaging, identity and symbolic meaning of the choice and consumption (another meaning of “customization”).

The Web is therefore no longer an invincible competitor, but just another possible carrier, with is advantages and disadvantages, benefits and costs. Not even the destination and consumption display is an absolute reason for conflict: the film, the creative work, the value added product, freely chosen and paid for, remains the “object of desire”, regardless of whether it its viewed on TV screens, laptops, Play Stations or Media Centres,.

Then the Internet and the portable screen can also be considered as another, more individual and “private” way to enjoy a title, where and as we like, without being subject to a family rite, just following our instinct to reach out to the DVD shelf and take what we feel most like. This is therefore another usage, another customer, maybe even another market (after all the cheapest laptop presently features a DVD player!)

Let us also consider the further drive provided by the WiFi revolution to this flexibility and pervasiveness of the Internet and to the convergence of all these elements into the future model of the NGN, New Generation Networks, aimed at integrating and multiplying all the possibilities of free (wireless) Web connection. If we are really moving towards a single communication planetary infrastructure, which shall necessarily be neutral and transparent for the end user, the individual audiovisual content, with its value and features, and the individual user display with its performance and special functions become again the centre of the experience.

Presently the disappointing feature of the Mobile Internet is related to this node, the efficiency and satisfaction level provided to the end user. An 18 years old Parisian girl, interviewed for FLUID LIVES, said: “Initially I used to surf the Internet with my cell phone, now I don’t anymore, even if I have nothing better to do, because this little screen bothers me”.

But if the screen is appropriate and the viewer happy, we are facing a real opportunity for content publishers, regardless of the carrying modes and practical intermediations,

> **provided we are the actual entrepreneurs of this asset for sale, its real “publishers”, capable of separating our business from that of the suppliers, or of the providers of individual segments of the sales chain (cinema is not limited to theatres, DVDs are not limited to video shops!)**;

capable, if and when necessary, of renewing a consolidated distribution system, or tear it apart in order to benefit from new opportunities and competitive advantages, such as the on line sale of a company’s own catalogues, in the footsteps of AMAZON and NETFLIX.

Let us consider the actual “case”, worthy of close consideration, of a mid-size Italian publishing company, with several years of activity, at least two generations in the audiovisual field, who decided to open to new distribution technologies: Cinehollywood of Milan, and hear the story of how this bold and innovative entrepreneurial decision was reached.

“The increasingly strong growth of Peer to Peer traffic shows, in our opinion, an underlying discontent. The market has changed so much that, within a few months, the same title is released at different (rapidly decreasing) prices until it reaches the newsstands or the large distribution where the product is sold at a very low price. This policy leads the public to refrain from immediately buying new releases and wait for the prices to drop. The P2P is often the solution to bypass the waiting time between the first release and the budget line edition.

As the experience of the music market shows, offering a quality product at a competitive price in an easy-to-find and download way, can be a success.

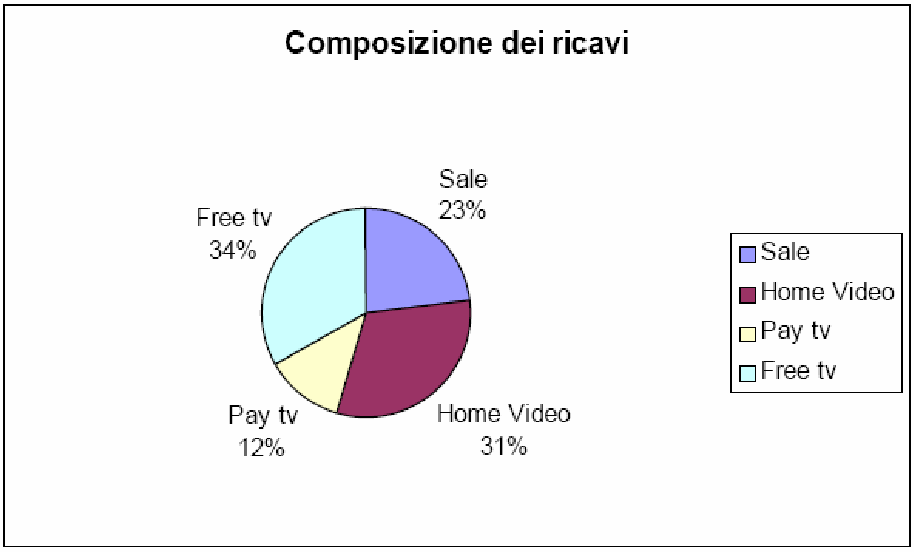
Presently there are very few initiatives in the world providing the rental or sale of products by download with a high quality standard and the assurance of technical guarantees. The implementation of such an initiative requires, in fact, a multi-disciplinary technical know-how and a wealth of initial contents allowing users to concretely feel and experiment the new service".

Between music and literature (but not halfway)

Where are the cinema, the TV, the audiovisuals?

What is the actual the living space, the real role of audiovisual publishing in the framework of this continuously evolving scenario?

