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crescine

State of European Film

An overview of key industry trends, insights, and policy recommendations for the European Film and Audiovisual industry

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Statement of Originality

This deliverable contains original unpublished work except where clearly indicated otherwise. Acknowledgement of previously published material and of the work of others has been made through appropriate citation, quotation, or both.

Disclaimer

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Introduction: The Overall State of the Market

By Sten-Kristian Saluveer & Manuel José Damásio

The inaugural edition of the State of European Film Industry Platform presents **a comprehensive, data-driven overview of key industry trends**, insights, and policy recommendations for the European Film and Audiovisual industry –particularly focused on small European markets. This yearly report, developed under the Horizon Europe project CRESCINE (HORIZON-CL2-2022-HERITAGE-01, project ID: 101094988), presents the findings of this EU-funded initiative designed to enhance both the cultural diversity and competitiveness of the European film industry. Through rigorous original research and practical pilot projects in seven countries—Estonia, Lithuania, Denmark, Ireland, Belgium (Flanders), Croatia, and Portugal—the project systematically examines the unique challenges and growth drivers in smaller European markets, highlighting their critical role in reinforcing the overall competitiveness of the EU film sector.

CRESCINE ensures that high-quality European research and industry insights are readily accessible to a broad spectrum of stakeholders. This publication is a reliable, transparent, and up-to-date resource for industry professionals, including content creators, network operators, festival organizers, ecosystem stewards, and policymakers.

The initiative is undertaken by a consortium of seven renowned European universities and research institutions. These include:

Moreover, the active involvement of industrial and commercial partners reinforces the relevance and practical impact of the research findings. The consortium's broad network includes key organizations such as:

CRESCINE's European State of Film is expected to significantly enhance the competitiveness of the European film industry, with particular emphasis on the contribution of small European markets. While the consortium assumes full responsibility for any errors or omissions, the findings and recommendations provided in this report are made available for the benefit of all industry stakeholders.

Executive Summary

By Sten-Kristian Saluveer & Manuel José Damásio

This inaugural edition of the State of European Film Platform presents key findings from the first year of the EU-funded Horizon project CRESCINE. Designed to ensure transparent and accessible information for industry professionals, policymakers, and other key stakeholders along the film value chain, this publication consolidates critical data and insights essential for the future competitiveness of the film and media sectors in Europe's small markets.

The analysis is centered on seven European countries – Belgium, Estonia, Denmark, Lithuania, Croatia, Ireland, and Portugal – and examines a range of interrelated topics illuminating both the challenges and opportunities these markets, and the broader European film industry, face. Themes include the role of film festivals in creating distribution and circulation opportunities for titles originating from small markets and the perceptions of local audiences toward domestically produced films.

This comparative approach underpins an original proposal for understanding the various developmental models available to these markets, emphasizing exports as a viable growth driver for the European film industry. The report also explores conditions that either hinder or incentivize competitiveness, addressing issues such as the need for reskilling and upskilling professionals and promoting an entrepreneurial mindset among industry stakeholders—always with sustainability as a central consideration.

The future remains inherently uncertain; however, the report asserts that the quality and impact of future decisions depend on the robustness of the available information and the capacity to critically evaluate and act upon it. The European State of Film Report & Platform is committed to enhancing decision-making processes throughout the European film industry and bridging the gap between academic research and industry practice.

European Film Through Festival Circulation

By Vejune Zemaityte, Indrek Ibrus & Ulrike Rohn

Films by small countries are rarely selected by festivals.

CRESCINE is pioneering innovative methods to gain deeper insights into European and international film markets. By integrating data across various stages of the film value chain, the project develops both granular and comprehensive overviews of market dynamics, with a primary focus on the challenges and opportunities facing Europe's small countries. A key example of this approach is the study on the representation of films from small countries in hundreds of international film festival programs, made possible through access to the Cinando database provided by Marché du Film. Preliminary findings, however, reveal that films produced in small countries remain underrepresented, with only marginal improvements over time—and these gains are observed primarily outside of the accredited A-list events. The limited presence in major international film festivals continues to restrict the already constrained opportunities for international distribution of these productions.

Small-country films in the margins of international film festivals

International film festival programs predominantly feature films from larger markets, with films from small countries or co-productions among small countries accounting for only 17% of slots between 2009 and 2021. An additional 16% of programming comprised co-productions between small and large countries.

Festival attention to small-country films improves only marginally

Festival attention to films from small countries has shown only slight improvement. Specifically, the share of programming dedicated to films produced in small countries has increased from 16% in 2014 to 24% in 2021. This improvement was largely driven by the shift to online formats during the COVID-19 pandemic.

Small-country films are increasingly programmed outside the main industry events

The inclusion of films from small countries is significantly higher outside FIAPF-accredited competitive festivals. While the share of small-country films in non-A-list events rose by 10%, from 16% in 2014 to 26% in 2021, the competitive A-list festivals maintained a programming share of approximately 15% until 2020, before experiencing a decline to 6% in 2021.

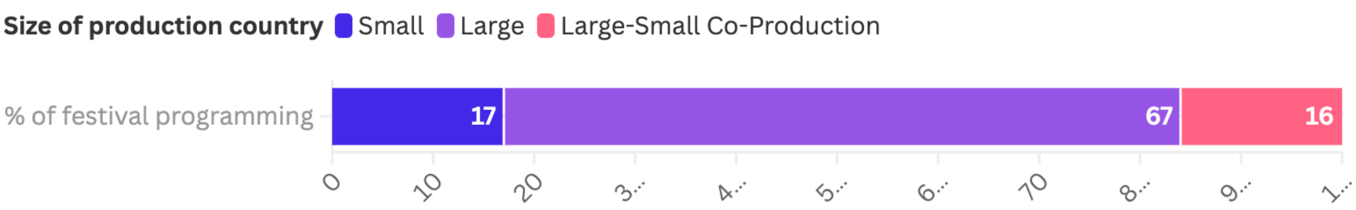
Research design

The study was designed to assess the extent to which films from countries of varying sizes are represented in the programming of international film festivals. Countries with populations under 18 million were classified as small, while those above this threshold were deemed large. Every instance of a film's inclusion in festival programs was tallied, regardless of the section, premiere status, or awards.

