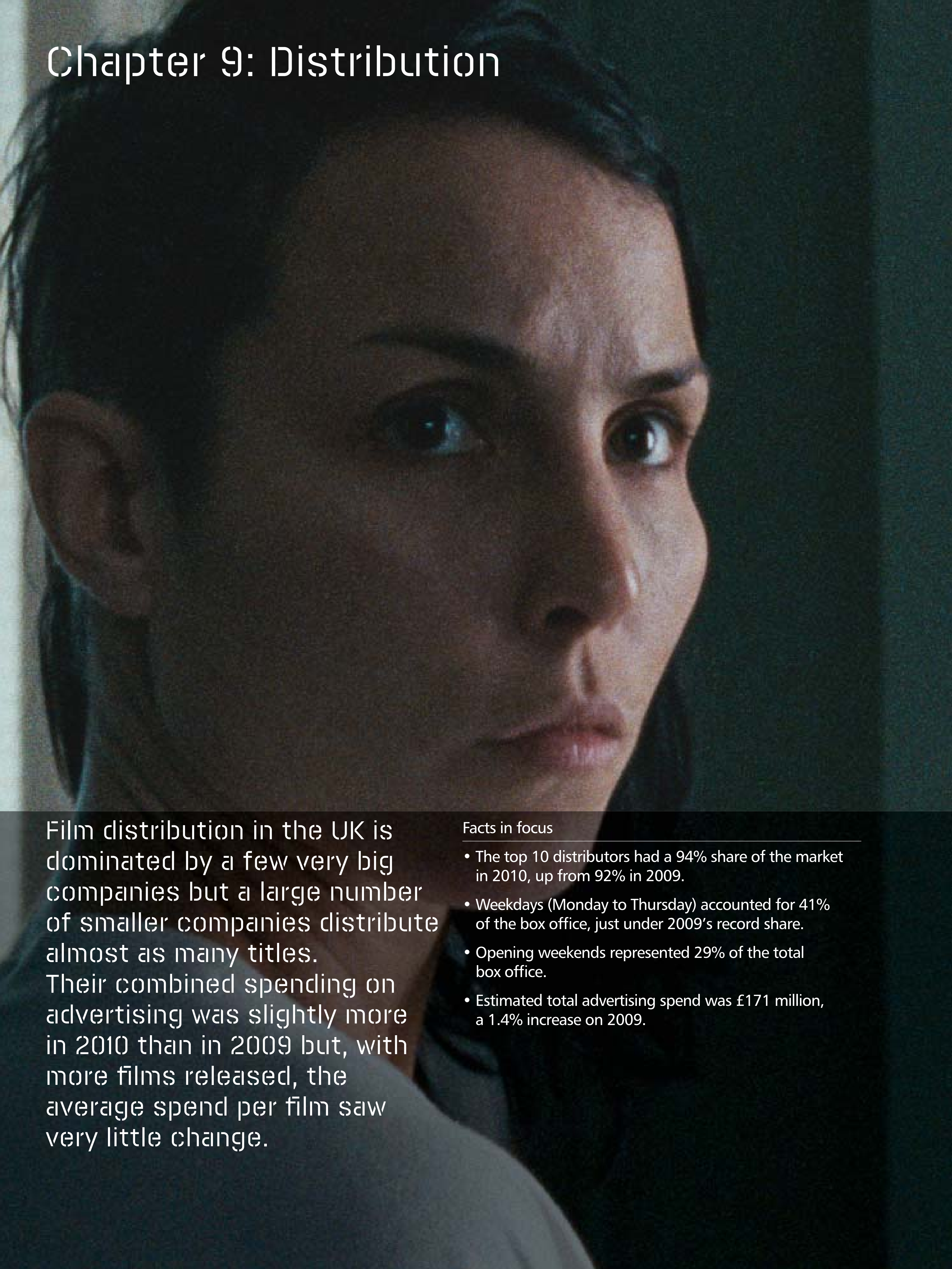
Chapter 9: Distribution



Film distribution in the UK is dominated by a few very big companies but a large number of smaller companies distribute almost as many titles. Their combined spending on advertising was slightly more in 2010 than in 2009 but, with more films released, the average spend per film saw very little change.

Facts in focus

- The top 10 distributors had a 94% share of the market in 2010, up from 92% in 2009.
- Weekdays (Monday to Thursday) accounted for 41% of the box office, just under 2009's record share.
- Opening weekends represented 29% of the total box office.
- Estimated total advertising spend was £171 million, a 1.4% increase on 2009.

