
CresCine at Cannes 2024: A Special Preview of State of European Film 2024



What's CresCine?

A Horizon Europe powered project developing industry insights into the competitiveness of European film industry (especially in small markets)

Focus on: overall state of the market, audiences, greening, skills, VOD, financing/innovation

Brings together 20+ industry organizations: researchers + industry heavyweights

State of Industry reports, datasets and recommendations

Consortium Partners



The Big Picture



crescine

Read Next: 'Stranger Things' Actor Elodie Grace Orkin, 'The Strays' Star Samu

VARIETY


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Apr 16, 2024 10:29am PT

Participant Shutting Down Operations After 20 Years: Film Studio Was Behind Oscar Winners 'Spotlight,' 'Green Book' (EXCLUSIVE)

By Matt Donnelly

Q f X [] ...



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Jan 26, 2024 12:29pm PT

'Bordertown' Producer Fisher King, Owned by Beta Film, Goes Bankrupt (EXCLUSIVE)

THE HOLLYWOOD REPORTER

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NEWS FILM TV AWARDS LIFESTYLE BUSINESS GLOBAL VIDEO MUSIC CHARTS LISTS

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Netflix Film Division Undergoes Genre-Based Reorg (Exclusive)

About a dozen people will depart the streamer as a result of the changes.

BY MIA GALUPPO, BORYS KIT APRIL 8, 2024 10:16AM



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The Big Picture

Times are tough - post SAG, post COVID not yet over

Global value chain disrupted at all levels up to (production) service providers and vendors

Content flood, how will European (small/indie) film stand out?

Significantly less buying (colloqually out of Q1-Q2 markets)

Layoffs & bankruptcies, layoffs & bankruptcies

The Big Picture

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The Big Picture

Subscription fatigue (5.8 subscriptions per household according to Activate)

Bundling and business (rescue) model

Fast is growing fast (but on classic brand titles)

Multimodal business models (for everyone including financiers)

Power players learn algorithms

Gen Z to watch “classic films” but are those available

Add AI

Great

Cheap power tools and workflows

Unleashed creativity on a budget and for everyone

New talents from anywhere

Endless possibilities

Not great

Where are decisions made?

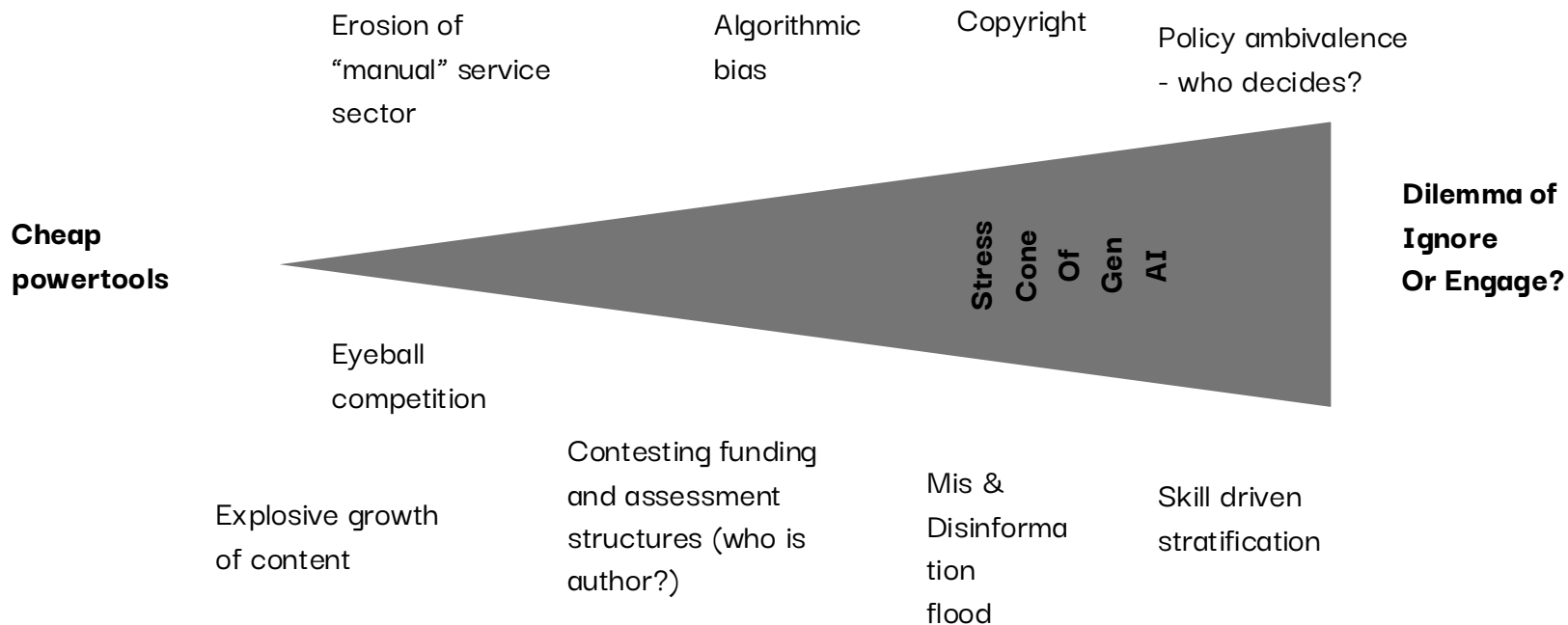
Who is going to be paid, how and when?

Bias

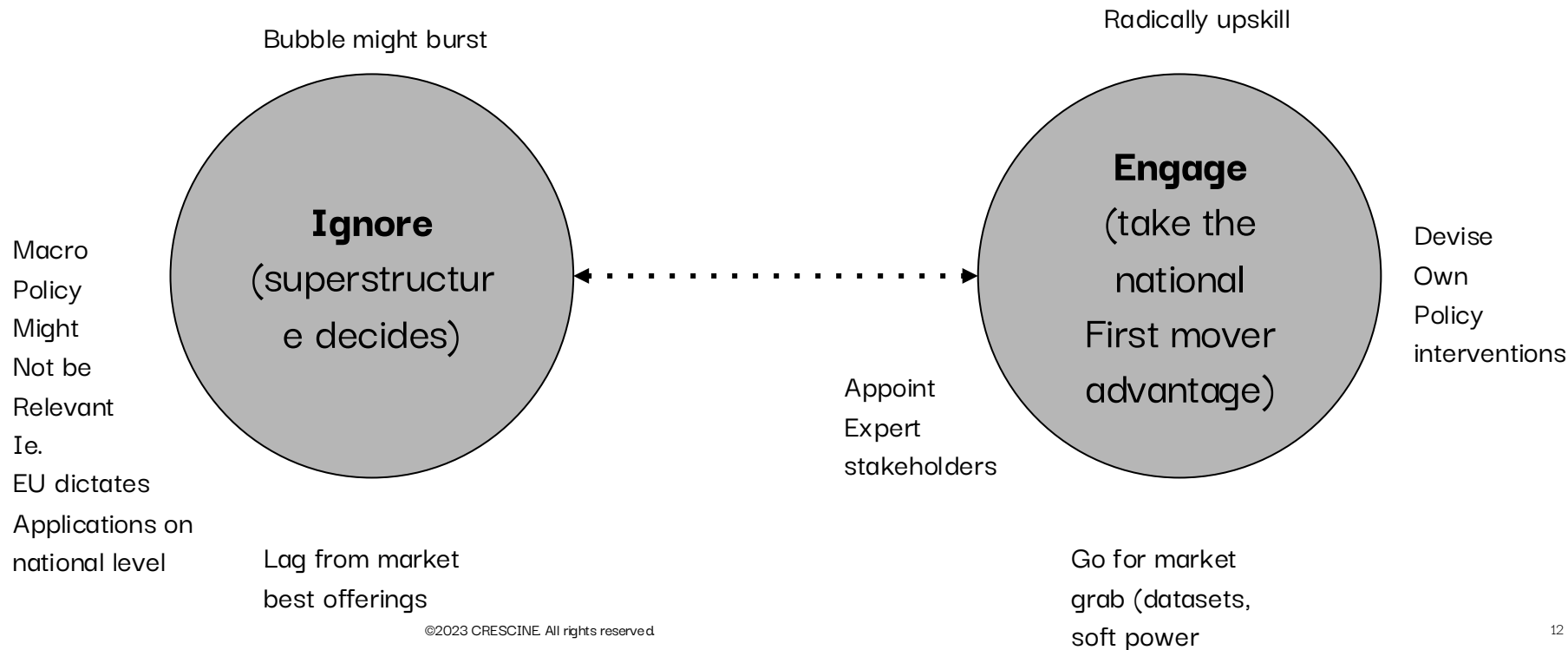
Copyright,

Identity rights & safety
(cloning)

Stress Cone of (generative) AI for EU's film industry



Engage or Ignore?



But what does our research show?

Small Markets

Small European Film Markets: Portraits and Comparisons

[Small Film Industries](#)
[Performance Indicators](#)
[Comparison with Larger Markets](#)
[The Bigger Picture](#)
[Methodology](#)
[Team](#)

Small Film Industries

The portraits detail the characteristics of the seven selected ecosystems (see: [Overall rationale](#)) in terms of the development of their film industries, production capacity, approaches to public creative industries policy, as well as the key challenges facing each one. They feature a five-dimensional comparison of the ecosystems' levels of domestic audiences, theatrical exports, average budgets, production volumes, and festival recognition from 2014 to 2022. The subsequent [Performance Indicators](#) section involves a more in-depth quantitative comparison of the seven ecosystems.

THE SELECTED ECOSYSTEMS:



[Croatia](#)



[Denmark](#)



[Estonia](#)



[Flanders](#)



[Ireland](#)



[Lithuania](#)



[Portugal](#)

Performance Indicators

The Performance Indicators section systematically compares the film industries in the seven CresCine Ecosystems – Croatia, Denmark, Estonia, Flanders, Lithuania and Portugal (Overall rationale) – based on over 30 quantitative indicators (Data sources) along the value chain, from Production and Funding to Distribution, Exhibition and Reception. It thus highlights the specific competitive advantages and challenges the film industries face in small markets.