This big data analysis utilized film festival programming information from the Cinando platform, provided by Marché du Film – Festival de Cannes. The analysis encompassed records for 26,240 films programmed at 576 events between 2009 and 2021, representing productions from 170 origin countries and hosted by festivals in 40 countries across all continents.

The findings indicate that from 2009 to 2021, only 17% of the programming slots at international film festivals were occupied by films produced in small countries or by co-productions between multiple small countries. Additionally, films co-produced between small and large countries accounted for 16% of the programming.

Share of international film festival programming taken by films produced in countries of different sizes



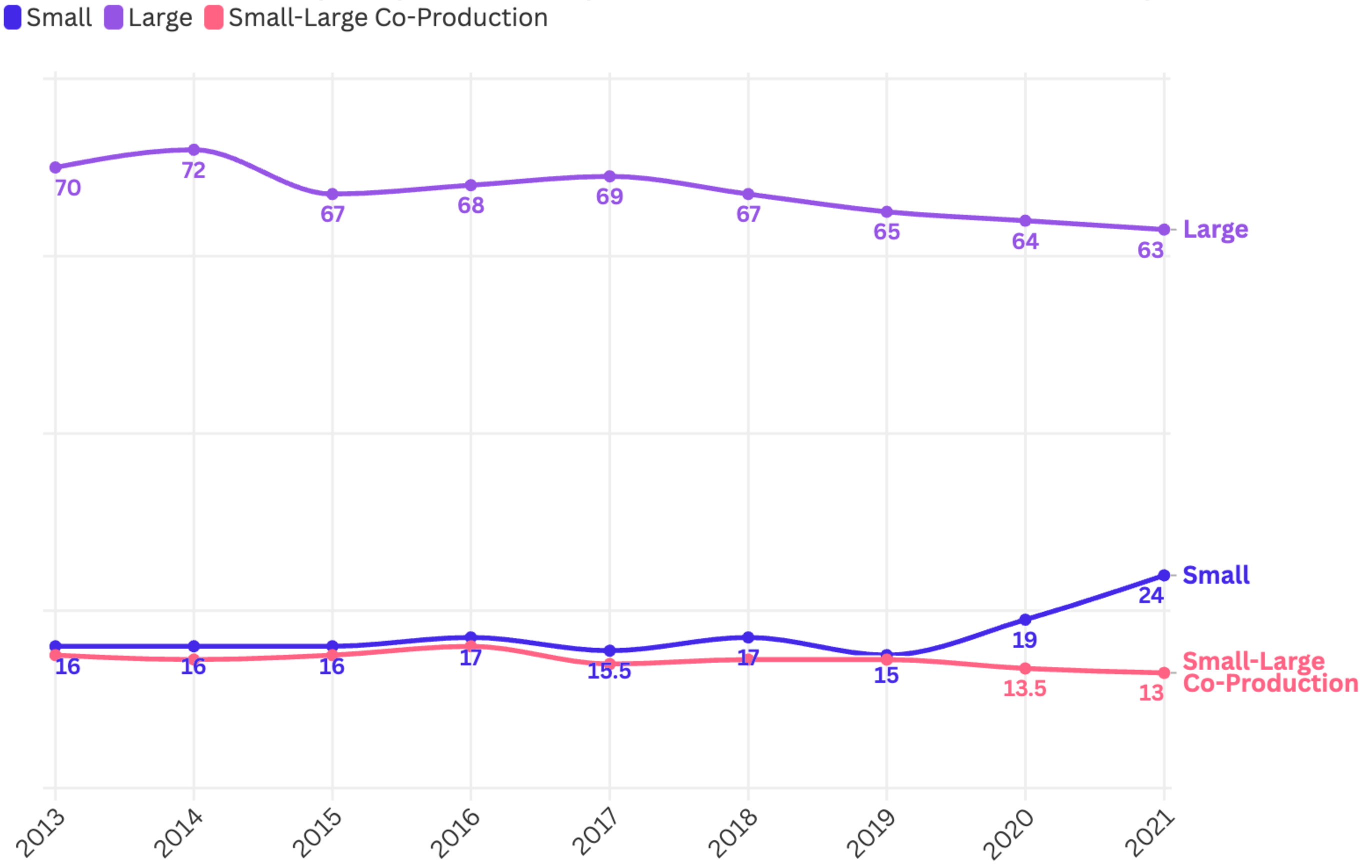
Festival attention to small-country films improves only marginally

Further analysis from 2014 to 2021 revealed that the share of festival programming slots for films produced in small countries or their co-productions increased by 8%, from 16% to 24%. In contrast, the programming share for films co-produced between small and large countries remained relatively stable, with a slight decline from 15% to 13%.

Conclusion

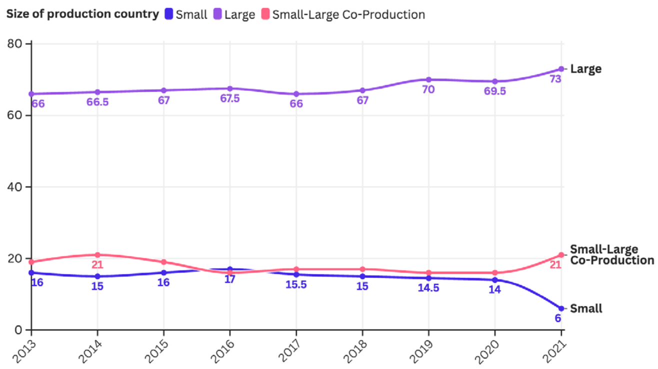
It is important to note that the increased participation of small country films during the study period was largely driven by the adaptations necessitated by the COVID-19 pandemic, which led film festivals to adopt online formats. Further research is required to determine whether this trend will persist as international film festivals return to traditional operations.