9.1 Distributors in 2010

The top 10 distributors had a 94% share of the market in 2010, up from 92% in 2009 (Table 9.1). The remaining 88 distributors handled a total of 379 titles, 62% of the films on release, but gained only a 6% share of the box office. The leading distributor was Warner Bros, which released three of the UK's top five films of 2010, *Harry Potter and the Deathly Hallows: Part 1*, *Alice in Wonderland* and *Inception*. Table 9.1 shows box office takings by distributor for all films which were on release in 2010, and hence the box office takings of some films which were released in 2009 but stayed on release into 2010 are included. The record breaking *Avatar*, which was released in late 2009 but which took most of its £94 million in 2010, made a significant contribution to 20th Century Fox being in second place in this list. Other films released by 20th Century Fox in 2010 include *Gulliver's Travels* and *The Chronicles of Narnia: The Voyage of the Dawn Treader*. Paramount was the third highest grossing distributor, with films such as *Shrek Forever After*, *Iron Man 2* and *Little Fockers*.

Table 9.1 Distributor share of box office, UK and Republic of Ireland, 2010

Distributor	Market share (%)	Films on release in 2010	Box office gross (£ million)
Warner Bros	18.3	31	203.7
20th Century Fox	15.9	28	177.1
Paramount	14.8	31	164.0
Walt Disney	14.0	18	155.3
Universal	10.2	21	113.9
Sony Pictures	6.9	22	76.6
eOne Films	5.5	18	61.1
Lions Gate	3.5	16	38.6
Entertainment	2.5	15	27.3
Optimum	2.2	37	24.1
Sub-total	93.7	237	1,041.6
Others (88 distributors)	6.3	379	69.7
Total	**100.0**	**616**	**1,111.3**

Source: Rentrak EDI.
Notes:
Box office gross = cumulative box office total for all films handled by the distributor in the period 1 January 2010 to 6 January 2011.
Percentages may not add to sub-totals due to rounding.

Table 9.2 highlights the top 10 distributors of foreign language films at the UK box office. Companies that release Indian films, such as Eros, UTV Motion Pictures, Ayngaran International and B4U Network are well represented in the list. Curzon Artificial Eye released the most foreign language titles (21) in 2010, while Momentum's four releases had the biggest share of the box office (£4.5 million). Momentum's four foreign language releases included the three Millennium trilogy films, *The Girl with the Dragon Tattoo*, *The Girl Who Played with Fire* and *The Girl Who Kicked the Hornets' Nest*. The highest grossing foreign language film of the year, *My Name is Khan*, was released by 20th Century Fox but the company does not appear in the table as this film was its only foreign language release.

Image: *The Girl Who Kicked the Hornets' Nest* courtesy of Momentum Pictures, an Alliance Films Company

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Table 9.2 Top 10 distributors of foreign language films in the UK and Republic of Ireland, 2010 (ranked by box office gross)

Distributor	Films released in 2010	Average widest point of release	Box office gross (£ million)
Momentum	4	94	4.5
Eros International	15	31	3.8
Optimum	11	42	3.2
UTV Motion Pictures	6	47	3.0
Metrodome	8	17	2.1
Curzon Artificial Eye	21	14	2.1
Ayngaran International	14	10	1.3
B4U Network	11	22	1.1
Reliance Big Pictures	5	35	1.0
Revolver	2	33	0.7

Source: Rentrak EDI, RSU analysis.
Note: The list includes distributors releasing two or more foreign language titles in the period 1 January 2010 to 6 January 2011.

9.2 Distributors 2004–2010

The distributors' market shares fluctuate from year-to-year (Table 9.3). The leading distributor of 2010, Warner Bros, saw its market share increase thanks to films such as *Harry Potter and the Deathly Hallows: Part 1*, *Alice in Wonderland* and *Inception*. The share of box office made by distributors outside the top 10 was 6% in 2010, which is the second highest share for distributors in this category since 2004. In the last few years it has ranged from under 3% in 2005 to just below 8% in 2009.