THE INDICATORS:



Production



Funding



Distribution




Exhibition




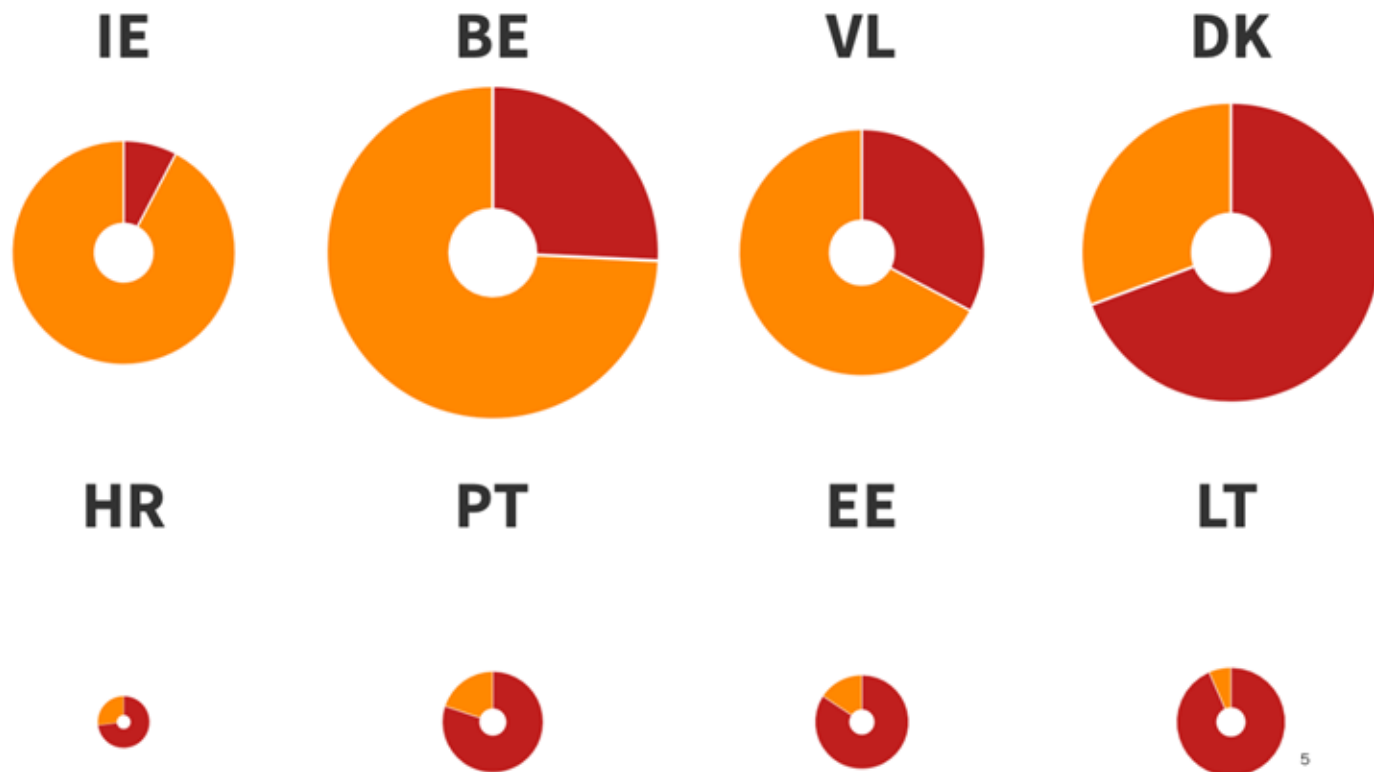
Reception

Key findings

- There are substantial differences between our markets on MANY points
- There is a genre discrepancy between the films we make and the films most watched in the cinema
- Films from CresCine markets are very small in number on major VoD catalogues (Apple+, Disney+, Netflix and HBO Max)
- Two key orientation scales are 1) domestically vs internationally oriented film ecosystems, and 2) orientation towards public funding vs investment schemes.

 **Domestic** admissions (2014-22, yearly average)

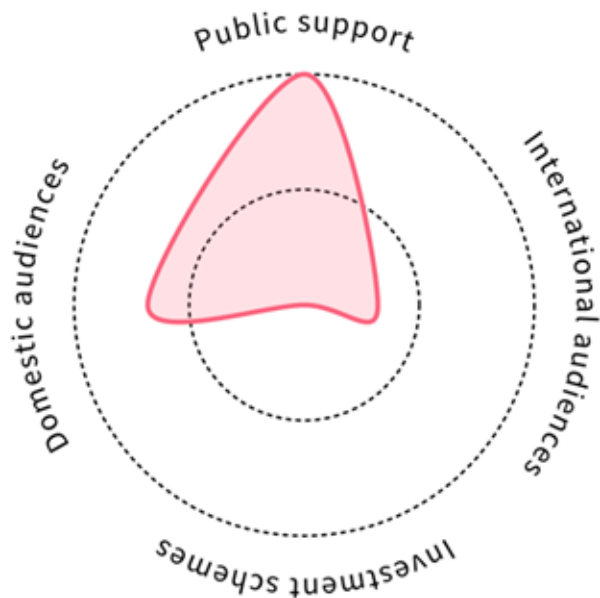
 **International** admissions (2014-22, yearly average)



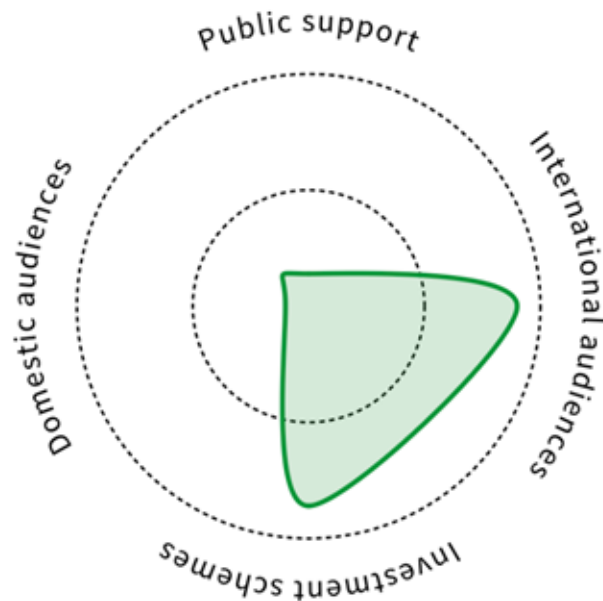
- Based on **total** admissions for theatrical feature films **2014 - 2022** (incl documentaries)
- Circle size reflects average admissions (2014-2022)
- Source: Lumiere Pro
- VL 2018 - 2022 only

Relative share: **national vs international admissions**, and **direct public support vs investment schemes** 2014-22

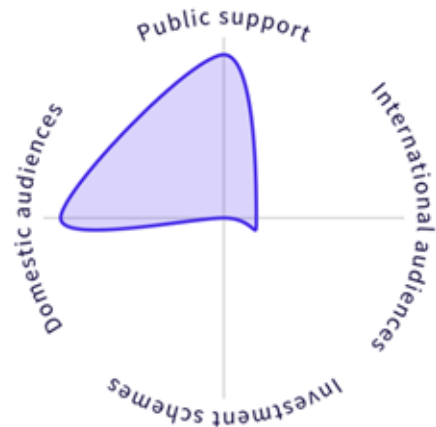
Denmark



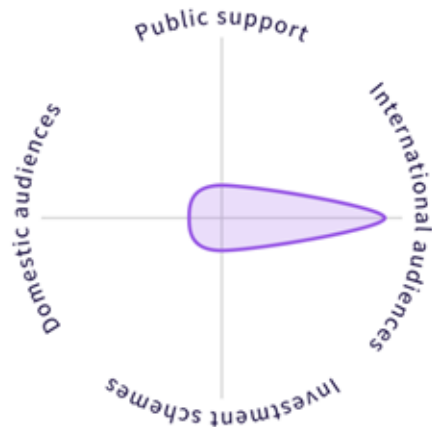
Ireland



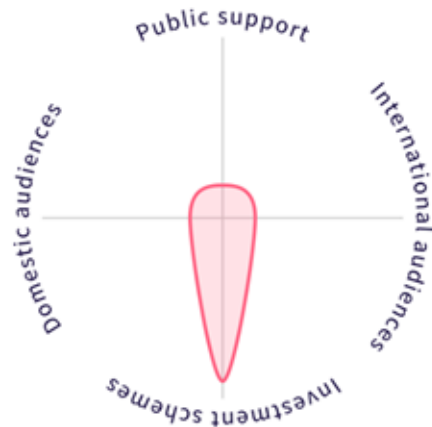
Cultural 'resonance'