How the extent of festival participation for films produced in countries of different sizes developed 2014-2021

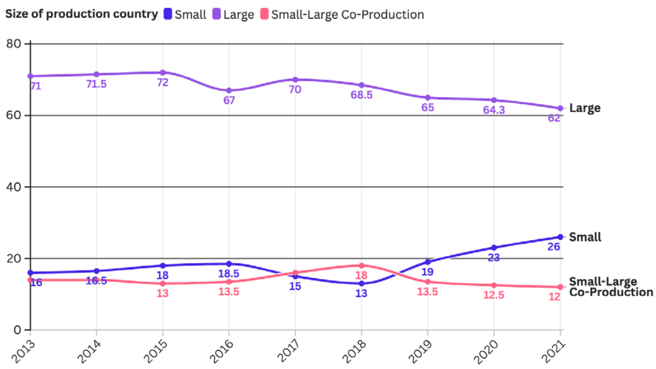


Small-country films are increasingly programmed outside the main industry events

Festival participation for films produced in countries of different sizes for A-list feature film festivals (2014-2021)



Festival participation for films produced in countries of different sizes for other events (2014-2021)



How Small Markets Compare to Each Other

By Jakob Isak Nielsen

Promoting national and European policies that are sentient to the challenges of small film markets requires a deeper understanding of the state of these small film ecosystems. CresCine therefore set out to gather empirical evidence for their traits and characteristics allowing industry stakeholders, policymakers, and researchers to have a better understanding of these markets and their competitiveness. The project's research report "Small European Film Markets: Portraits and Comparisons" was published in May 2024 to that effect.

The report gathers empirical evidence for the traits and differences of the seven markets relative to each other as well as in comparison with larger European markets. Their development is tracked from 2014 to 2022, considering factors such as production volume, genre patterns, funding sources, availability in VoD catalogs, distribution, admissions, and festival recognition. The report is conceptualized and designed as an interactive website to make it easy and engaging for stakeholders from the film industry to explore the findings and data relevant to their specific needs and interests.

The interactive website displays information on different levels of comprehensiveness and comparison and can be explored in both a linear and non-linear fashion.

Small Film Industries presents 5-page portraits of the seven small ecosystems detailing the state and development of their industries. This includes the policy context, production characteristics, funding avenues, production service initiatives, and distribution and exhibition infrastructure (cinema & VoD). Accompanying each portrait are key facts and figures for the years 2014-2022. More recent developments are occasionally highlighted in the text as are key challenges identified in the respective ecosystems.

Performance Indicators take a thoroughly comparative perspective allowing users to explore comparative data on the seven ecosystems ordered along the value chain of film production, funding, distribution, exhibition, and reception. A substantial share of the report's interactive data visualizations can be found here. The visualizations allow users to choose and compare specific markets, to focus on trends across years or individual years and to trace export flows in detail. As far as possible the underlying data is displayed to heighten transparency and allow users to work further with these numbers.

Comparison with Larger Markets presents portraits of six large markets in Europe: Germany, France, the UK, Spain, Italy and Poland. It compares the seven small CresCine markets to these six large markets in Europe in relation to film export, films in VoD catalogues, and festival awards. The section also traces strategic perspectives on competitiveness and export in these larger markets that could prove valuable to stakeholders and policymakers in CresCine markets. The final section studies the effects of US films in relation to both the seven small CresCine markets and the six large European markets.

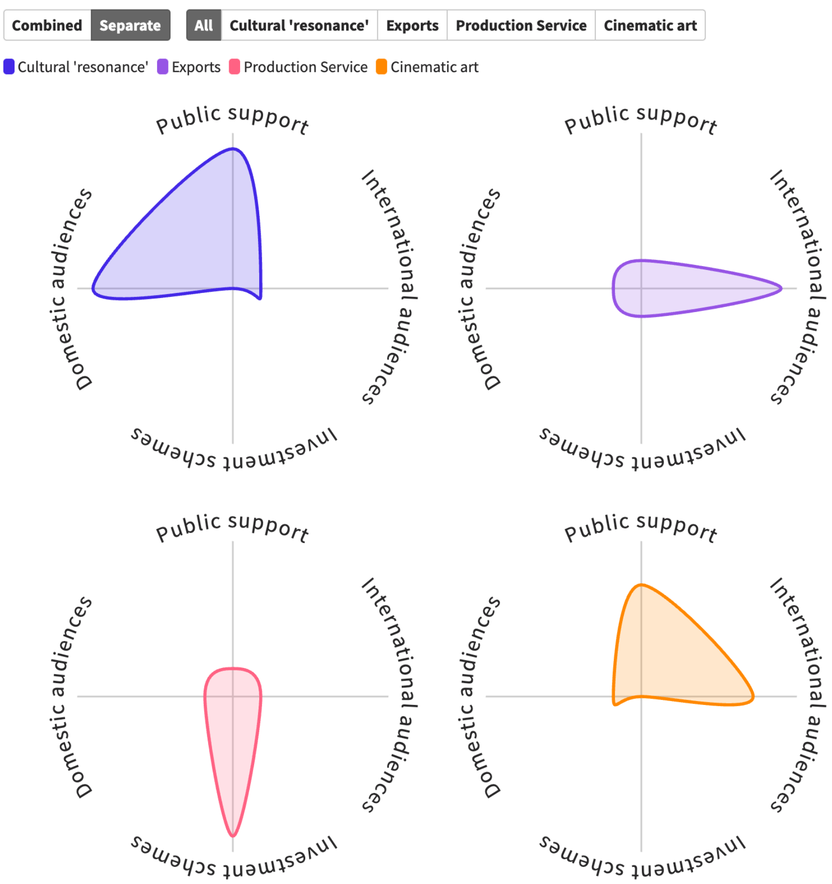
The Bigger Picture presents conclusions and key takeaways in the form of a Q&A inviting users to go back to individual details in other sections of the report.