First of all, its position, is destined to be defined in an increasingly clear way: closely related to contents production as one of its main financing sources and of the most authoritative “clients”, organizer of a specific range aimed at the end user (the public at large, with all its niches and diversifications), both in the field of new products and of audiovisual literature from the origins till the present day.



Fonte: rapporto annuale 2005 UNIVIDEO

> **in summary, the term audiovisual “publisher” may only fully make sense if we totally compare the profile of home video operators with that of press publishers.**

This rapprochement has already started with the discovery of bonus contents added to the main title, the reviewed (Director’s cut versions) or restored editions, genre, author, trend collections etc., all these elements are gaining increasing importance in the new DVDs as the competence and the segment range take charge of the whole wealth of the available titles, i.e., of the entire audiovisual literature.

According to the aforementioned CNC survey, half of the European viewers (and 65% of Italians) often or even systematically watch the bonuses included in the DVDs, while only 10% ignore them altogether. As usual there are some marked differences among the different national markets (the Germans are the "coldest" group with respect to this issue), but the table below shows that the differences on this specific topic are very small.

Fréquence de visionnage des bonus

%	Total	France	GB	Allemagne	Espagne	Italie
Systématiquement	17	18	20	11	17	20
Souvent	34	37	35	25	32	46
Rarement	42	40	39	53	45	29
Jamais	7	6	6	11	6	6
	100	**100**	**100**	**100**	**100**	**100**

The clear similarity with books, with their philological editions, their forewords and afterwards, their notes and ancillary apparatuses, increasingly adding value and therefore commercial attractiveness to each individual new release, is not difficult to notice.

All this can stem, though, only from the essential role of the new publishing Catalogues, increasingly oriented by the operators on classical and cult titles and on sales, while rentals mainly focus on current and new releases, the seasonal blockbusters.

Of course the "publishing house" model must still be studied and detailed, from the production and range of films standpoint, in terms of adoption of, and adaptation to, the home video market, of the meaning of a Catalogue policy and the modes to follow the concept of a “series”, with reference both to its publishing policy and its communication and marketing strategies.

> **But the most important thing is the transition from the role of distributor to that of publisher, i.e., of “client”, not only with respect to authors (writers), as in the literary universe, but to producers, the non-bypassable people in the movie industry.**

This roles redefinition is, in any case, an essential challenge for the future of the field, with respect to both the development of sales and the reorganization (and maybe the downsizing) of rental activities.

> **On the other hand, why couldn’t video shop managers be more inspired by the glorious professional profile of bookstore owners, with their deep vocation, cultural background and soft personal touch used by the members of this category in their daily work?**

Certainly much could be learned from the bookstore world, the knowledge of salespeople, the relation with their customers…

Sure, you do not rent books, not even the latest bestsellers and releases: you can eventually read or borrow them (free of charge) from a library. But we have just seen that DVD can be borrowed from video or media libraries (and swapped among people), and that non-commercial circulation of audiovisuals exists, exceeds the volume of rentals as procurement source, and is not much different from that of books, after all.

It is true that products and formats diversification is much more developed in the press than in the audiovisual world, also due to its long history and the countless social declinations of the spoken language. On the other hand, in our field the main content is still linked to entertainment (of course in the noblest sense of the word) and to the format of the film, despite increasing extensions to the whole range of TV products (in particular the great international serials) and, through this powerful marketing filter, to the whole range of audiovisual genres and formats.

The umpteenth CNC survey shows the pace of this development in the French market, and the relation between the different non-cinematographic types (hors-film): the progress of TV fictions, which follows a similar long-established UK and US trend, stands out, and is becoming a premium content also in the rest of Europe (we can consider the French example, where TV-DVDs generated approximately 30% of the purchase budget in the segment in 2004, as fairly representative of the continental trend).

(M€)	2004		2005		évolution
musique	131,19	20,2 %	138,76	20,0%	+5,8%
humour	125,27	19,3 %	114,08	16,4%	- 8,9%
fiction	195,78	30,1 %	247,82	35,7 %	+26,6%
enfants	140,59	21,6 %	140,33	20,2%	- 0,2%
documentaire	41,91	6,4 %	37,21	5,4%	- 11,2%
autres	15,78	2,4 %	16,89	2,3%	+7,0%
total	650,52	100,0%	695,09	100,0%	+6,9%

→ ÉVOLUTION DU CHIFFRE D'AFFAIRES DU HORS FILM EN VIDÉO
source: CNC- GfK

However, particularly in this field, the full configuration of the role of publishers goes together with the symmetric adjustment of the deep attitude of users: the social use of audiovisuals has changed over the years and shifted from a mere form of leisure and imagination consumption to a well-established cultural need.

This “new” demand was consolidated also thanks to the decisive contribution of the proliferation of “off theatre” film distribution infrastructures, as well as the growing popularity of “cinema talks” (from the most superficial *gossips* to film “discussion societies”).
Today the film and audiovisual market complexity is structured by this very range of factors: videocassettes/DVDs, thematic satellite networks, pay-TV channels, specialty (hardcopy or video) magazines, promotional networks (e.g., COMING SOON), without forgetting the role of films in general TV channels programming, always important though subject to mixed results.