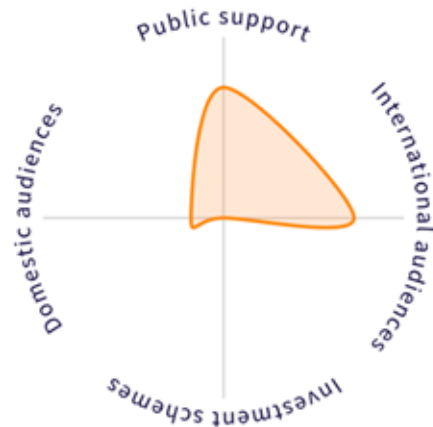
Export



Production service

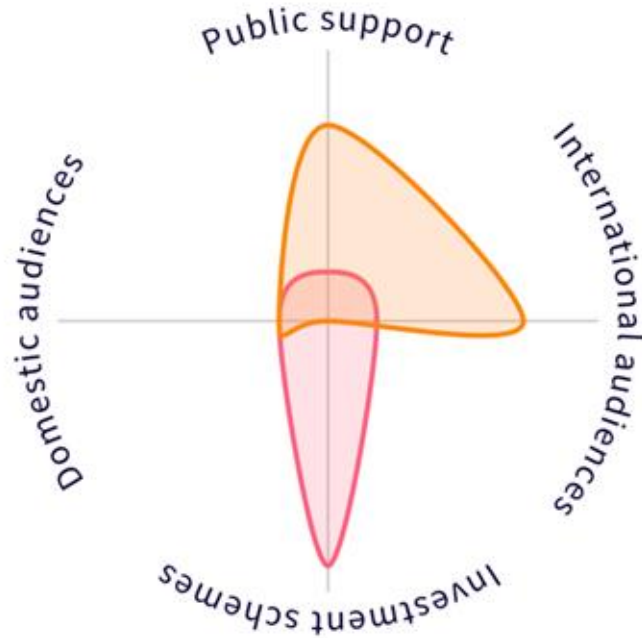


Cinematic art



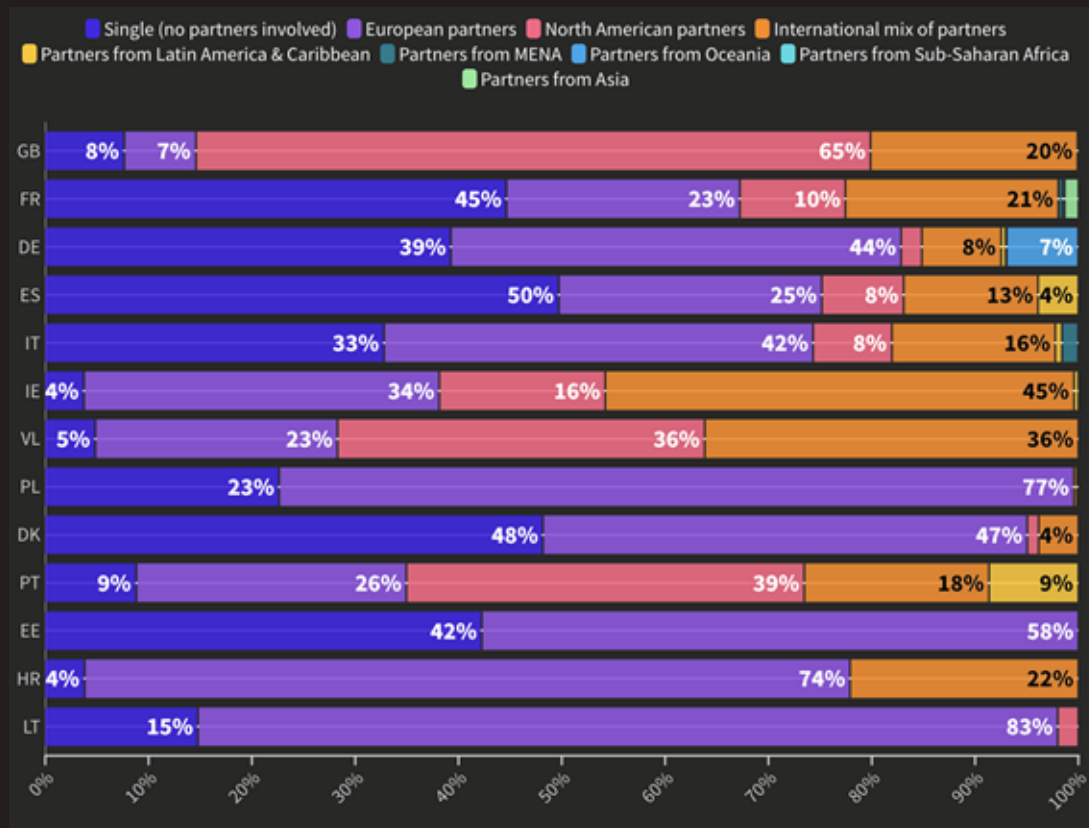
Orientation towards...	Cultural 'resonance'	Export	Production service	Cinematic art
Legitimacy	National-cultural relevance	International success	Job creation & GDP	Artistic recognition
Primary policy fields	Cultural policy	Trade policy	Employment policy, finance policy, tourism policy	Cultural policy
Success criteria	Cultural policy goals (e.g. high domestic market shares)	Foreign sales , circulation , user metrics , commercial profits	Employment & fiscal goals (e.g. incoming investments , local expenditure)	Awards , nominations , critical accolades (e.g. festival & critical recognition)

Combined Approaches

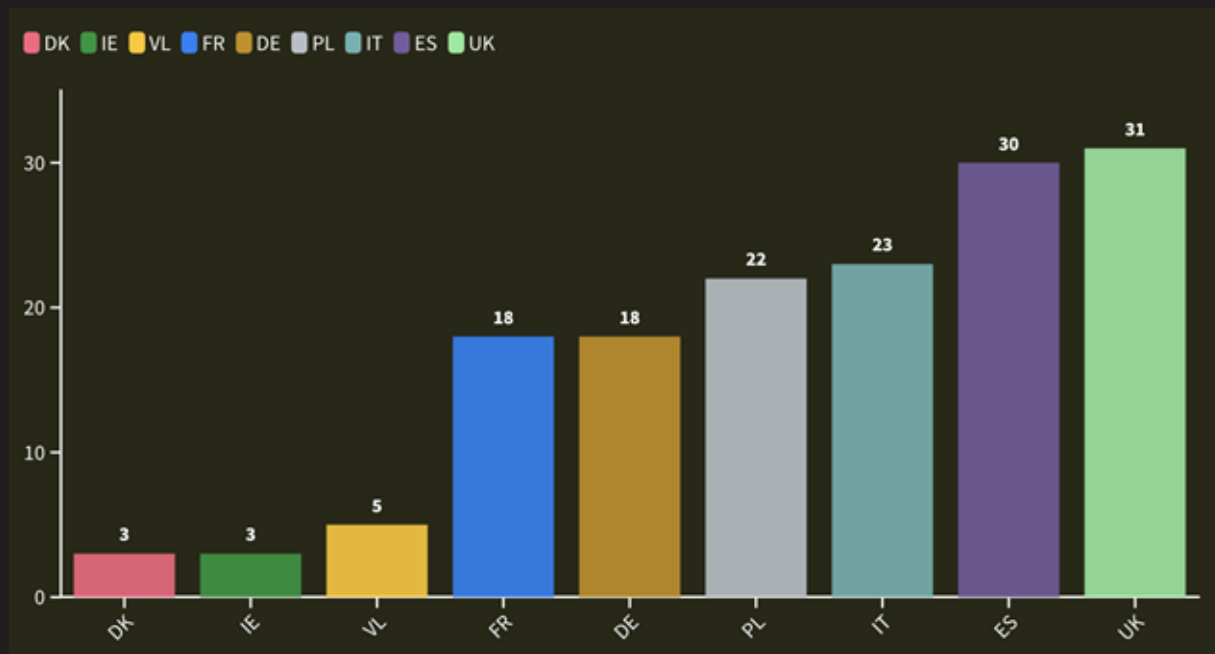


Film Exports: Cinemas & VOD

The importance of partnerships for export

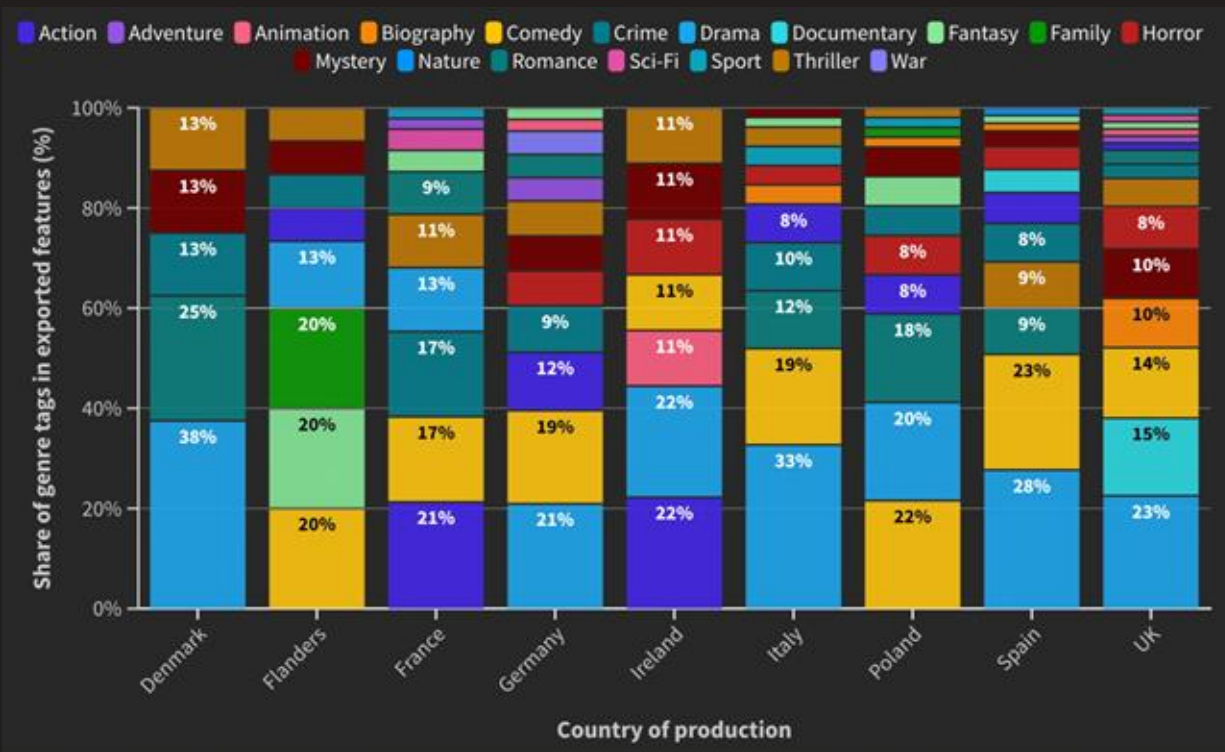


Performance of films commissioned by Netflix (based on the Netflix Engagement Report)