Key findings

The analysis identifies a variety of strategic orientations that small film markets can pursue—individually or in combination—each associated with its own form of legitimacy (e.g., national-cultural relevance, foreign sales, job creation and GDP, and artistic recognition).

All seven small markets share a common challenge: a domestic audience that is too limited in size to support a self-sustaining film industry. Their responses to this fundamental issue, however, vary significantly. The report indicates four principal "orientation points" that these markets may adopt, as illustrated in the following table.

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)



Each of the seven markets takes different approaches to these four strategic orientations. The figure below shows orientations of small film markets. The illustrations represent ‘ideal’ types.While the four orientations above are introduced as conceptual models, the report further demonstrates how the associated indicators can be loaded with empirical data to generate a more ”actualized“ ecosystem overview—one that can be monitored over time.

Recommendations

Small markets have to make difficult choices: Comparative research reveals that no single market excels across all performance indicators and corresponding success criteria. Achieving competitiveness in all four orientations simultaneously proves extremely challenging. Prioritizing one orientation often constrains another. For instance, devoting resources to inbound international productions can drive up costs for local projects and reduce the availability of creative talent for domestically oriented films. Although small markets can theoretically nurture productions targeting each of the four types of legitimacy, low production volumes heighten the risk of dependence on individual titles. Each orientation also necessitates specific ecosystem elements, such as particular funding mechanisms, specialized talent, and distribution strategies. Films intended to achieve cultural ‘resonance,’ for example, demand storytellers adept at local themes, distributors capable of effectively marketing these titles, and a sufficiently engaged domestic audience.

Play the hand you are dealt: While all four orientations are theoretically open to every market, contextual factors influence feasibility. For example, successful circulation on Video-on-Demand (VoD) platforms is more difficult where domestic VoD penetration is low. Moreover, there is limited overlap between domestically successful films and those that perform strongly abroad. This divergence underscores the difficulty of reconciling cultural resonance with export-oriented strategies in small markets that have limited production volumes. Shifting from one orientation to another can be challenging, but policy interventions can facilitate a reorientation.

Take a fresh perspective: Stakeholders might ask, ”Are we making the right types of films?“ The report examines the genre composition of each market’s total film output and compares it to the genre composition of top performers both domestically and internationally. Some genres, such as animation, achieve strong international success despite minimal representation in overall output. Comedy tends to perform well in domestic markets relative to its production share. By contrast, drama appears to be ”overproduced“ when benchmarked against its performance metrics.

Conclusion

The report does not advocate for any single orientation as inherently superior. Rather, it highlights the central question of what kind of film industry a small market wishes to foster. Each orientation represents a distinct pathway to competitiveness. The very low domestic market shares observed in Ireland, Croatia, and Portugal become problematic only if achieving a high local share is deemed a priority. Similarly, Denmark's long-standing lack of production incentives might be seen as a deliberate choice to forego competing in that specific arena (a production rebate is set to launch in 2026 indicating a strategic shift). Several markets engage in more than one orientation, while others more clearly commit to a single path. Significant differences exist, yet common patterns also emerge.

Many of these choices fall under national-level policy and funding frameworks, but there are also implications at the EU level. Only a transnational body can implement measures to encourage what may be called "ecosystem diversity." Europe's cultural and creative diversity is one of its greatest strengths, yet it may be compromised if multiple European markets adopt the same strategy (e.g., focusing on production service initiatives for global players). EU-level policies can be structured to support small markets—and the broader EU film sector—in establishing a balanced, sustainable orientation.

What Domestic Audiences Think About Films From Small Markets

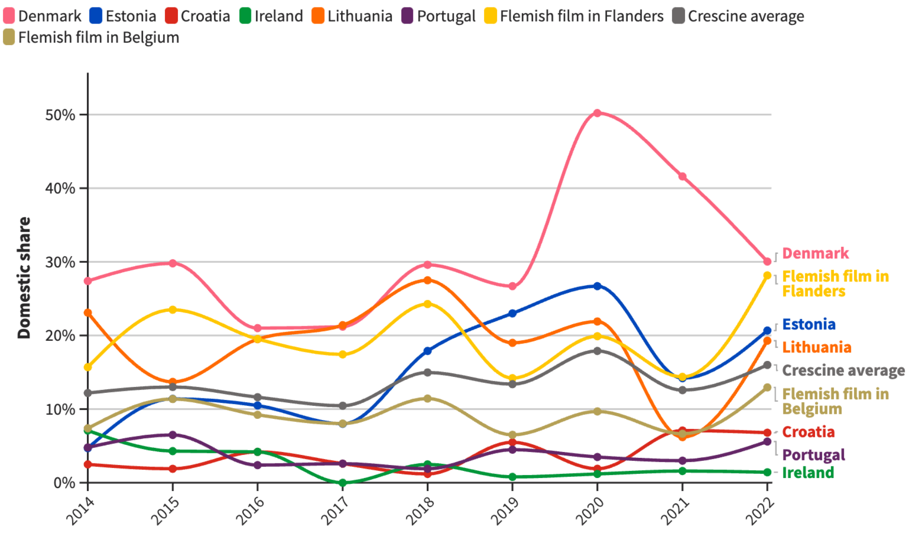
By Cathrin Helen Bengesser & Manuel José Damásio

How are domestic films performing across the seven CRESCINE markets? And what are the opinions and motivations of domestic audiences in small markets? Our findings draw upon cinematic admissions data from 2014 to 2022, as well as 86 media diaries and qualitative interviews conducted in 2023.

