

## Film Finance and Distribution



**-reducing the sales gamble**

The Digital Film Cloud Network acts as an online market place for film makers, sales agents and distributors and was started four years ago. In the first year there were only 100 participants but this rose to 10,000 films on the platform last year and an expected 16,000 for 2016. The buyers' platform changes the way business is done from a manual to a digital process via the website DFCN.com. Will this make sales agents extinct? Not for those that nurture their film makers rather than acting as a mere broker.

Most film makers are not taught how to sell a film and if they are making a niche cult classic, the audience may be very small. Now it is possible for them to upload their films and share them on the site for maximum exposure. Supporters of the platform claim that films may become worthless if exposed to too many festivals; many people will have seen them and buyers become reluctant to buy them. The commercial way forward is to take the films straight to market.

The website has a view on demand platform that can be rented for a time and allows others to see what is trending, which can be shared with the market place. The important point made is that film makers must plan before making a film, how to reach their core audience. They should research the trends of what sells and be led by that if they are to make money for themselves and their investors. A particular genre of film may be popular in one geographic area such as Europe but be of no interest in Asia. Marketing is also important and essential for those that follow the crowd funding route.

The film audience is also evolving and the way in which profits from films are made, will need to adapt. Millennials are less inclined to pay to view films and many already download illegally. It will be necessary to review how future profits are to be made and they may arise from other arrangements such as product placement. The arrival of virtual reality immersive films may also change the way in which profits are made. Many VR films will last no longer than 15 minutes or several bites of 15 minutes to allow the audience to break and do something else for a time. Those hosting VR films may be able to charge more per minute viewing in this way than a flat charge for two hours of film.

Film pirating is here to stay and is just another business model that needs to be created. The challenge of the film industry is to adapt and change the way it works to ensure that profits are still there to be made.

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