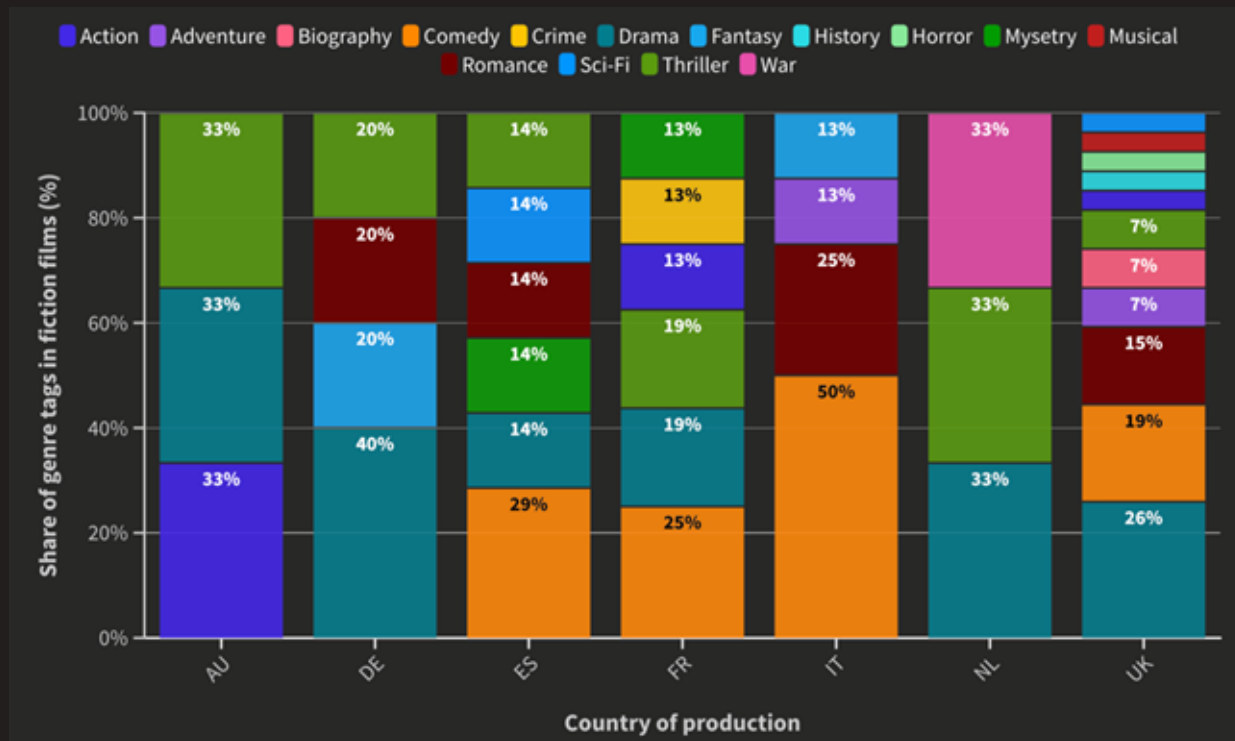


Source: Author, based on data from the Netflix Engagement Report, its own data on Netflix Originals and other sources.

Films commissioned by Netflix: Drama, comedy and action - most popular genre tags

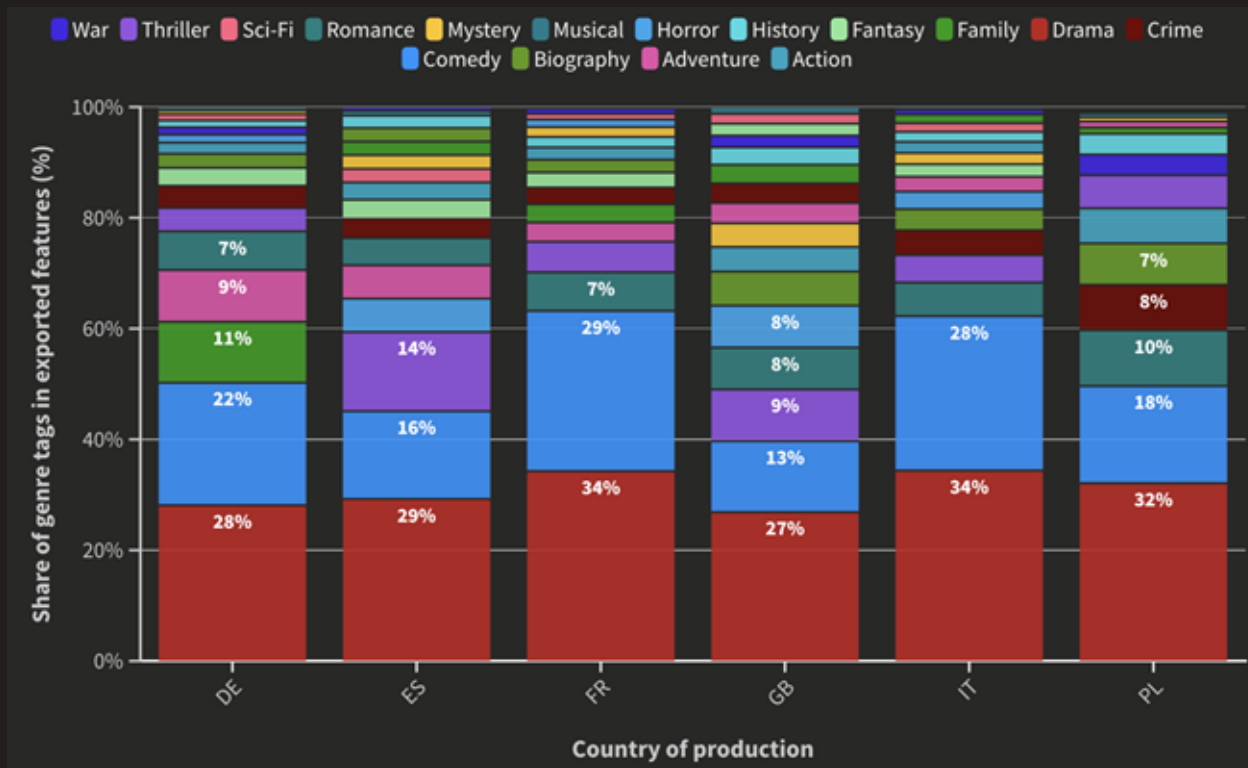


Genre mix of all Amazon Originals (2018-2024)



Source: Author, based on its own data collected on Amazon Prime Originals, which include both commissioned and licensed fiction films

Genre mix in exported fiction films in cinemas: Dominance of drama and comedy- what other genres?



Export: Key takeaways

The small markets in Europe can punch above their weight by adopting a more **strategic approach to film export**.

Identifying key export markets, partners and co-producers, as well as appealing genres is crucial for expanding international reach.

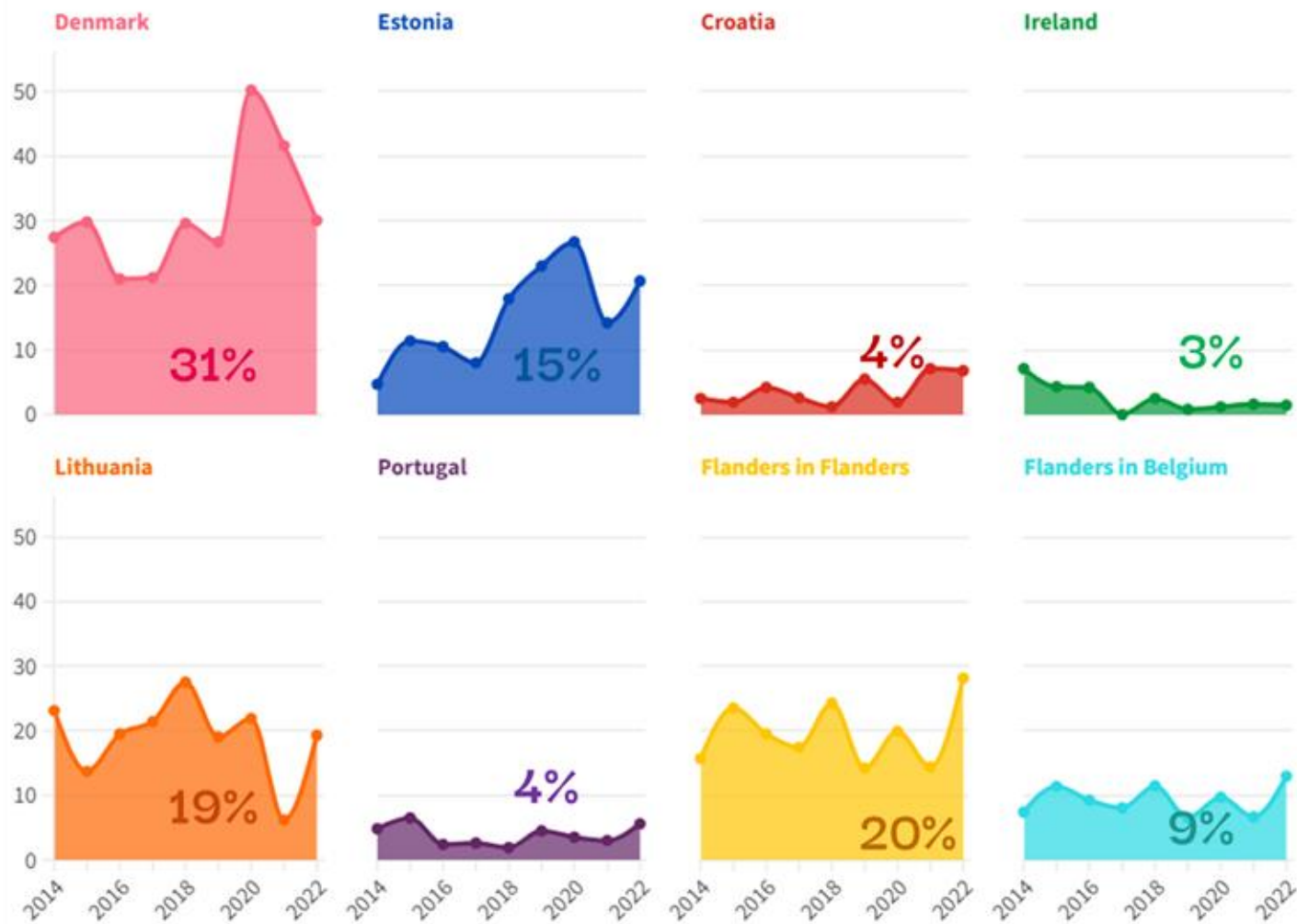
Films from small markets can achieve global appeal on streaming services like Netflix - but financiers' risk appetite is decreasing. The increasing risk aversion from streamers and their shifting strategies show that European producers must adapt quickly to market changes and combine diverse financing models.