The competitiveness of domestic films with their home audiences varies greatly across the seven small markets studied by the CresCine project. Looking at the 2014-2022 period the share of domestic admissions in total admissions averaged at under five percent for Croatia, Ireland and Portugal, while reaching between 15 and 20 percent in Estonia, Lithuania and Flanders (for the Flemish-speaking market only) and averaging at 31% for Denmark. In many of the small markets, the share of domestic film fluctuates across the years, indicating a dependency on the performance of individual titles rather than a stable audience for domestic film. The variety in the domestic shares across the markets shows that some markets feature conditions in which domestic film can achieve high admissions (Denmark, Flanders, Lithuania, Estonia), while others either face a much stronger competition by international film (Portugal, Croatia) or have become more oriented towards international audiences (e.g. Ireland). For more details on the differentiation between domestically and internationally oriented small markets see section "How small markets compare to each other" in this report.

Development of share of domestic admissions in total admissions 2014-2022

Hover over graph for values



Source: European Audiovisual Observatory / VAF and Statbel for Flanders

For small markets, it is difficult to address the needs and tastes of domestic audiences and international audiences at the same time. Looking at the box office performance of titles produced by the seven small markets combined between 2014 and 2022, the overlap between the top 50 films among domestic audiences and the top 50 in terms of admissions in non-domestic markets is rather limited. Only 10 films appear in both lists. On the one hand, this shows that domestic films liked by the home audiences in small markets often do not travel, as is the case with many popular comedies. On the other hand, it suggests that it may be difficult to square the tastes and content preferences of home audiences and audiences abroad within small markets' limited output. Given that film industries in small European markets have limited resources for producing a large variety of genres and stories the difficulty of meeting both audiences' needs becomes exacerbated and may contribute to the differences between the more internationally-oriented and the more nationally-oriented small markets.

Audiences in small markets are acutely aware of the limitations of film production in their countries or regions. How far these limitations become an obstacle to consumption, however, varies across individuals and markets. These perceived limitations of domestic film concern their comparatively low budgets, the limited pool of creatives and talents that leads to seeing the same 'faces', a perceived need for mass-market appeal and a sense that certain expensive genres are missing from the repertoire of domestic productions and in some countries a sense of limited availability. At the same time, the recognisability of local talent also draws audiences towards domestic film. While audiences do not necessarily equate low budgets with low production values, they expect films from small markets to be of a similar quality to non-domestic film, particularly regarding acting and storytelling.

Relatable, locally relevant stories and a sense of authentic representation help films and series from small markets to appeal to domestic audiences. When talking about individual domestic films they liked or are interested in, audiences kept highlighting points of personal connection. This connection can be facilitated by stories that relate to locally specific experiences (history, communities, traditions, celebrities), by connection to a shared cultural resource of books or television as well as a sense of biographical connection or the sense that the characters are 'realistic'. For some members of the audience, however, the local resonance can also hit 'too close to home' or feel repetitive if the same themes recur too often.

Social factors like word of mouth, communal viewing experiences with friends or family as well as a sense that the common conversation revolves around individual domestic films act as strong motivators for watching domestic films. When asked about how they have come in contact with domestic films they recently watched, word of mouth and practices around watching film together, both in the cinema and at home, were frequently mentioned by audiences. Social factors may also motivate audiences to watch films they would not choose on their own. In some markets audiences also highlighted exhibition or marketing strategies like film clubs that successfully capitalise on sociality as a motivating factor for visiting the cinema. Domestic films in small markets may even have an easier time to create a sense of social buzz, because of the limited output of new films and the smaller public sphere. As the next point illustrates, though, creating awareness amongst the audience is challenging.

Attitudes towards film from small markets

Quotes from members of the domestic audience

Market Croatia Estonia Denmark Flanders Ireland Portugal Lithuania

Budget

Quote: "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 [...]."

Participant: female, 26-40y

Quality

Quote: "I think that looking at how small Estonia is and how few people there are, I think that we are actually doing well with films. [...] Estonian film is already so high on a technical level that there's nothing to be ashamed of here."

Participant: male, 26-40y

Talent

Quote: "We also have such a group of, well, what, 12 Danish actors who are involved in everything across the board, right? That's not very many, so you don't have to have seen many Danish films to know them a little bit. And I think for many, it's probably cool and safe. I think it is the opposite. I do not think it adds anything."

Participant: male, 26-40y

Genre

Quote: "I don't know if it's necessarily better or worse, but I just think that there are more sci-fi or fantasy movies that exist in English. [...] Can't come up with a name of a sci-fi or fantasy Flemish movie, so I think in that case maybe they might be doing a bit worse."

Participant: female, 18-24y

Availability

Quote: "I do quite like how Irish stuff is produced. The stuff that I have seen. But, just because there's not as much, I'd still fall onto the UK and US side of stuff and I still watch them a lot more."

Participant: male, 18-24y

Talent & Quality

Quote: I had high expectations for CODEX 632, because it [...] featured popular Portuguese actors (and attractive!) actresses. But I was a bit disappointed... The characters' monologues and dialogues are too... theatrical."

Participant: male, 26-40y

Comparing with Hollywood

Quote: "Also, the acting was not believable. I just think Hollywood raised the bar too high. There is just no point in seeing local films. It's either cheap comedies or boring films"

Participant: female, 26-40y

What makes films from small markets appealing to the domestic audience
Quotes from members of the domestic audience

Market Croatia Estonia Denmark Flanders Ireland Portugal Lithuania

The same story again?

Quote: "I know that, here I have acquaintances who don't want another film about the war, or another film about something that we all know about because we live there, oh I don't know another film about corruption or something like that. Which should not be the case in my opinion, but I think that this is quite a common reaction that people have to Croatian films, as if there is nothing new to show and say about what we all already know, because here we live in that environment."

Participant: female, 18-25y

Local celebrities

Quote: "Estonia's top athlete - I myself have been keeping an eye on his activities, and since it's still our domestic film and, heh, domestic star, I wanted to see the behind-the-scenes that we might not otherwise see or hear about. It was very interesting."

