

WINDOWS

A "window" is a precise period of time, usually measured in months, when a company is permitted exclusivity to acquire revenues from either the screening, renting, or selling of your movie for their specific (video, cable, broadcasting, etc.) industry. Besides sub-window revenues, there are additional dollars from ancillary markets (merchandising and licensing, music rights, publishers, educational markets, airlines, product placement, etc.) and from the foreign market.

Sequencing: (maximizing your revenue from all global markets)

*Theatrical Release

If you can book your film in the top 20 markets (NY, LA, Chicago, etc.) with at least 1 print in 1 art house theater for 2 weeks with corresponding publicity and ads, you will have created a product that the audience believes has a perceived value of \$8.00 (ticket price for a movie). Even if people don't attend, this will trigger sales to the ancillary markets. Theaters to look for are national chains similar to the Landmark Theaters. Examples are Laemmle Theaters (Los Angeles), Film Forum (NYC), Dobie (Austin), Brattle (Boston), Key (Washington, D.C.), CineMagic (Pittsburgh), Angelika (Houston), Roxie (San Francisco) and the Music Box (Chicago). To book you will probably get a percentage deal (25-35% of box office) or a "house-nut" deal, where the theater owner takes out his expenses first then splits. Another method is called "4-Walling," where you literally rent the 4 walls of the theater, and collect the money yourself. Spending 1-3 weeks in each city with a total of 5-7 prints could easily take you 12-16 months. But you now have something that's worth \$8.00. Bottom line box office gross could be \$200,000-\$500,000.

*Pay-Per-View

Depending on your theatrical exposure, you can now sell the Pay-Per-View rights to companies like Spectradyne, SelecTV, and RequesTV, who will split 50-50 with you on distribution revenues from hotel/motel travelers (\$6-\$7 fee) and home viewers who dial cable operators (\$3-\$4 fee) after hotels and cable operators take out their cut. Bottom line could be in the neighborhood of \$20,000-\$50,000.

*Video

This could be wonderful revenue. Assuming your film has been booked in theaters and video renters have seen the newspaper ads but did not attend the movie when it was in theaters, they are now curious about seeing it at home for a rental fee of \$3.00-\$4.00. Let's assume there are 25,000 video stores who each purchase only 2 cassettes each from a video distributor at a fee of \$99. You will gross almost \$5.0 million. If, at the low end, 1 out of 5 stores orders only 1 cassette priced at \$24.95, the video distributor will gross \$125,000. Video sales could range from \$125,000 to \$5 million depending upon the theatrical exposure and word-of-mouth of your product when it was in theaters. The National Distributors is the VSDA. Bottom Line: \$125,000 - \$5 million.

*Pay Cable

Your best sales now will be to the cable industry, but specifically to those channels that program mostly movies. The pay-cable buyers are HBO, Cinemax, Showtime, The Movie Channel, StarZ, Encore, Disney and Playboy. There are only 3 cable networks who will give you \$100,000-\$1,000,000 for a limited theatrical release. They are HBO, Showtim, or StarZ. Bottom line: \$100,000-\$2,000,000.

*Basic Cable

Although pay cable pays the most, the likelihood of getting a sale to one of the big 3 is not good if you haven't had your film in at least the top 20 markets. However, you can get basic cable networks that cablecast films that have no theatrical release but have been award winners at festivals. These networks are the Independent Film Channel, Bravo, Sundance, TNT, TBS, USA, A&E, etc. Bottom Line: \$30,000 - \$150,000.

*PBS/TV

The most prestigious sale will probably be to PBS. Although the money is not great (\$425-\$500/minute) it could still garner you an additional \$25,000-\$60,000 and massive credibility. Bottom line: \$25,000-\$60,000

Release Patterns

Saturation Release:

This is solely done by the major studios who have the massive P&A (Prints & Advertising) money to book a screen in at least 1 out of 2 multiplexes in each city. This results in print release of anywhere from 1,500-2,500. Only expect this to be done with a big budget feature that has the potential of grossing over \$100 million with a \$10-\$15 million release cost. Distributors: Warner Bros., Paramount, MCA/Universal, Disney, etc.

Platform Release:

A major studio release pattern with big budget films with the feature being released in 3 stages. The first stage, for 1-2 weeks, is 10-20 prints each being released in a single large theater in one of the top 10-20 (NY, LA, Boston, Chicago, etc.) markets in America. Stage 2 has the film opening wide a week later, an additional 15-30 prints (150-600) in each of those 10-20 major markets. Stage 3 has the film opening wide on all the smaller cities (markets #21-200 with the same 150-600 prints) around America during the next 4-6 weeks. Distributors: Miramax, New Line, MGM/UA, etc.

Limited Release:

This is when a film opens in just a select few theaters in the major markets of New York, Los Angeles, Chicago and then if it is well received at the box office it makes its way into a smaller scale of a platform release. This release pattern also applies for medium to big budget films that the distributor has discovered, upon completion, that it is not as good as it hoped. However, the distributor, due to contractual relationships with Pay Cable (HBO/Showtime) and Home-Video buyers, is forced to open in major cities, a minimum of one week each, in order to guarantee the eventual sales to these ancillary markets. Distributors: Regency, Polygram, Savoy, Gramercy, etc.

Market-by-Market:

Usually it's a good-to-excellent small film that a mid-size distributor has picked up but does not have the capital for a Saturation Release of 1,500-2,500 prints. This distributor will make 20-40 prints and play it in one region after another over 12 months until North America (USA/Canada) is eventually saturated. Distributors: Samuel Goldwyn, Fox Searchlight, Trimark, Mandalay, etc.

Art House Release:

Foreign films, small film noirs or anything made by Merchant-Ivory are in the classification distributed via art houses. The point is that in every large city there is 1-2 art houses (small old cinemas) seating 100-200 rather than Multi-plexes seating 1,200-2000. The Laemmle, Lumiere and Landmark are examples of these theatre circuits. Thus, you need only 7-10 prints to get exposure and then, depending upon box office acceptance, go on a small market-by-market (order 10-15 additional prints), campaign sometimes called a "roadshow" with 15-25 prints. Distributors: Strand Releasing, Fine Line, Mandalay, etc.

Four-Walling:

For the total film entrepreneur. This occurs when you circumvent a distributor and go from town-to-town renting, literally, the 4 walls of the theater direct from the theater owner, bringing your own print, placing your own ads, and sitting in the box office collecting every penny (if any) for yourself. You cut out the middlemen. In the '70s this was done with the famed Billy Jack series and in the '90s this was done by Warren Miller with skiing and surfing movies.

Non-Theatrical:

For films that go directly to the video, foreign sale, cable, hotel/motel, pay-per-view, broadcasting (TV), foreign television, multi media, web and net markets for revenues. Bottom line is you'll need a distributor, unless you're either four-walling or trying an art house release, and the more you know about the way distributors release films, the better you can be when it comes time to negotiate your distribution deal.

*Foreign Markets

Besides America, think globally. You would like to sell, (the correct word is license") your film to other nations or territories. There are approximately 35 nations (Germany, Italy, France, Japan, Ecuador, Israel, etc.) or territories (Middle East, East Africa, Benelux, Scandinavia, etc.) around the world that can afford to pay you some money for the rights to market your film in their nation for a period of 4-10 years. To reach these international buyers you will attend 1 or 2 of the 3-5 film markets (AFM, Cannes, MIFED, RAINDANCE & IFFM) that take place each year and make arrangements with the foreign sales company which will represent your product for a fee or approximately 35 percent. Bottom Line: approximately \$50,000-\$500,000.