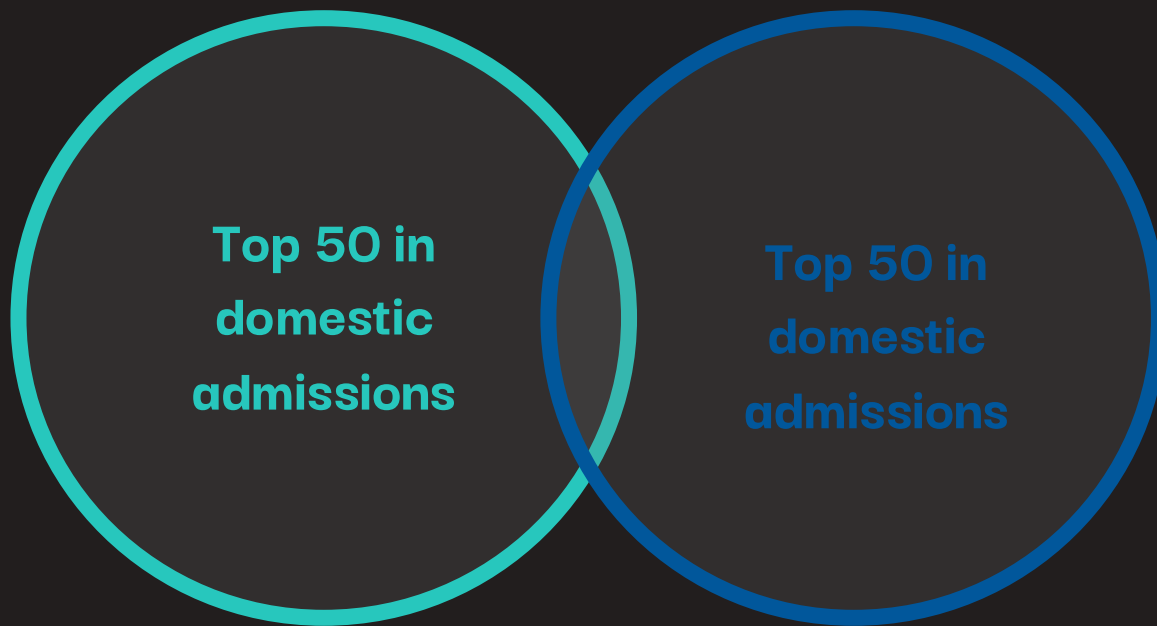
Small countries & Festivals

Domestic Audiences

Domestic shares 2014-2022

Share of domestic admissions in total admissions as reported in EAO Yearbooks (2014-22), Data on Flanders from VAF
Highlight: Average 2014-2022





Comparison of admission numbers of 100% national and majority co-produced films from the seven Crescine markets between 2014 and 2022 based on data from Lumiere Pro

Audiences are aware of small markets' limitations

They perceive films from small markets to have **lower budgets**, a need for mass-market appeal, **limited range of creatives** and little offer in **'expensive' genres**.

**But these limitations are not
automatically an obstacle to
consumption**

Croatia

"Well, I think we simply **don't have the budget**. [...] It is not of lower quality in, for example, the plot or something like that. Now, **they can come up with a great plot**, but they know that it can be a bit of an obstacle in the execution [...]."

Local resonance makes films from small markets stand out

Relatable, locally **placed**, **relevant** stories and a sense of **authentic** representation help films and series from small markets to appeal to domestic audiences.

Though some films may hit ‘too close to home’.

Flanders

“I think if it’s a Flemish movie, then of course it’s mostly **based in Belgium** as well, **which I find interesting because I live here** and it’s nice to know how life back then is represented in Belgium, in the **Belgian setting** and not in let’s say, for example America.”

Sociality is a key motivating factor for watching and choosing domestic film

Recommendations and **word of mouth**, help create a **buzz** around new productions that domestic audiences are often inclined to follow.

But **audiences' awareness of domestic films varies** across our markets

Lithuania

“I don’t know **I just hear about it more** [and] want to see more. I don’t know just maybe I hear about Lithuanian films more, some **more buzz**, like, I don’t know, maybe **it starts to feel like I am missing out on something** and I need to start paying attention.”

Discoverability the different pathways that lead audiences to film is a big issue

Processes behind audiences viewing choices are **complex** often spanning **across different (media) channels** of **recommendation** and **promotion**.

Do small markets have the capacity to be present across all the channels?

Ireland

"I find that the advertisement for the Irish film is a lot harder to find than US and English film. I will find from what my point of view, as I say, **search always comes back to what you've searched before** and it always is UK, America. **It wouldn't be much Irish stuff.** Though one of **my favourite films** that I've ever seen, **is an Irish film [...]** but then again, **I wouldn't know many others."**

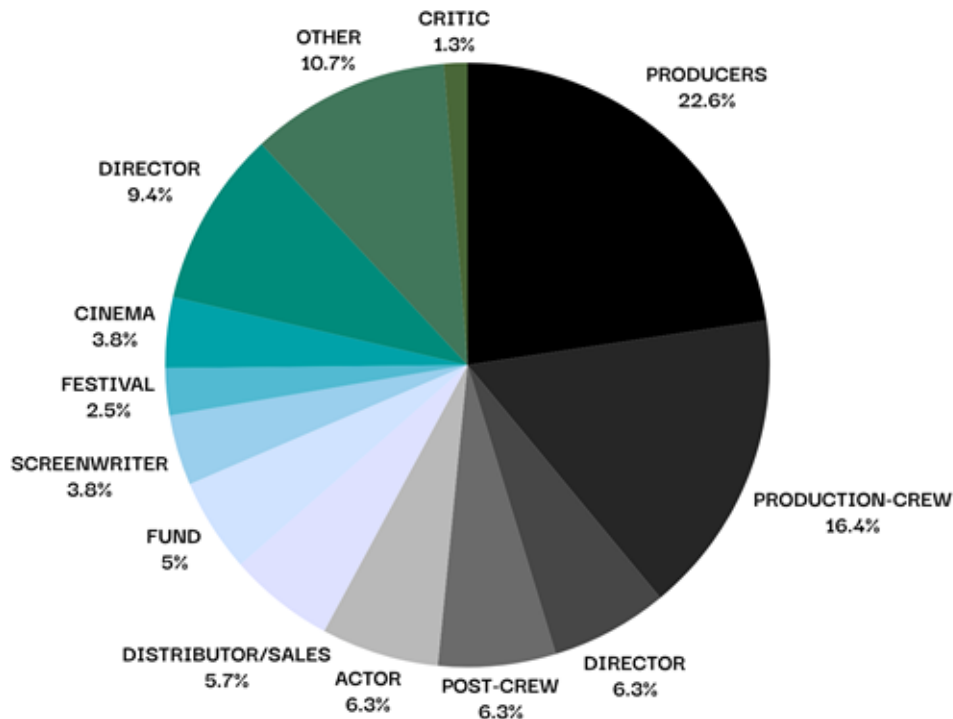
COVID19 & European Industry

COVID-19: Perfect storm effect for small film markets

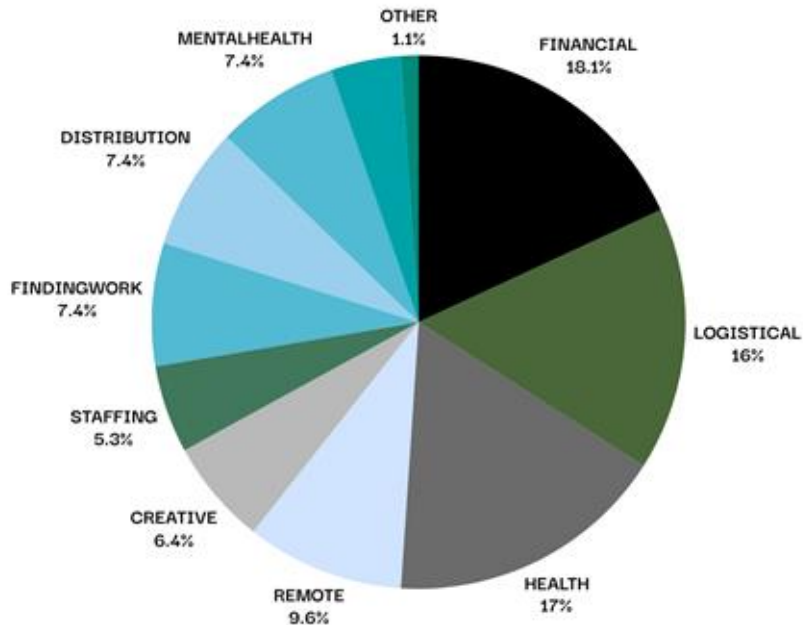
- Trigger for digital transformation
- Pandemic hit amidst ongoing industry changes
- Acted as a booster, accelerating existing changes
- Exposed strengths and weaknesses of businesses
- Highlighted the need for stronger and more flexible systems

Who filled out the survey?

60% of respondents claimed their represented market segment has **experienced negative outcomes** from COVID.



What were the key challenges in your role?



Navigating **FINANCIAL** Constraints

- **Reliance on local and EU funding**, with appreciated quick crisis responses, clear communication and flexibility.
- **Diversified income streams minimized impact**; others began diversifying or starting new businesses.
- **Exposed strengths and weaknesses**, prompting reflection on future essentials.

“They were very responsive. <...> they had new findings to help us out. They also allowed to renegotiate deadlines and things. <...>I told you we are very dependent for all public funding, so it was great”

Producer, Portugal

“I edited a series about COVID-19. I’m also teaching <...> Although commercial work has ceased, this period has allowed me to diversify my activities, and I enjoyed the less hectic pace and more flexible deadlines.”

Editor, Lithuania

“A period to reflect on the business and what was essential for the future.”

Producer, Ireland

“Our investment in virtual studio applications of the last 12 years started to pay off.”

Film industry infrastructure representative, Flanders

HEALTHCARE

- Health concerns affected everyone, with **mental health becoming a significant issue in the demanding film industry.**
- COVID-19 caused severe mental strain, with **isolation challenging team spirit.**
- Highlighted **the importance of ongoing care** for both physical and mental health.

