

## Select Findings: filmBUZZ 2003 Industry Report

Film Festival Overview
The <i>average individual screening ticket price</i> at a film festival is \$ <b>9.71</b> – nearly four dollars higher than the 2002 national theatrical average of \$5.81. <sup>1</sup>
The <i>mean annual operating budget</i> of a film festival is nearly <i>one-quarter of a million dollars</i> . Furthermore, another 91% of festivals receive in-kind sponsorship services donated on top of cash expenditures. These in-kind sponsorships average more than \$150,000 in value.
The <i>average film festival will fill nearly 12,000 seats</i> over the course of the festival. Of these viewers, fewer than 9% know someone involved in the film they came to see.
Festivals make the bulk of their income from <i>corporate cash sponsorships</i> . With a mean of <i>nearly \$100,000 annually per festival</i> , the average total corporate sponsorship cash commitment is more than \$40,000 higher than ticket sale proceeds, the second highest revenue source.
In addition to providing economic value through partnerships with corporate sponsors, festivals create jobs in local communities. The average festival spends more than <i>\$65,000 annually on staffing/employment</i> , and 78% pay their executive director either full-time or a stipend.
New film product can be discovered outside the traditional acquisition targets, such as Sundance, Toronto, or Cannes. Many of filmBUZZ's top 2003 films were <i>discovered by distributors after playing successfully to regional film festival audiences</i> .
Upon initial analysis, <i>regional festival audiences appear to be reflective of art house audiences</i> . They predominantly live in the community local to the festival, their demographics represent the expected well-educated art house audience, and they are avid consumers of independent film outside of the festival context.

*Source: filmBUZZ nationwide study of film festival administrators; filmBUZZ proprietary festival research*

### *Demographics of Film Festival Attendees: EDUCATIONAL ATTAINMENT*

Category	Festival-Goers
Less than High School/High School	9.2%
Some College/Associate's Degree	16.8%
Bachelor's Degree or Higher	73.9%
-Bachelor's Degree Only	33.9%
-Master's Degree or Higher	40.0%

<sup>1</sup> [http://www.mpa.org/useconomicreview/2002/2002\\_Economic\\_Review.pdf](http://www.mpa.org/useconomicreview/2002/2002_Economic_Review.pdf), page 10.

## Percent of Festival Attendees Seeing Four Pre-Specified Independent Releases

Film Title	Percent Who Saw in a Theater
Talk to Her	21.6%
In the Bedroom	33.5%
The Pianist	40.6%
Y Tu Mama Tambien	29.9%

Base: Festival attendees, 7 filmBUZZ partner festivals

## Correlations Between Audience Ratings and Review Averages

	Rotten Tomatoes	Metacritic®
BUZZ Score*	.113	-.023

\*A **BUZZ Score** is a filmBUZZ screening metric that combines the overall ratings of a film with audiences' likelihood to recommend the film and/or see it again. It is reported on a 1 to 100 scale. Correlations are Pearson correlations.

## Correlations Between Box Office Revenue and Potential Success Indicators

Metric Measured	Correlations		
	Box Office – 1 <sup>st</sup> 4 Weeks Only	Box Office - After First 4 Weeks Only	Total Box Office
filmBUZZ BUZZ Score	.185	<b>.516</b>	<b>.497</b>
Ad Spending, Total Run (New York Times only)	<b>.658</b>	<b>.576</b>	<b>.661</b>
Mean Rotten Tomatoes Score	-.028	.347	.298
Mean Metacritic® Score	.263	.387	.402
Maximum Number of Screens Played	<b>.731</b>	<b>.730</b>	<b>.814</b>

\*NOTE: Statistically significant Pearson correlations in **bold/italics**. Total box office revenue calculations as of 2/12/04.