Participant: female, 18-25

Biographical resonance

Quote: This weekend I saw a film called Smuk, which is a Danish youth film that came out last year. […] at least one of the things it deals with in it, is the phenomenon of 'puttemiddag' [a controversial entry ritual into grammar schools prevalent in Northern Zealand]. It's also something I remember from when I was in high school. So that's why I think it was cool that there was actually a movie that was made that was about this."

Participant: male, 26-40y

Local history

Quote: "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."

Participant: female, 18-24y

Too close to home?

Quote: "I always felt Irish film, to a point, was kind of too close to the bone. It's too close to home and the escapism of Hollywood was a bigger draw you know, rather than watching a couple of guys knock around Dublin in track suits and rip people off you know. It just wasn't that appealing."

Participant: male, 45-54

Pop-culture nostalgia

Quote: "[The TV series Os Filhos do Rock] in terms of entertainment made in Portugal, it was one of the best series I've seen, not only because the theme [rock music in Portugal] caught my attention, but also because of the way it was made, [...] I was born in '84, so it's that part that I have the most [short pause] I don't have many memories from that period, as a child, but from the '90s, which is when I grew up."

Participant: male, 26-40y

Seeing yourself in the characters

Quote: "All those things in the movie [Milijonieriaus palikimas] were shown pretty much like real life, and the funny parts just made the weirdness stand out even more. That's pretty cool because when you watch this movie, you can see yourself in one of those characters and feel like you're part of it. [...] The characters are just regular people you'd see around in real life. "

Participant: female, 26-40y

Sociality as key factor for finding and watching domestic film
Quotes from members of the domestic audience

Market Croatia Estonia Denmark Flanders Ireland Portugal Lithuania

Connecting to the national culture

Quote: I watched The General rather for - I won't say patriotism - but for an understanding of the general culture that concerns some of our climate, [...] It's a cultural asset to me anyway, I'm not saying it is overly good now either, nothing but, I simply think, I think that everyone should look at it purely for informational purposes [...]."

Participant: male, 18-25y

Feel the furore

Quote: "A certain furore also affects me that comes with the films. For example, I somewhat reluctantly went to see Class Reunion because everyone was seeing it and everyone was talking about it. And afterwards, there was a bit of regret, he-he-he."

Participant: female, 26-40

Making friends meet

Quote: "Well it was my friends who [got me into the cinema club], it was a nice way to meet. [...] You can say the film makes us meet [...] and we found that 'Biografklub Danmark' has many films we actually want to see and so we can save some money - win-win."

Participant: female, 60+y

Follow your friends

Quote: "I think that was a friend's night out at the cinema. So we went to eat something. And then afterwards [we watched Belgica], it's also because we are from Ghent. [...] the location that was something that was very local and recognizable for us. Yeah. But I think the initiative wasn't mine. It came from my friends."

Participant: female, 26-40y

Watching with your kids

Quote: "[I really like] the locally produced [animation films] you know the Cartoon Saloon's productions, but because my son has now grown up, I just aged out of that with him."

Participant: female, 45-54y

Trust your friends

Quote: [I watched Senhor das Castanhas not because of Netflix, but] because the guys [group of friends] know that I like these thrillers and someone pointed out to me "look, I've seen this, mate, check this out, it's cool too", "actually, it is".

Participant: male, 26-40y

FoMo

Quote: "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."

Participant: female, 60+y

Audiences' awareness of domestic film varied across the markets. Furthermore, discoverability and accessibility across the different windows is a big issue in the context of audiences' complex processes behind deciding on what to watch and where to watch it. In markets with high domestic shares, we noticed high levels of awareness of existing and upcoming domestic films, even if participants choose not to watch the titles in questions. This also entailed knowledge about their international or festival acclaim. Audiences often explained their limited awareness of domestic film with a perceived lack of marketing or availability of domestic films. Timing and convenience of the specific window also plays a role in audiences' decision to watch a domestic film. In general, the processes behind audiences viewing choices are complex, often spanning across different channels of recommendation and promotion including word of mouth, social media, reviews, recommender systems on VoD and promotional material. Earned or paid-for presence on all these different pathways to content discovery can, therefore, be a challenge for films from small markets.

How do audiences find out about and choose film?
Quotes from members of the domestic audience

Market Croatia Estonia Denmark Flanders Ireland Portugal Lithuania

Google it

Quote: "Well, mostly Google plays the biggest role, I think. I write, I don't know, 'top 10 comedies you haven't seen', let's say. And if I find something that I really haven't seen but that I like, I go and look at IMDb reviews, description, rating and the like, I also watch the trailer sometimes if necessary, and if it seems ok to me, then I start watching it."

Participant: male 18-26y

Going viral

Quote: "Since I'm a TikTok user, [Vigased pruudid] became a trend on TikTok at the same time — like, look, when someone likes something , the sharing starts and it seems interesting. In other words, I also want to watch. And that was the fact that word of mouth actually spread that the movie was so awesome, go see it. However, the opinion of the people who watched it was that it ended suddenly. But since I haven't seen it, I don't know, heh."

Participant: female, 26-40y

Only getting around to it on Netflix

Quote: "I saw the trailer for [Smuk] when it hit theaters at the time, and then also saw afterwards leading up to the premiere that there were also commercials for it on social media, but I just never got to see it myself, but it's been a movie that I remember being there but just haven't had an opportunity to see, before now, when it came on Netflix, where I thought, okay, now it's here, now it's available, then maybe I should finally go and watch it."

Participant: male, 26-40y

Awards

Quote: "[Girl], I think it's won, not the Palmes d'Or but maybe the second price Un Certain Regard or the Best Film from young director or something. I think it won a prize in Cannes if I'm not mistaken. So I mean if this happens, it's quite rare for a Belgian film to win a prize in Cannes. So it was all over the news."

Participant: male, 26-40y

Competing against US content

Quote: "I find that the advertisement for the Irish film is a lot harder to find than US and English stuff. I will find from what my point of view [...the] 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 and it is Sing Street, the one set in Dublin and now that will be favourite film that is set in Ireland, but then again, I wouldn't know many others."