“I think the only positive thing was that **we kind of started taking better care about each other.** But, **this passed very quickly.**”

Producer, Croatia

“**I don’t kiss the whole crew goodmorning anymore**”

Actor, Flanders

“People are **more conscious** <...> as opposed to just pushing through it like so many of us used to.”

Production crew member, Ireland

“I managed to create **a artistic self care routine** of consuming a piece of art daily - even if just reading a page out loud . I keep doing it ever since.”

Actor, Portugal

LOGISTICAL CHALLENGES AND REMOTE OPPORTUNITIES

- Opened many doors, but the **industry craves face-to-face interactions.**
- Online meetings are **greener for technical discussions but fall short for creative interactions.**
- Crews in small markets faced disruptions. While more local crew available on site, **remote-friendly positioned workers pursued higher-paying remote opportunities.**
- **Blurred the lines** between professional and private life.
- Industry is **rethinking the balance** between remote and in-person work.

“You know, when somebody suggests, let’s meet on Zoom, or teams or something, I feel like I’m gonna throw up. **We are all yearning for face to face.**”

Film producer, Croatia

“I was selected to participate in Script Lab Story Editing within TorinoFilmLab <...>I believe that nobody truly benefited from the workshop as much as they would have if the entire workshop had been held in person.”

Screenwriter, Croatia

“Using home as an office, **the transition from professional to private was sometimes non existent.** We became more available and non stop working.”

Editor, Croatia

“Major studios <...> started working more with remote workers. And that was bad for us because they pay more money, they can give more stability to workers. **So a lot of people start working remotely for those big studios.**”

Animation producer, Portugal

TIME for CREATIVE and STRATEGIC RESET

- Renewed **focus on** thorough project development and **refining**, resulting in higher quality scripts and productions.
- Completion of long-delayed passion projects, leading to a **creative reset**.

“Because we were not able to travel, <...> to attend markets, we were **able to develop some of those films really, really well**. There is a <...> film that we are developing now for four years. But now, the script is so perfect.”

Producer, Croatia

“During the Covid, specially during the first confinement, I found out that I had time to spend in projects that were put apart before, because lack of time.”

Film critic, Portugal

ADAPTING TO NEW FUTURE and SKILLS

- Respondents **observed the shift** from cinema to VOD with mixed emotions, with some reluctant to change and hoping for cinema's return, but **overall recognizing the need to adapt.**
- The pandemic **accelerated learning about new technologies**, prompting even older film professionals to adopt them.

"No one could foresee that the temporary shift of audiences from theaters to home would be used to make streaming services the main distribution channel. **This change happened silently, in the background, without any obvious conflict between streamers and theaters.** It was like putting nails in the coffin of traditional theaters."

Post production lead, Portugal

"I could learn about Virtual production."

Cinematographer, Flanders

"I learned to edit remotely, discovered an app <...>I guess I would have discovered it anyway, but **COVID just forced that shift.**"

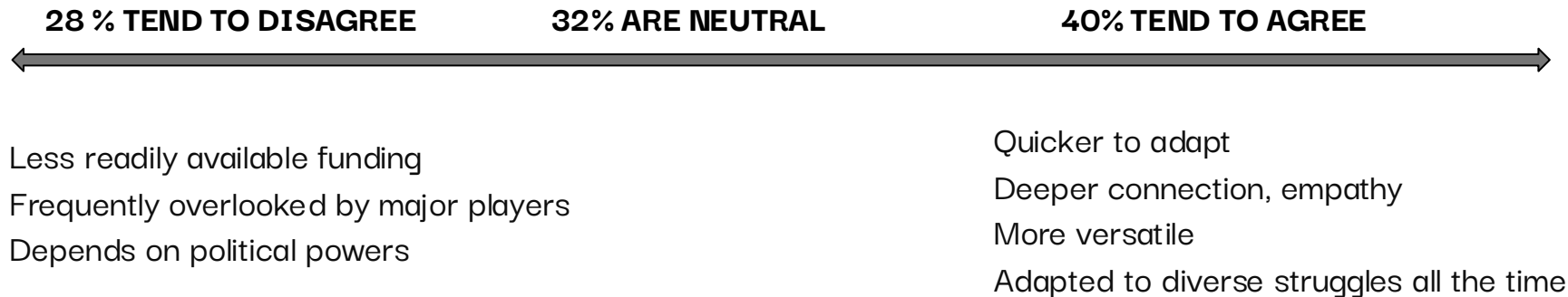
Editor, Lithuania

"Since in Croatia, average age of film professional is around 60, we did start using new technologies during pandemic."

Crew member, Croatia

How do you agree with the statement:

'Being a small nation *provides an advantage* in adapting to unforeseen challenges, such as the COVID-19 pandemic?'



What will help us or fail us in our transformation?

"In our eagerness to draft a film protocol for the government as swiftly as possible, to facilitate a prompt return to work, various professional groups and producers were compelled to convene hastily and collaborate on its formulation. This process has enlightened many, even beyond the COVID-19 crisis, to the realization that such

exchanges among the diverse stakeholders active in the Audiovisual sector constitute a stride towards **improved communication among these disparate groups.**"

"There perhaps is a **deeper connection** and a 'everyone-knows-everyone' mentality so we watch each other's back and more willing to do what's right for each other in adapting to the challenges of COVID."

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Being a small nation means that you are frequently

overlooked by the big market players. Ireland lost business to some of the other countries that opened up more quickly post/during.

"The smaller industries allow for **closer collaboration** and the feeling that we're all in this together."

A small nation is **adapted to diverse struggles all the**

time. It has to be **creative to solve problems** when there are financial issues."

"In post-production, there's a plus to being small. There are big companies abroad, there are established workplaces where everyone works for 20 years, to change something you have to train a lot of people who don't want

change. **We are more versatile** because everybody is freelance. But of course our production level is low, it doesn't require the creation of big companies. The films are more ordinary. They are not necessarily bad, but they are simpler."

Smaller nation not always makes decision quicker, it depends also on political side in a country and **how everyone is aligned to help their country**

Funding is lacking already, so an extra cost and logistic challenge like COVID is not easy to accommodate.

We do not have as much **readily available funding** to adapt to the challenges or covid as larger countries who were able to return more readily as they had more financial backing for covid testing, contingency plans and adaptability such as housing crew during productions etc

Greening & Sustainability

The challenge

Analysis of Shared Responsibilities in Sustainability

Focus on Certification and Green Consulting in Film Production

Emphasis on Transportation and Encouraging Industry-Wide Green Practices

Utilization of Data and Addressing CO2 Compensation

Exploration of Social Dimensions and Sustainable Industry Practices

Key takeaways for G&S

Need for an holistic approach

Gradual Transition

Industry-Wide Responsibility (Eco-System / Company / Project)

Training and Certification

Market Opportunities and Challenges

Entrepreneurship & Innovation

Producers as entrepreneurs

78 % of businesses are structured around one employee (Eurostat)

Key drivers of innovation:

- Technological advancement
- Rise of streaming platforms and change of consumer habits
- Growth of costs
- Emphasis on diversity and inclusion
- Environmental sustainability

4 main strands of innovation:

Technological; economical (e.g. business model), social/artistic; green

Building collaborative innovation network

Key: Collaboration & systemic support

Producers' club

- Interpersonal connections
- Knowledge sharing
- Entrepreneurial training
- Pilots

Paired 6-month pilots with specialized innovators in the areas of

- Virtual production
- AI
- Finances

Skills

The EFA x CresCine Skills Study

First large scale skill survey amongst EFA members

Almost 1000 respondents

Covers a large variety of topics (64) from skills to sustainability and preferences for content and platforms

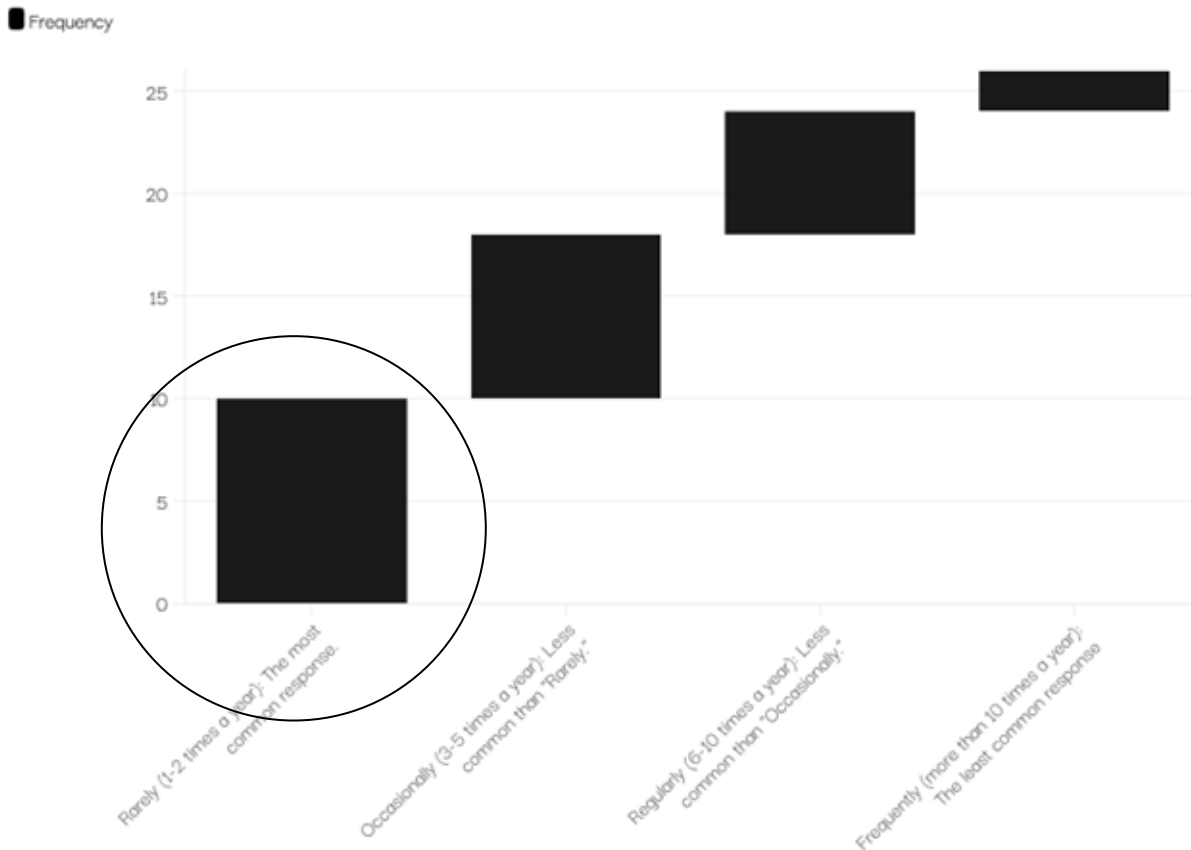
Published end of October 2023 - see CresCine website for deeper insights (<https://www.crescine.eu/>)