Table 9.3 Distributor market share as percentage of box office gross, 2004–2010

Distributor	2004	2005	2006	2007	2008	2009	2010
Warner Bros	14.7	18.2	8.2	15.6	11.0	11.2	18.3
20th Century Fox	10.7	14.3	20.9	13.9	9.4	16.6	15.9
Paramount	–	–	–	14.7	16.9	10.8	14.8
Walt Disney	14.5	13.1	15.7	10.7	9.9	12.4	14.0
Universal Pictures	–	–	–	13.9	18.5	10.5	10.2
Sony Pictures	10.0	6.8	16.1	8.2	12.5	11.3	6.9
eOne Films	–	–	–	–	–	4.9	5.5
Lions Gate	1.0	0.3	2.4	2.3	2.5	2.9	3.5
Entertainment	7.9	9.4	7.9	9.5	8.0	8.6	2.5
Optimum	–	–	–	–	–	–	2.2
Pathé	2.8	3.4	3.2	1.3	2.1	2.9	–
Momentum	2.2	1.9	2.3	3.4	3.5	–	–
UIP*	29.8	29.1	18.9	–	–	–	–
Top 10 total**	96.1	97.3	96.4	94.5	94.5	92.2	93.7
Others	3.9	2.7	3.6	5.5	5.5	7.8	6.3
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Rentrak EDI.
* Until 2006 Paramount and Universal distributed jointly as UIP.
** Top 10 total refers to the top 10 distributors of that particular year. The table is ranked by top 10 distributors in 2010.
Note: Percentages may not add to sub-totals due to rounding.

9.3 Weekend box office

In 2010, 59% of the box office was taken at weekends (Friday to Sunday), almost the same as the 58% seen in 2009 (Table 9.4). As in 2009, the films released in 2010 included a number which attracted large weekday audiences. Family films tend to draw weekday audiences during school holidays, and some of 2010's family films, such as *Toy Story 3*, *Harry Potter and the Deathly Hallows: Part 1* and *Shrek Forever After*, were very successful at the box office (all three were among the top five films at the UK box office in 2010). In addition, the 'Orange Wednesdays' promotion continued to have an impact in 2010 with 13% of the box office being taken on Wednesdays (which is very similar to 2009's 14%).

Table 9.4 Box office percentage share by weekday/weekend, 2004–2010

	2004	2005	2006	2007	2008	2009	2010
Friday	15.3	18.0	16.5	16.4	16.7	16.4	16.0
Saturday	24.5	27.0	25.1	27.8	24.4	24.0	24.1
Sunday	19.9	19.0	18.7	19.3	18.3	17.8	18.5
Weekend	**59.7**	**64.0**	**60.3**	**63.5**	**59.4**	**58.2**	**58.6**
Monday	9.7	8.0	9.5	7.2	9.4	9.2	9.5
Tuesday	10.1	8.0	9.5	9.0	9.5	9.5	9.3
Wednesday	10.7	10.0	10.9	11.6	11.9	13.7	13.2
Thursday	9.8	10.0	9.7	8.7	9.9	9.5	9.3
Weekday	**40.3**	**36.0**	**39.7**	**36.5**	**40.7**	**41.8**	**41.4**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Rentrak EDI.
Note: Percentages may not add to weekend/weekday sub-totals due to rounding.

The opening weekend box office as a share of total theatrical revenue rose to 29% in 2010 as shown in Table 9.5. Some of the year's top films such as *Toy Story 3*, *Harry Potter and the Deathly Hallows: Part 1* and *The Twilight Saga: Eclipse* all took high proportions of their total box office gross on their opening weekends (if a film is previewed before the official Friday opening, its opening weekend box office figures include the takings from its previews). The opening weekend box office for *Harry Potter and the Deathly Hallows: Part 1*, of £18.3 million, was a record UK three-day opening weekend, and represented 35% of the film's total box office (to 10 February 2011). *Toy Story 3*'s opening weekend box office, which included preview takings, was even higher at £21.2 million, which was almost a third (29%) of its total box office. *The Twilight Saga: Eclipse*'s opening weekend takings, of £13.8 million (£6.4 million of which was from previews), represented nearly half of its total box office, even though its theatrical run lasted for 14 weeks.