> **The meeting point of these two parallel trends of film publishers and consumers is the quality of the products, in the sense of an increased adaptation to the end users’ expectations, both from a technical standpoint, exalted by digital standards, and from an increasingly diversified and specific cultural one,.**

Self-education to quality through “home cinema” is a clear process if we consider (in this European table) DVD viewers’ perception of their viewing experience.

Expérience du visionnage

% Me correspond tout à fait ou plutôt	Total	France	GB	Allemagne	Espagne	Italie
Regarder un DVD c'est se faire plaisir	77	96	50	79	67	95
Regarder un DVD c'est comme aller au cinéma	48	47	43	53	40	57
Regarder un DVD c'est comme regarder la TV	47	46	49	63	35	33

The pedagogical result ascribable to the common use of DVDs when the same public is asked about the changes induced in its consumption behaviour with reference to movies in general is even clearer. Here too the sometimes substantial differences between countries with more “seniority” in the field, such as the United Kingdom, and relatively “younger” markets, such as Italy and Spain, or between rather deliberate (France) and conveniencedriven (Germany) attitudes with respect to movies, melt down into a substantially homogeneous and massively positive response.

Impact du visionnage de DVD

% Me correspond tout à fait ou plutôt	Total	France	GB	Allemagne	Espagne	Italie
Depuis que je regarde des DVD, je regarde plus de films de genres différents	49	42	42	42	61	65
Depuis que je regarde des DVD, je regarde plus de films en version originale	32	30	23	38	29	41
Depuis que je regarde des DVD, je regarde plus de films de nationalités différentes	34	33	24	25	45	47

Different types, original versions, different nationalities: a real quest for quality.

Like in the printed press, audiovisual publishers, an emerging and intermediate position between “simple” producers and the distributor – theatre owner couple are called to fulfil this need for quality and supply diversification. They can do it (if equipped for this purpose) considering their original and innovative position in the segment structure, and their ability to add value both in product ideation and production and in its packaging and customer orientation.

The first front requires not only an action in terms of publishing (and marketing) inputs on new products, but also an exploration and commercial (and therefore cultural) recovery of the endless audiovisual wealth, in the search for the titles, genres, schools from the distant or recent past which can/must be part of our collective memory, and constitute the richness of a Catalogue: both mechanisms being equally well-known, both in cinema and in television professional cultures.

> **It may be important to stress that this last approach to the generational imaginary content of consumers, which I would define as “philological marketing”, in fact converges with the institutional problems of audiovisual heritage, cinematographic**

> **and television literature conservation and restoration, therefore with non-commercial concerns shared by the whole civil society.**

The strong point on the second front consists of the introduction of digital mediums.
The DVD, including its technological short-term developments (UMD and especially HD, although the war over the standards is still raging), has caused an objective improvement in audiovisual publishing, adding product performances in terms of browsing, increased contents, viewing quality, packaging aesthetics and functionality, etc.

Similar if not closer attention must be paid to more intrinsic novelties such as the announced interactive DVD, which promise to be an interesting episode of the remote battle/dialogue between the television and the personal computer, by importing the hypertext paradigm of the "old" CD-ROMs and the possible, consequent "PC" functions in the TV chain (DVD player + TV + remote control).

This product development has in turn led end users to a stronger drive to "create a library" of audiovisual titles, to capitalize and preserve (i.e., purchase and place on their bookshelves) films and TV programs like real cultural texts, worthy of being endowed from one generation to the next.

> **The first family video libraries are already starting to be endowed from one generation to the next (we are now at the second, if we consider videocassettes), which are even easier to manage and expand than traditional literary or scientific libraries, and cause less dramatic space problems.**

Maybe this is why the non-fiction "niche" of the home video market is increasing in size and shows some very significant developments even in the short run: the growing success of documentaries, educational products, Anglo-Saxon type How-To programs, are all coherent symptoms of the same consumer trend to use digital media also as knowledge tools.

> **Next to the audiovisual “fiction” shelf a new one, featuring reference and consulting works, is appearing: the audiovisual knowledge shelf.**

This process of integrating audiovisuals in the personal assets of users-purchasers and in their individual or social group identities coexists, apparently without creating mutual interference, with the ephemeral consumption of novelties and entertainment of users-viewers. Rentals and sales balance and compensate each other increasing the growth of films and programs individual and private consumption, also during difficult and alternating stages of technological change and/or market fluctuations.

The negative impact, if any, is on movie theatres, but this is another story, which should one day be analyzed calmly and realistically, without over dramatizing and fighting religious wars or ideological battles for or against film viewing in theatres!

> **If cinema (and audiovisuals) is a language institution, it cannot be confined to its historical locations or formats, i.e., theatres, films, screens and usual mediums.**

We should have learned something from the incredible number of years we wasted to separate movies from films (and the word *film* from its literal meaning) – this is especially true for us Europeans, while the US movie industry avoided the problem in an absolutely empirical way.

This being said, if we consider the figures and market analyses, a complementarity relation between DVD consumption and movie theatres audience seems evident: the table below, taken from the mentioned French

CNC survey, shows that in the five main European markets, the best home video clients are also the most frequent viewers of movies in theatres. This with very few exceptions, such as, for instance, Spain, where also the most resistant group to the fascination of large screens is a strong DVD consumer (with 8.40 viewings per month against an average of 5.15 for the same category in the other four countries).