But limited in its scope, now replicated across 7 territories and major industry networks and training programs with results out in

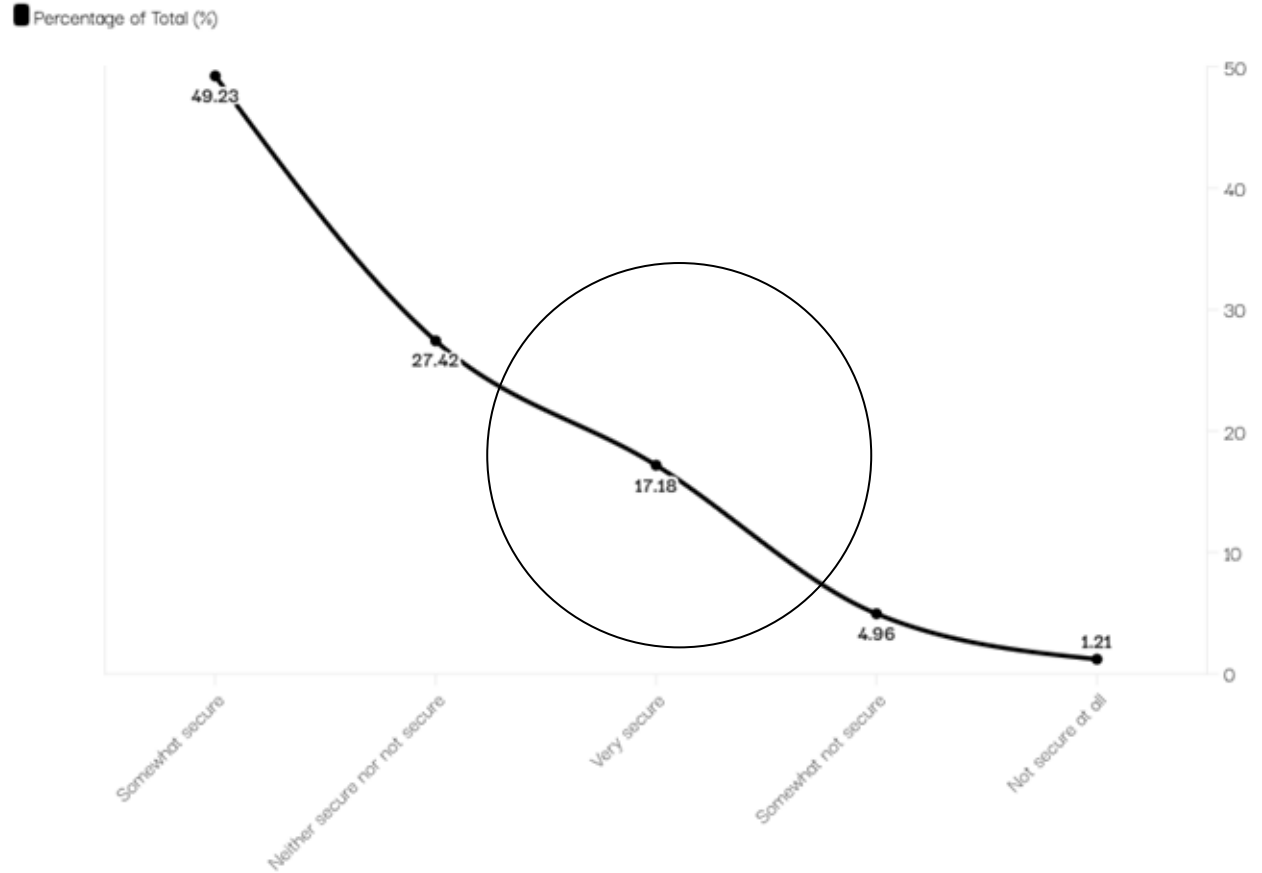
**Would you be
interested in
learning new
skills?**



Are you annually participating in training programs?

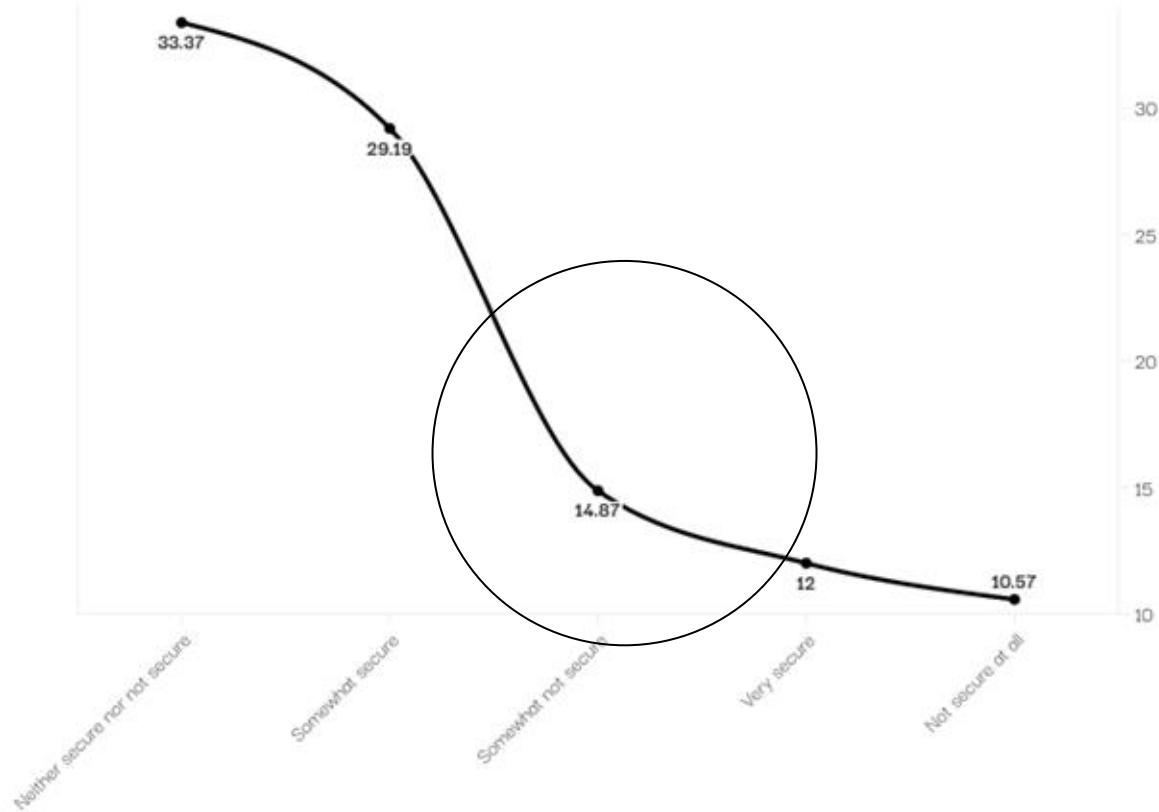


How secure do you feel professionally?

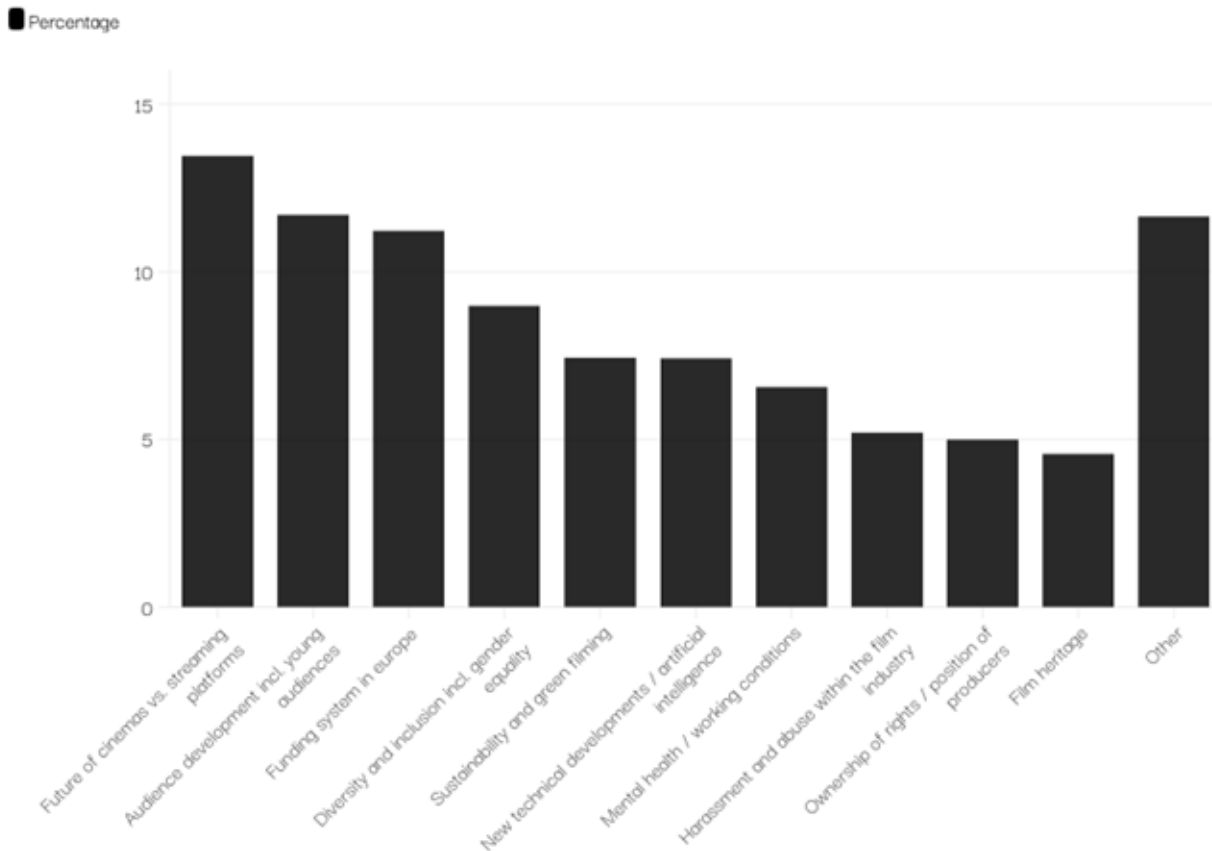


How secure do you feel financially for training?