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Table 9.5 Opening weekend as percentage of total box office, 2007–2010

Range of box office results (£ million)	% of total in opening weekend 2007	% of total in opening weekend 2008	% of total in opening weekend 2009	% of total in opening weekend 2010
More than 30	35.8	21.7	18.8	27.4
20–30	30.2	31.0	23.0	35.8
10–19.9	20.0	29.2	32.2	26.1
5–9.9	25.4	27.6	26.1	26.7
1–4.9	28.1	27.4	30.3	30.4
0.2–0.9	31.9	34.1	35.5	31.9
Less than 0.2	34.1	34.8	36.5	34.8
All films	**28.5**	**27.3**	**26.1**	**28.6**

Source: Rentrak EDI, RSU analysis.
Note: Opening weekends include preview figures. For films with a limited initial opening, the wider release figure is included in the analysis.

9.4 Release costs

The opening weekend is recognised as being crucial to the success of a film, both in cinemas and on subsequent release platforms. Distributors invest heavily in advertising in order to raise a film's profile across all media (outdoor posters, print media, television, radio and increasingly online). The estimated total distributor advertising spend in 2010 was £171 million, up 1.4% from £168 million in 2009 (Table 9.6). However, more films were released in 2010, and the average advertising spend per film in 2010, at £0.3 million, was very similar to that in 2009. Press spend has fallen over the last seven years (from £30.1 million in 2003) while the internet has emerged as an outlet for film advertising (internet advertising spend dipped slightly from £6.4 million in 2009 to £6.1 million in 2010).

Approximately £36 million was spent on advertising British films, up from £28 million in 2009. This increase is mainly due to the advertising spend of the UK/USA studio films, though a few UK independent films received similar levels of advertising spend to the studio-backed films. Although there were two fewer UK/USA studio films released in 2010 than in 2009, five of the 2009 studio-backed UK films were re-releases which received little or no advertising, whereas all 2010's studio-backed films were new films and were well advertised.

Table 9.6 Estimated advertising spend, 2003 and 2007–2010

(£ million)

Medium	2003	2007	2008	2009	2010
TV	61.2	74.1	79.3	74.3	76.0
Outdoor	46.6	65.3	56.2	57.0	61.0
Press	30.1	27.0	22.6	19.9	19.9
Radio	9.7	8.4	9.4	10.7	7.6
Internet	–	4.7	4.5	6.4	6.1
Total	**147.6**	**179.5**	**172.0**	**168.3**	**170.6**

Source: Nielsen Media Research.

Where the data are available, the total release costs for various release widths can be estimated. By taking a typical print cost of £1,000 per print and adding the Nielsen Media Research advertising spend estimate plus 20% for other public relations campaigns, publicity and premiere costs, the average release cost for each level of theatrical release can be calculated (Table 9.7). This shows that for films released across the widest number of cinemas (500+), the average release cost was £2.6 million, compared with £3.4 million in 2009 and almost £4 million in 2008. The above method of calculating the contribution of print costs to the total release cost for a film assumes analogue distribution of prints, but films are increasingly distributed on both analogue and digital prints. However, as information on the numbers of analogue and digital prints (and for digital prints, the method of distribution) for individual films is not available, the 2010 release costs have been estimated in the same way as for earlier years to provide consistent comparisons.

Average release costs for the films with the widest releases have decreased from 2009 levels but, as indicated above, the 2010 average advertising costs for all films was very similar to the 2009 average. While the films with the widest releases (ie those which spend most on advertising) spent less per film on advertising in 2010 than in 2009, there were more of these films in 2010, and there were also more films in 2010 than in 2009 in the second category (where the spend per film was slightly higher in 2010 than in 2009), so the overall advertising spend in 2010 was similar to that in 2009.

Table 9.7 Estimated release cost by width of release, 2008–2010

Sites at widest point of release	Average release costs 2008 (£ million)	Average release costs 2009 (£ million)	Average release costs 2010 (£ million)
500+	3.95	3.40	2.65
400–499	2.21	2.05	2.09
300–399	1.39	1.32	1.24
200–299	0.90	0.84	0.77
100–199	0.43	0.51	0.33
50–99	0.18	0.21	0.20
10–49	0.08	0.06	0.04
<10	0.01	0.01	0.01

Source: Nielsen Media Research, Rentrak EDI, RSU analysis.
Note: The print costs calculations assume analogue distribution of prints but films are now distributed on both analogue and digital prints. However, as information on the type of print or method of digital distribution is not available, the 2010 release costs have been estimated in the same way as for earlier years to provide consistent comparisons.

- For further details about the UK box office in 2010 see Chapter 1 (page 8)
- For more information about the top films at the UK box office in 2010 see Chapter 2 (page 16)
- For an overview of employment in film distribution see Chapter 22 (page 194)