T 8 Nombre moyen de DVD regardés par mois selon la fréquentation cinématographique, 2005

	Types de spectateurs (cinéma)				En moyenne
	Assidus	Réguliers	Occasionnels	Jamais	
France	4,85	4,83	5,12	3,15	4,76
Royaume-Uni	14,37	8,13	6,78	6,10	7,09
Allemagne	8,28	6,37	4,98	3,99	5,04
Espagne	8,58	7,79	4,82	8,40	6,79
Italie	8,40	6,04	5,05	4,76	5,60
Moyenne des 5 pays	**8,35**	**6,52**	**5,43**	**5,15**	**5,80**

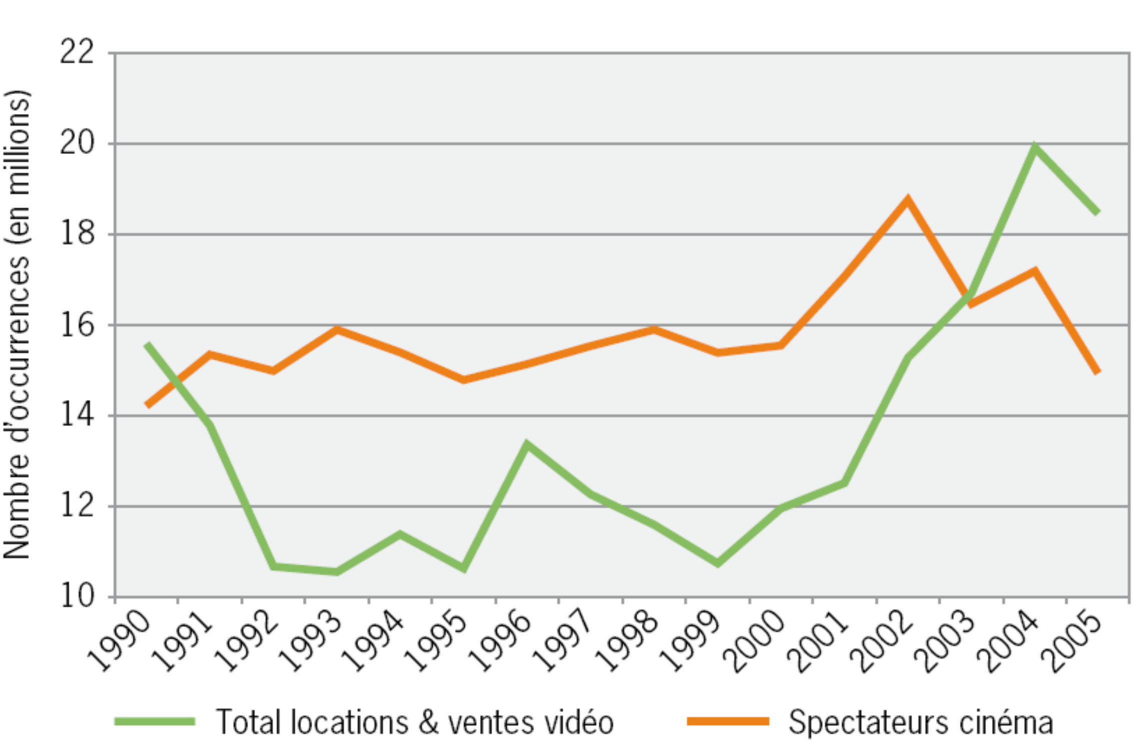
Assidus = personnes allant au moins une fois par semaine au cinéma
Réguliers = personnes allant au moins une fois par mois au cinéma
Occasionnels = personnes allant au moins une fois par an au cinéma
Jamais = personnes n'allant jamais au cinéma

Source: CNC

in addition, after all, another graph showing the development of theatre viewers compared with home video sales and rental transactions in Europe over 15 years (1990 – 2005) confirms there is no replacement relationship between the two consumption patterns.

We have borrowed it from the Swiss Federal Statistics Bureau, and it seems a solid evidence of the independent, and sometimes even symmetrical, relationship between these two patterns, which many would consider competitive and “rival”.

Comparaison entre l'évolution de la fréquentation cinématographique et les transactions vidéo, 1990 – 2005 G 2



Sources: Screen Digest, OEA, OFS (statistique du film et du cinéma) © *OFS*

"To each his own Film library" was the first enthusiastic reaction of the aficionados faced with VHS. Therefore the instinct to "appropriate" of a copy of the (beloved!) works was immediate, and fed the most maniacal and amateurish wild video recording practices for a long time (who has forgotten the fights and devices aimed at removing advertisement breaks. Prehistory!) as well as private swaps of copies, a real offline precursor of today peer to peer swap system.

> **However, possession of an individual copy, allowing maximum material and technological independence of use, also creates the maximum risk of illegal duplication or outright piracy.**

Therefore, even the apparently linear and transparent paradigm of the purchase and personal film library is not an audiovisual publisher's "paradise", nor it is exempt, especially in its online and immaterial version (VOD, e-Commerce, etc.), from the most advanced possible forms of control (DRM and the like).