Participant: male, 18-25y

Only getting around to it on Netflix

Quote: "Metamorphosis of the Birds, (...) I saw it when it came out on Netflix. I know it was in the cinema and on RTP Play, but due to logistics I couldn't catch it, so I saw it now, it was on Netflix."

Participant: female, 26-40y

Where's the film playing?

Quote: "I had already heard about [Pasaka]. I think some newspaper, maybe 15min, showed me on Facebook that there was a premiere. Or maybe I saw it on the news? Maybe on LRT? Maybe on a panorama? I don't even remember now exactly how it was. But when you put the name of the film in Google, it was not so easy to book the tickets right away. It led to Skalvija [cinema in Vilnius], to Forum cinemas, but Pasaka did not show where it was supposed to be shown. I had to look for it."

Participant: female, 26-40y

How CresCine studies audiences of films from small markets

Based on admission statistics from the years 2014 to 2022, the CresCine project has been able to discern the above-mentioned trends in the domestic and international performance of films from small markets. The numbers alone, however, do not help us understand the differing perceptions of films from small countries held by domestic audiences across the seven markets as well as the differences between domestic and international audiences. Therefore, the CresCine project also employs the qualitative methods of diary studies, interviews, and focus groups to learn more about the motivations and opinions of domestic and international audiences to watch films from small markets and to understand the role of cinema in their lives. Media diary studies and interviews with 86 participants across the seven markets have been conducted between June and December 2023 focusing on the perceptions and practices around domestic film.

Over the course of 2024, 28 focus groups with domestic audiences will explore sociality as a motivating factor for watching domestic productions. 32 focus groups with international audiences in Spain, Italy, Germany, France, Poland, the UK, South Korea, and the US will focus on the visibility and appeal of films from small markets among international audiences.

The CresCine project is also piloting an innovative approach to data collection in audience research, that consists of gathering focus-group-like data via a purposefully designed online platform developed by Lusófona University, led by one of the CresCine researchers, Manuel Pita. Moreover, this platform also enables the study of audiences' profiles, regarding sociodemographic characteristics, attitudes, and opinions, based on surveys before and after the focus-group-like conversations taking place on the platform itself. The data collected through the platform is then analyzed with Language Models (LLMs) to reveal patterns and relationships, which can provide meaningful insights about the audience at a large scale.

Is Export The Driver for European Industry?

By Ivana Kostovska

Current industry trends necessitate that film professionals and policymakers understand not only domestic but also international markets. However, the dearth of publicly available research on international audiences and distribution channels suggests that the global export of European films—particularly those from small markets—may be hindered by insufficient market insights. This section investigates the dynamics of film export, encompassing both traditional cinema distribution and video-on-demand (VoD) platforms.

Under current market conditions and broader macroeconomic trends—including rising production costs, declining cinema revenues, shortened exhibition windows, and a diminishing revenue base from studios and streamers—the European film and audiovisual sectors face significant pressure. In addition, there is an increased concentration of sales around small number of films, while some films no longer sell at all. Global streaming services have adopted more risk-averse investment strategies. At the same time, these platforms maintain agility through initiatives such as co-financing and bundled streaming services. These factors underscore the importance of understanding the role of strategic partnerships in accessing broader international audiences, attracting financiers, and meeting the demand for European films across various distribution modes.

Key findings

The analysis of "Small European Film Markets: Portraits and Comparisons" addresses the export dynamics of European films and the potential for small-market films to drive international sales interest. The report benchmarks strategic insights from six large European markets—Italy, Germany, France, Spain, Poland, and the UK—to provide insights on competitiveness and export strategies for smaller markets.

Several export drivers have been identified for the "Big Five" markets, despite variations between them:

• **Co-Productions:** The major European markets emphasize the critical role of co-productions in enhancing global circulation. For instance, French cinema relies heavily on co-productions to maintain its international standing (CNC and Unifrance, 2023), while Italy views co-productions—alongside partnerships with global streamers and international distributors—as central export drivers.

• **Genre Appeal:** Strategic analysis in the Big Five markets highlights that certain genres resonate strongly in specific export territories. For example, French thrillers are particularly popular in Italy. An analysis from CNC and Unifrance indicates that animation achieved a record-high market share in 2022, with dubbing playing a significant role, especially in markets less receptive to French-language content. In 2023, animation was established as a leading genre of French exported films and accounted for nearly a third of the tickets sold outside of France. In Italy, the scarcity of risk capital for animation further influences export dynamics.