## Actual vs. Expected Revenues for Select Independent Films Released in 2003

Title	Actual Box Office	filmBUZZ Estimated Box Office
American Splendor	\$ 6,010,990	\$ 6,144,137
The Barbarian Invasions*	\$ 1,177,769	\$ 1,252,510
Thirteen	\$ 4,601,043	\$ 5,867,886

\*Still in release as of 2/12/04. Actual box office data as of 2/12/04, as reported in *Variety*. Estimates based on filmBUZZ proprietary research model.

### Report Excerpt

#### The Discovery Zone

Another misperception on the film festival circuit is that the same films play over and over. Certainly there is repetition across festivals, but the vast majority of festival films are not repeats. In the past year, filmBUZZ tracked 569 screenings<sup>2</sup> and found that only 26% of titles repeated themselves. In other words, 74% (i.e. 419 films) were unique titles. With an average 46.5 feature films screened every year at each film festival, filmBUZZ estimates that as many as 13,000 unique feature titles play at film festivals every year.

Ostensibly, the most promising films are accepted into prominent international festivals, including Sundance, Toronto, Berlin, and Cannes. Accordingly, these larger festivals have been dubbed "discovery" festivals for their popularity among acquisition executives. And it comes as no surprise that their films, which are in a sense "pre-screened" for quality by established film festival programmers, are favored by audiences at smaller regional festivals. The surprise, however, is that they are far from the only favored films. The major discovery festivals are a valuable source of acquirable content, but they are not the only resource available.

Of the 419 unique titles tracked by filmBUZZ in 2003, fewer than 20 of these films played at Sundance in 2003, and only a handful screened at major international festivals such as Cannes and Toronto. The amount of potential content is indisputable – the more interesting question is, "Are these non-discovery festival films worthy of our attention?"

The answer, which is a categorical "Yes," is not always evident on the surface. Audiences often agree closely with both discovery festival programmers and specialty distributors -- at the Starz Denver International Film Festival, for example, the top five audience favorites in the narrative feature category all had pre-established theatrical distribution deals with specialty distributors such as Miramax, MGM/UA, and Fox Searchlight. But the interesting case is not the norm, rather, it is the exception – the unknown film that screens alongside a well-publicized specialty arm favorite and wins the most audience support in direct competition. Sometimes this exception is a feature that appears to arise from the woodwork to win over audiences; other times it is an entire genre that highlights an untapped resource for audience appeal. In Denver, for example, the narrative feature distribution pattern was not true of the documentary category. Among the festival's top five documentary films, none was represented by a studio-affiliated specialty distributor, despite the rising popularity of documentary fare and the high ratings that audiences bestowed to the festival's top documentaries.

With regional festivals often dismissed as devoid of promising new content, these films run the risk of never achieving the audience potential they present. Below we have chosen three examples that represent the pinnacle of this pattern. These films have all shown immense promise in the festival context and were ultimately backed by smaller distributors who presumably recognized their potential. However, these films never entertained the bidding wars and studio attention characteristic of the bigger name films they outshined in head-to-head competition.

#### **Example 1: "In America" vs. "The Butterfly"**

Critically acclaimed Jim Sheridan feature, "In America" fared consistently well at filmBUZZ screenings, finishing 5<sup>th</sup> in the feature category at the Starz Denver International Film Festival (in the admirable company of films such as "The Best of Youth", "Pieces of April", and "The Station Agent") and 2<sup>nd</sup> at the St. Louis International Film Festival. It provides a valuable benchmark for another film, "The Butterfly," a French production in current release through First Run Pictures.

Screening head-to-head in crowded feature competition screenings in St. Louis, "The Butterfly" (BUZZ Score = 93.7) edged out both "In America" (St. Louis BUZZ Score = 90.2) and "Girl with a Pearl Earring" (BUZZ Score = 85.8) to win both the festival's audience award and filmBUZZ's top festival spot in the narrative feature category. But while "In America" and "Girl with a Pearl Earring" received the attention of major distributors, mass media, and audiences, "The Butterfly" has received little media attention to date, despite active support among prospective audiences.

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<sup>2</sup> At festivals that screened a film multiple times, data from multiple showings were aggregated and considered to be one "screening" per festival for analysis purposes.