In summary, it is true that the type and characteristics of audiovisual products are the prime factors in the determination of individual and "private" consumption places, times and modes. Moreover, this is where video publishers' strong point resides: product control, adaptation, publishing, enrichment and finally inclusion into a context (Catalogue, series, etc.) providing meaning to the title and the range offered. This is their real business, and place in the value chain, rather than the individual reproduction and distribution techniques and procedures.

Maintaining and reinforcing control over the product and the customer relationship through its design and management (i.e., the connection interface) is the simple yet not easy recipe to face all technological innovations or financial tensions shaking this field and its balances (maybe as a preparation for better ones as Manzoni's Providence).

Always on

The obsession and misunderstandings of audiovisuals and mobility

The current concept today is that the ideal condition for interpersonal communication, as well as for the consumption of cultural products, is to be always on, i.e., always and everywhere "online".

> **This obsession with mobility, originated by the objective need to reallocate time (and space) fragments usually taken and cancelled by the need to move, to individual activities, has produced the relentless creation of increasingly sophisticated, tiny, portable technological "prostheses" for communication and entertainment** (ranging from walkman to MP3 players, from cell phones to media centres, from game stations to PDAs).

and has ended up synchronizing with the other mythology typical of our times: the myth of being always reachable, able to communicate, in other words "always on" (and never alone!).

These two communication tensions together, integrated in the context of the technological utopias stemming from cybernetics, have produced and are producing deep changes in the daily experience of us all.
To start with, it is blurring, when not destroying, the boundaries between leisure and working time, private and public sphere, individual and collective activities, cultural consumption and communication.

Many of our daily habits, schedules, structures and frameworks are cracked or questioned and, therefore,

> **many behaviours related to logistical-temporal sequences and procedures, from TV programs to live shows, from theatre movie**

> **viewings to information rituals** (but even the management of private or business relationships), **slide towards more personal and anarchic alternatives.**

However, it is important to consider that the impact of mobile communications on the total communication and cultural consumption is less direct and alternative than the competitive clash between PC and television. In fact the spaces and times devoted to mobile communications belong to daily areas and situations unavailable to other uses, contents or devices: the largest share taken by this “new market”, for instance is related to compulsory home/workplace commuting (at least in Asia and Europe, according to the latest surveys), i.e., to slots not taken from other “standing” media.

Contrary to the competition between the Internet and Television, which develops in the same time slots destined to communication activities and largely in the same private and residential locations (though with a change from the office to the living room), and therefore produces a different distribution of the respective consumption volumes compared to a common potential base,

> **mobile communication generates a largely additional market, without replacing the other media.**

This seems true both with respect to the contents and to the financing sources of the mobile entertainment industry. Contents and formats, with particular reference to videos, first of all comply with the brevity (film trailers, news clips, mini-soap operas, etc.), and localization (flexibility and adaptation to the habits and cultures of the various markets and user segments) imperatives: one size does not fit all!

Furthermore, the most plausible business model for this segment according to many observers will bear little resemblance with those of traditional

entertainment: while we wait for consumers' and subscribers' willingness to pay to develop, the largest profits could come from the intelligent marketing of a well-cultivated customer base, offered to advertisers and other interested operators as a resource. The potential value of this "exchange package" is very high, if we consider that presently, advertisement contacts through mobile media are four times larger than the average generic advertisement contacts through the Internet, though here too: one size does not fit all!
The advertisement engine of mobile entertainment must rest on a well-modulated penetration of the services offered, following the habits and preferences of each national or continental market.

But, though in the first stage, the epic of mobility, this reorganization of rules and conventions shows all its relieving feature emancipating and empowering individual initiatives, and the "presence" of everyone in the world and among others, this is not necessarily enough to reabsorb the complex of contradicting needs feeding the life of each of us on its own; i.e., it does not imply its capability to define new rules or, simply a new organizational framework of social and individual practices accepted and considered optimum by everybody.

In fact, at a later time, always affecting even the strongest "connection" fans,

> **moments, places, needs and objectives emerge, which require concentration or solitude, detachment, rather than integration, pauses in communication to the benefit of reflection: i.e., communication with oneself, eventually through "offline counterparts", such as the authors of a book, a film, a symphony. Precious even without being interactive.**

In particular, immaterial activities or imagination consumption (just to remain in the "unique" language of marketing) can hardly be reduced to the paradigm of a phone call or a videogame.

First of all, though, it is useful to differentiate between different forms and measures within the world of mobility, to determine the different conditions, specific propensities to some behaviours and consumer goods rather than to others: for instance, there is a big difference between short and long mobility,

> **and the time available to consumers often selecting their favourite contents, its formats and usage modes.**

The device type, dimensions and performance, its availability and portability in specific situations are, in turn and mutually, the consequence and the determining factor of the consumption decisions. Cell phones can be used on trains, but not on planes (for the moment); an MP3 player is more unobtrusive and always on than a laptop; a media centre is more cumbersome to power on than a standard portable playstation.