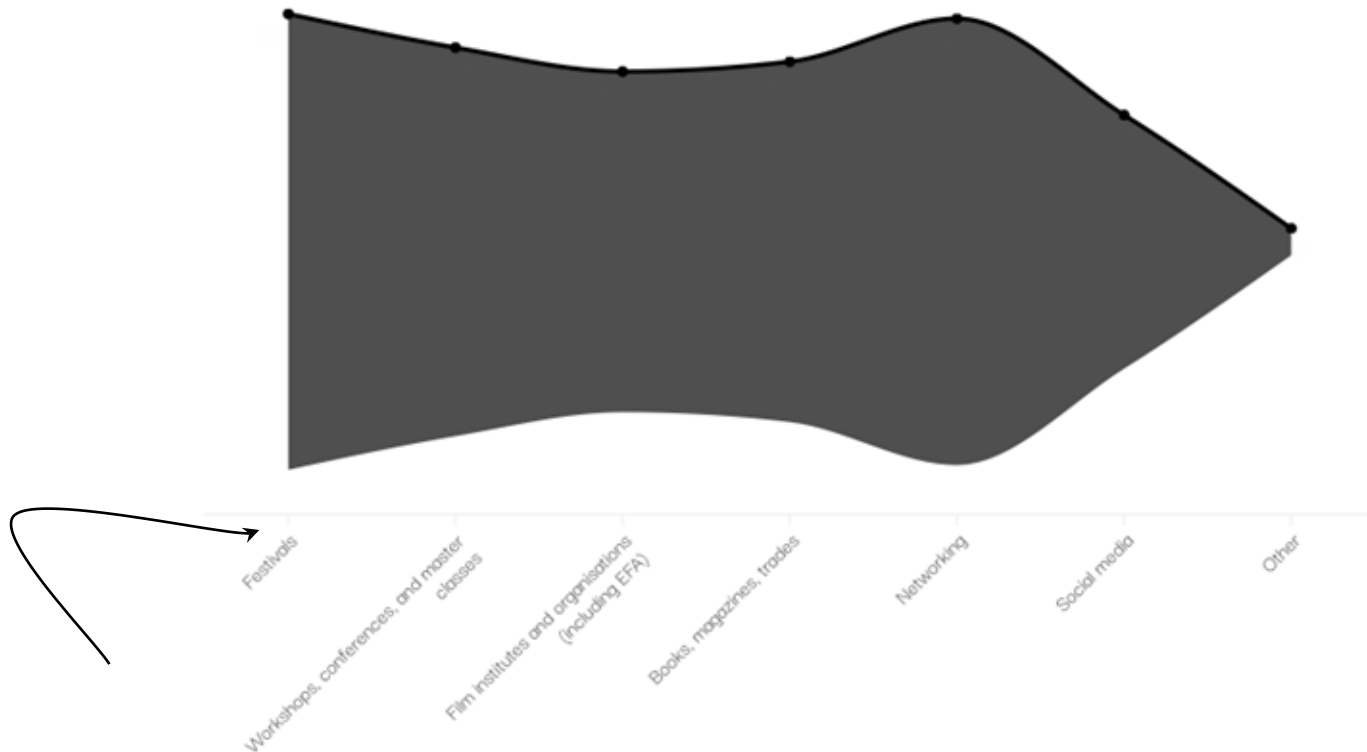
■ Percentage of Total (%)



What are the most relevant themes for the industry now?

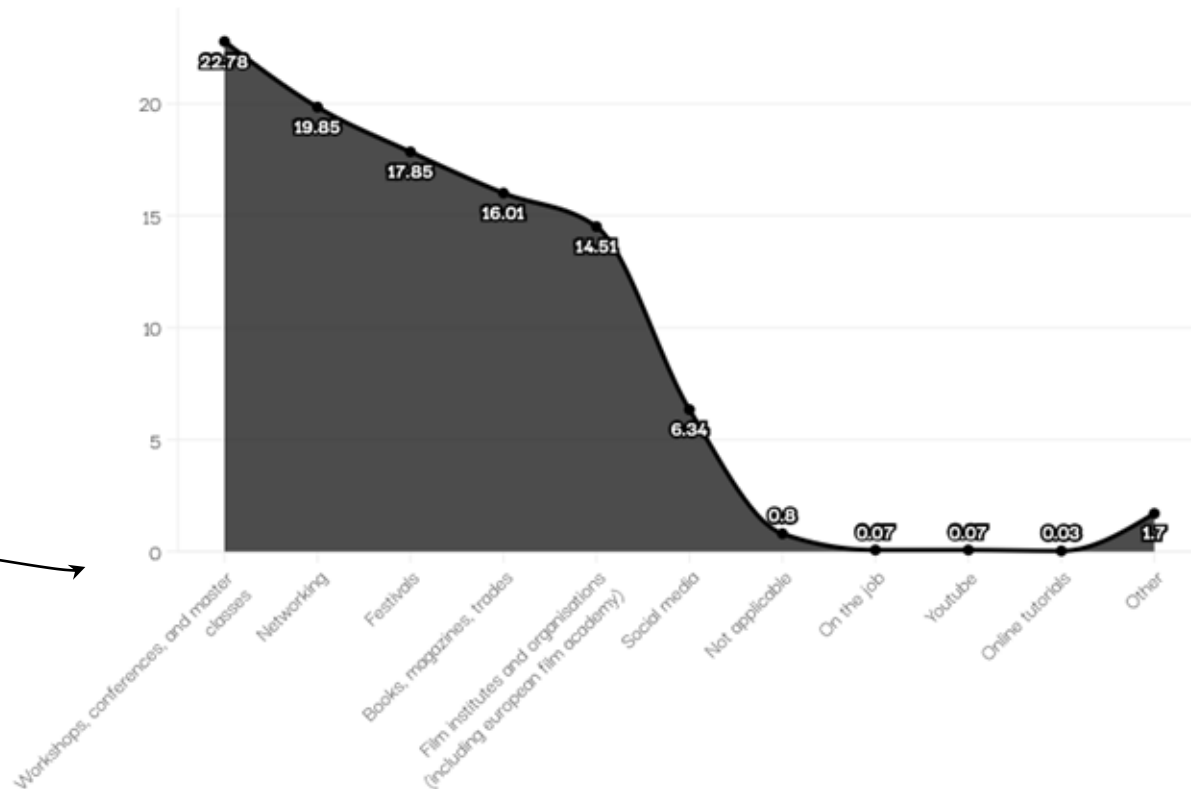


What are your sources for learning about new trends?



How and where do you learn?

Percentage



Key takeaways for Skills

85% of respondents are keen on developing themselves further but are not well-informed about the possibilities in Europe.

80 % of all respondents do not feel secure within the industry and cannot attend training programs, even if they want to

Only 20% of all respondents feel secure about their position in the industry or about their financial capacity

Key takeaways for Skills

Training and upskilling is loaded into festivals and markets, but who will upskill their capacity?

Most of training happens via face to face, workshops, networking

Where and why are online training opportunities not utilized?

Training is content creation specific, what about the rest of the positions and the needs of the industry (i.e distribution, marketing, leadership, sales, data, virtual production etc)

Key takeaways for Skills

European Film industry shows a clear skills gap, opportunities and accessibility only provided to people who can financially afford it

The offer of accessible programs for learning skills have to be adjusted to the big demand of learning skills

Learning Skills is are only film specific, however knowledge on topics such as leadership, DEI and Sustainability exist already elsewhere and should be utilised

Markets should stop to be exclusive and provide more upskill programs throughout the year; markets should also educated themselves in order to keep up

Finally

State of European Film 2024



Out in
June 2024

State of European Film 2024

Full interactive report what we have researched, analyzed and synthesized within 18 months

Available as interactive website and dossier publication

Provides key data insights for further study and dialogue with the industry

Small European Film Markets: Portraits and Comparisons

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[Lithuania](#)



[Portugal](#)

**What to take
home? The
ONE slide.**

State of European Film 2024

One size does not fit all. Policymakers and Producers can't satisfy domestic and international audiences simultaneously.

Audiences LOVE European films BUT they CANT DISCOVER & ACCESS them as they wish.

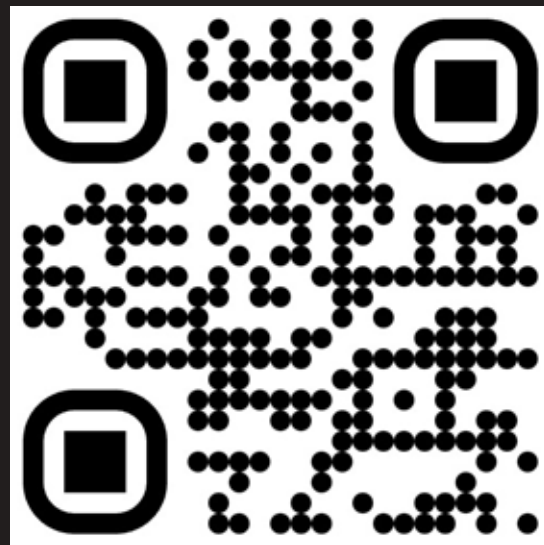
The EUs film CAN EXPORT but NEED FOCUS for successful genres, partnerships, and co-productions.

Filmmakers and films from EU are CREATIVE, but need NEW, DIGITAL & MARKET READY SKILLS.

There's **ENOUGH PRODUCTION NOT DISTRIBUTION**. EUs small films are underrepresented at festivals, streamers, and cinemas.

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and sign
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