The mobile world therefore is not a compact and homogeneous reality, nor is it unchangeable and all-pervasive. It deserves a thorough analysis of its variables and specific assessments of its characteristics and potential.

For instance, the difference between Countries, continents and therefore cultures in the hierarchy of the preferential uses of mobile communication is striking: according to the “Consumers and Convergence” (2006) KPMG reports, the range spans from Asian consumers with a clear inclination to use cell phones as an entertainment tool (with a high priority ascribed to music contents and a lower one to videos), to the opposite trend favouring information functions (e-mails and Internet) of European and North-American mobile users.
The fact that all mobile services “clients” mainly invest their daily home-workplace commuting time (more so in Asia than in Europe, and almost always on public transport), as well as their common low propensity to pay substantially for the most advanced contents and services, or their

preference for a single service provider for all their communication consumption, does not prevent a huge diversity in usage modes in the different markets in terms of contents and devices (70% of Europeans and 90% of North Americans interviewed have never listened to music with their cell phones, because they do it on their MP3 players).

Likewise, the concept of mobile entertainment does not cancel the differences on the nature of the entertainment contents chosen and consumed; it does not eliminate the system of preferences, cultural and technical compatibility, or the tendency of the different and increasing number of displays to deliver one content or another. Do we need to repeat that an MP3 player is more suitable to listen to a series of songs rather than to a symphony? That we may be able to view a film on a portable *DVD* player, but hardly on the screen, no matter how large, of a cell phone? That the keyboard of a laptop and that of a cell phone respectively enable and help the processing of an e-mail and the conciseness of a SMS?

After all, the 2006 Mobile Industry Outlook (by INFORMA Telecoms & Media, London) publishes an explicit table showing the current level and the, in any case limited, growth trend of video consumption on mobile devices, especially when compared with the revenues produced by other entertainment contents.
Certainly, it should be noted that these projections precede the announcement of the Apple iTV (and that they do not consider the so-called Mobile TV).

Figure 3: Global mobile entertainment revenues, 2005-2010 (US$ mil.)

	2005	2006	2007	2008	2009	2010
Music	5,539	6,819	8,261	9,623	10,529	11,338
Games	2,381	4,018	5,686	7,310	8,886	10,172
Gambling	1,157	2,135	3,398	4,986	6,385	7,624
Video	1,450	2,517	3,755	4,987	6,085	6,927
Personalisation	4,315	4,647	4,764	4,704	4,550	4,399
Adult	974	1,255	1,587	1,892	2,149	2,349
Total	**15,816**	**21,392**	**27,452**	**33,501**	**38,584**	**42,809**

Source: Informa Telecoms & Media "Mobile Entertainment" (Sept. 2005)

The viewers /listeners' mood is even more important, the moment and the attitude driving them to the decision to satisfy there and then (rather than later and elsewhere) their communication, imagination and information needs. Each of those needs, demands and requirements is not equivalent or replaceable with another, but has its level of urgency and importance, it is worth a proportional and specific investment in time and money, and it tends to its optimum usage and enjoyment condition of the product selected.

Furthermore, a legitimate doubt rises when facing the universe of mobile communication and the vigour of its expansion, a doubt related to the slower and more difficult increase of broadband networks, i.e., what is the real goal, the real business, moving these formidable innovation processes. The answer rests where the highest revenues, the main turnover the decisive ROI originate.

> **The motor of these vertiginous changes seems to be, according to some observers, networks penetration and increase in connections, rather than contents and services distribution and marketing.**

To quote KPMG again: "the reluctance to pay high prices for new services results from different factors: the general "internet-ization" of the service market, where contents are by now considered (at least virtually, if not explicitly) free of charge; and the increasingly competitive world of telecommunications, where carriers are fast in turning the services they offer into commodities in exchange for the safeguard of their market share and following the rate hypersensitivity of their increasingly wise digital consumers.”

In other words, the logic of the companies leading these technological revolutions, such as for instance mobile phone operators, pursues a self-referencing development, a revenue system independent from the supply of value added products (i.e., from the relationship with third party suppliers), a sales policy indifferent to audiovisual creation.

> **Actually, why should a mobile communication industry refinance audiovisual literature, beyond short-lived tactical and demonstrative efforts, since it plans to make its profits in other ways and with other services?**

Again KPMG observes that in the future the ARPU (Average Revenue Per User) growth in the convergence market will probably not be reached by raising consumer prices (therefore through a revenue related to the added value of the goods and services for the end user), but through advertising sponsorships of the individual applications offered, or favouring e-commerce and m-commerce transactions and their related payments.

Should this hypothesis be confirmed, should the objective of this “always on society” really be the all-pervasive coverage of the territories and users, without any stable and sure consequence on the use and functions of these marvellous infrastructures, then the “Pasolinian” risk of a “development without progress”, a communication without contents, a pure service technology is just behind the corner.

In summary, thinking about mobility and differentiating its diverse forms, becomes important to understand where these value added products and services constituting the basis of the financial operation of the whole intangible industry should be placed, as well as the respective role and weight of each of them in the development of this segment.

This is the only way to avoid superficial prophecies, frantic leaps forward, false starts and disappointing ends.

Conclusions

This is not a recipe, which should be sceptically considered, for the future of audiovisual publishers, but only an attempt to summarize the considerations made so far, although it would be worth to deepen them further.

What is the audiovisual publishers' basic resource?

The whole cinema and audiovisual wealth, not only the new and recent production; and all the possible uses of this wealth, from the most private of viewers-collectors, to the educational and school-oriented, from entertainment to research.

Video-publishers are the mediators between all users, including the most marginal and bizarre, and the whole history of audiovisual creative works of all types, genres and formats. Acting in this area, they can define the meaning ad objectives of their mediation, pursue their editorial policy, and build their own brand (as many press publishers), some kind of signature on all their operations and choices, defining their way to look at this global audiovisual wealth and to draw "raw materials" therefrom.

How do audiovisual publishers work?

They select and organise titles from the entire audiovisual "literature", according to their capability, available rights, intuition of the audience potential demand, tastes and expectations. However, most important, in publishing these titles, they retrieve and select the best versions (following the latest movie culture), ensure their technical quality (at the edge of technological innovation) and increase their value through the constant search for complements and integrative materials (based on invention and editorial creativity: extras, bonuses, etc.). Finally, they coherently include

them in the structure of their catalogues, and in the relevant sections or series thereof, i.e., in the global or specific, range they offer to the public.
In so doing, they become the first disseminators of a conscious and concrete presence of an audiovisual culture in our society.

How do they distribute and "sell" their products?

Using all available means (from the technologies and rights standpoint), without refraining from initiatives and functions pertaining to other operators, maybe less involved in audiovisual products and more interested in exploiting their added value contents for their own purposes, different from those of the audiovisual industry. Regardless of whether the object of a transaction is a physical medium, a virtual copy or an access right, this is a free individual transaction for the enjoyment of a creative work. The transaction interface, be it the physical space of a video-shop or the interactive page of a dedicated website, also plays an important role in video publishers delivery task.

To who is their offer addressed?

To all interested users. Within the framework of financial and profit viability criteria, they should pay attention to small and large numbers, macro and micro publishing operations; the quick ROI of a blockbuster fast and massive sales, as well as the slow penetration of a quality title, following a longer and more difficult, though in the end equally profitable sales cycle (see the "Long Tail" theory).
The action of audiovisual publishers develops over time, and is very different from that of TV broadcasters or distributors. If TV schedules or theatre calendars carry a punctual and limited range (i.e., selective by definition, based on the exclusion of few or many possible users), video publisher catalogues have no limits, they live in time, they are open offices, bookshop windows, where each individual title patiently waits for its readers (sooner or later they will all come).

Consequently, the notions of public and market for a video publisher are very different, for instance, from the concept of audience, and require different and adequate promotion and marketing strategies, specific ways to define a product target and to focus on it.

And finally,

> **Where and how are they positioned in the audiovisual sector and, consequently, in the relevant value chain?**

Video publishers can become key players in the content industry for two main reasons.
First, because they can take the role of range organisers, especially with products gradually abandoned in recent years by broadcasters and movie distributors, and still too far from TLC's and ISP's interests and competence. Furthermore, the nature and range size allowed by their tools (e.g. the catalogue), are immense, compared with those of other service providers.
Secondly, because their core business is totally linked to (past, present and future) audiovisual creativity, and consequently they are the most motivated entrepreneurs and financial players to ensure its adequate and increased financing, now and in the future.
Their present financial size and the sector perspective make them the most appropriate candidates for this vital task.

En conclusion

Ce n’ est pas une recette, dont il faudrait d’ ailleurs se méfier, pour l’ avenir de l’éditeur vidéo, mais seulement un’ ébauche de résumé des considérations développés jusqu’ ici, et qu’ on pourrait creuser encore longtemps.

Sur quoi travaille-t-il l’ éditeur vidéo?

Sur l’ensemble du patrimoine cinématographique et audiovisuel, pas que sur la seule production nouvelle ou récente; sur toutes les utilisations possibles de ce patrimoine, de l’usage privé du spectateur-collectionneur à l’ éducatif et au scolaire, du divertissement à la recherche.
Il est le médiateur entre la totalité des utilisateurs, y compris les plus marginaux et bizarres, et la totalité historique des œuvres de création audiovisuelle de tout type, genre et format. Agissant dans ce territoire, il peut définir l’ esprit et les objectifs de sa médiation, faire sa politique éditoriale jusqu’ à la construction d’un *brand* au sens propre du mot (comme les éditeurs papier); une image de marque reconnaissable dans l’ensemble de ses opérations et des ses choix, qui puisse justement exprimer son regard sur ce patrimoine audiovisuel global, et sa manière d’ y puiser la « matière première » de son activité éditoriale.

Comment travaille-t-il l’ éditeur vidéo?

Il choisit et organise des titres parmi l’ensemble de cette «littérature» audiovisuelle, suivant ses possibilités, la disponibilité des droits, son intuition de la demande potentielle, des goûts et des attentes du public.
Mais surtout, en publiant ces titres, il sélectionne la version meilleure (selon la culture cinématographique la plus à jour), il en soigne la qualité technique (à la frontière de l’innovation technologique), il enrichit leur signification et

leur valeur par la recherche constante de compléments d'informations et d'intégrations para-textuelles (sur le terrain de l'imagination et de la créativité éditoriale: extras, bonus et tout ce qui suit). Enfin il les inscrit, d' une manière raisonnée et cohérente, dans son catalogue et dans les différentes sections et collections, c'est à dire dans le cadre de son offre au public, généraliste ou spécifique, globale et diversifiée. Ce faisant, il devient le premier constructeur d'une culture audiovisuelle, consciente et disséminée dans la société.

Comment l' éditeur vidéo commercialise le produit de son travail?

Par tous le moyens à sa disposition (en ce qui concerne la technologie et les droits), sans oublier d'occuper espaces et fonctions, qu' autrement seraient visés par des opérateurs moins voués au produit, et intéressés plutôt à exploiter sa valeur ajoutée pour des buts éloignés de l' industrie du contenu. Que l' objet de la transaction soit un support physique, une copie virtuelle ou un droit de visionnage, il s' agit toujours de la jouissance d' une œuvre de création, «achetée» par un libre acte individuel.
Et même le lieu final, dans lequel cette transaction se déroule, fait partie de la tâche de *delivery* de l' éditeur vidéo: que ce soit l' espace physique d' un vidéo shop, ou bien la page interactive d' un site web.

A qui il propose ses produits?

A n' import quel utilisateur individuel intéressé. Dans le cadre des critères d'économicité et des exigences légitimes de faire du bénéfice, tant les petites que les grandes quantités doivent l' intéresser, les mega comme les mini-tirages: le retour rapide et massif des ventes d' un *blockbuster*, mais aussi la diffusion plus lente et durable d' un titre «difficile», voué à une vie commerciale plus longue (la théorie du *long tail*), prolongée dans le temps, et à la fin autant rentable.

L’ action d’ un éditeur vidéo se développe dans le temps, autrement que celle d’ un diffuseur télé ou d’ un distributeur en salle. Alors que la grille d’ une chaîne ou la programmation d’un cinéma véhiculent une offre aux dimensions ponctuelles et limitées (c’est à dire sélectives par définition, obligées d’ exclure une grande ou petite quantité d’ utilisateurs), le catalogue d’ un éditeur vit dans le temps, est comme un guichet ouvert, la vitrine d’ une librairie, ou l’œuvre attend patiemment tous ses lecteurs (tôt ou tard ils arriveront tous).
Donc , le concept de public ou celui de marché sont pour un éditeur vidéo très différents de celui, par exemple, d’ *audience* télévisuelle, et demandent des stratégies de promotion et de marketing différentes et adaptées, une focalisation originale de la cible choisie, une manière originale de la viser.

Et finalement

Comment il se positionne dans la filière audiovisuelle, et par conséquence dans la chaîne de la valeur correspondante?

L’editeur vidéo peut devenir le personnage clé de l’ industrie du contenu pour deux raisons principales.
Avant tout, parce qu’il peut occuper l’espace de l’organisation de l’offre, spécialement du coté du produit, graduellement abandonné par les télévisions et par la distribution cinéma, et encore trop éloigné des intérêts et des compétences des opérateurs télécoms et des fournisseurs d’ accès Internet. Par-dessus, la nature de son offre et la taille quantitative autorisée par ses outils (le catalogue) sont sans comparaison possible avec celles des autres *service providers*.
Deuxièmement, parce que son *core business* est totalement lié à la création audiovisuelle (celle du passé, du présent et du futur) et donc lui il est l’entrepreneur et l’acteur économique plus intéressé à garantir, aujourd’ hui et demain, le financement sur et croissant de cette dynamique. Déjà ses

dimensions financières actuelles, et encore plus les perspectives du secteur, en font la source la plus proportionnée à cette tâche essentielle.

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Gaetano STUCCHI

Born in Milan in 1943, Gaetano Stucchi joined RAI (Italian public television) as a producer and scriptwriter in 1968. He was executive producer of some very popular TV series, low-budget TV films by young authors, very successful international co-productions, and in particular of "Julia and Julia", the first movie totally filmed in HDTV. Between 1978 and 1988, he was in charge of Radio and TV Programs of RAI regional office in Abruzzi; and, between 1989 and 1991, head of RAI-SAT Programming, the first Europe-wide experimental satellite network. In the framework of the EU MEDIA Program 1990 – 95, he was a founding member of CIM (Club d'investissement MEDIA, for the support and development of technological innovation in the European television industry) and of MAP–TV (support to TV co-productions based on archive materials).

He was selected several times as a professional expert by the EU, particularly in 1994, for the reflection Cell created by the DG X (one of the six European "sages", authors of the Final Report) in preparation of the Brussels Conference; in 1998 he was one of the four official Rapporteurs at the Birmingham Conference.

As from 1995, he was Television Director at UER in Geneva until 2001, when he left the position to become independent consultant in the field of media and TLC.

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