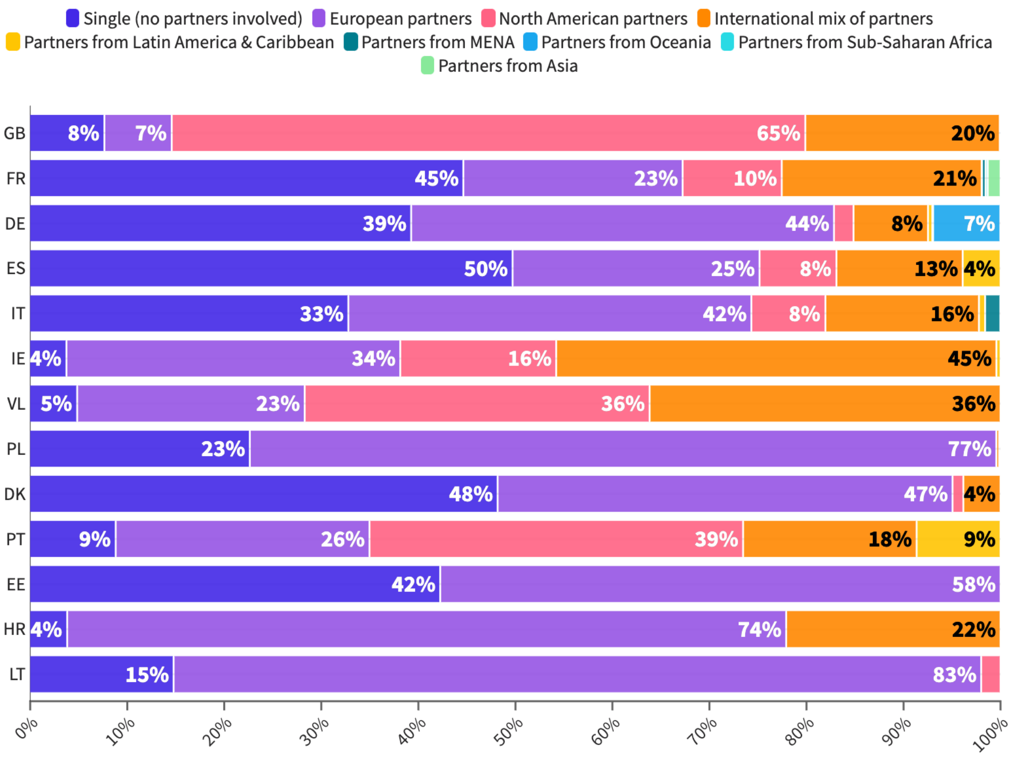
• **Language:** Language significantly impacts export potential. The international success of French cinema is frequently driven by English-language films aimed at global audiences—with directors like Luc Besson contributing to international hits such as Lucy, Taken 3, and Valerian and the City of a Thousand Planets. In North America and Asia, the peak performance of French films is linked to big-budget, English-language action films, with only one of the top ten French films (produced between 2014 and 2022) in North America presented in French.

The importance of partnership networks in shaping export dynamics

The data analysis under the report "Small European Film Markets: Portraits and Comparisons" reveals that collaborations with European partners have been a decisive factor in the international circulation of fiction films from the 13 European markets studied. In markets such as Germany, Italy, Poland, Estonia, Croatia, and Lithuania, films produced in collaboration with European partners dominated export admissions. Conversely, in the UK and Portugal, clusters of films involving North American partners achieved the highest share of admissions. Although films from small markets often do not reach the same admission levels as those from larger markets, exceptions exist. For instance, in regions like Latin America, the Caribbean, and Oceania, Irish films have outperformed Italian and Polish films in terms of cinema admissions. The analysis covers export performance and the partnerships involved for films distributed in the EU and UK, the US, Asia, Latin America and the Caribbean, and Oceania.

Breakdown of non-national admissions by producing partners involved

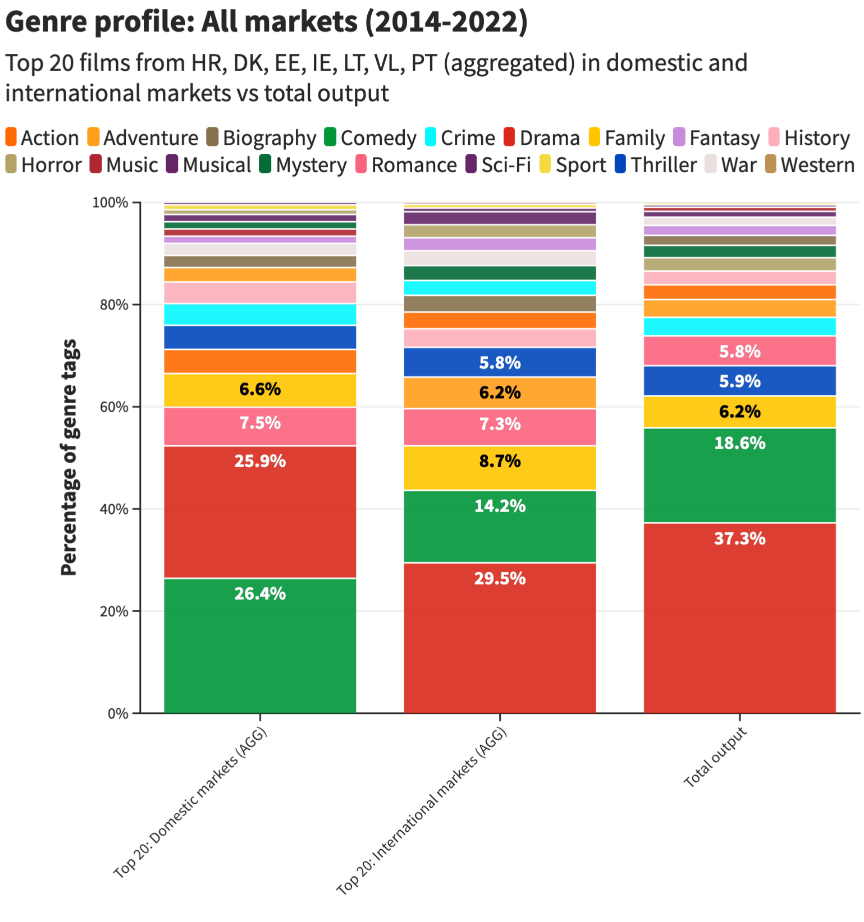
Exported feature films produced between 2014-2022 are grouped into nine clusters, distinguishing between single productions and films where different partners are involved.



Source: Author's calculation based on European Audiovisual Observatory
Within the Lumiere Pro database, every country that has provided financing for a film is listed, starting with the country that contributed the most funding. The analysis includes feature fiction films. Films recording fewer than 1.000 non-national admissions were excluded from the analysis.

Which genres are most popular in exports?

The analysis under the report demonstrates that while not all CRESCINE ecosystems excel as film exporters, markets such as Flanders, Ireland, and Denmark have a strong track record in exporting animation films across Europe, Asia, Latin America, and North America. Family and children-oriented animation films, in particular, perform well internationally. Notably, Flugt—a recent documentary film recognized for its admissions and awards success—is also classified as an animation film. On average, CRESCINE ecosystems export films to 15 different non-domestic markets annually.

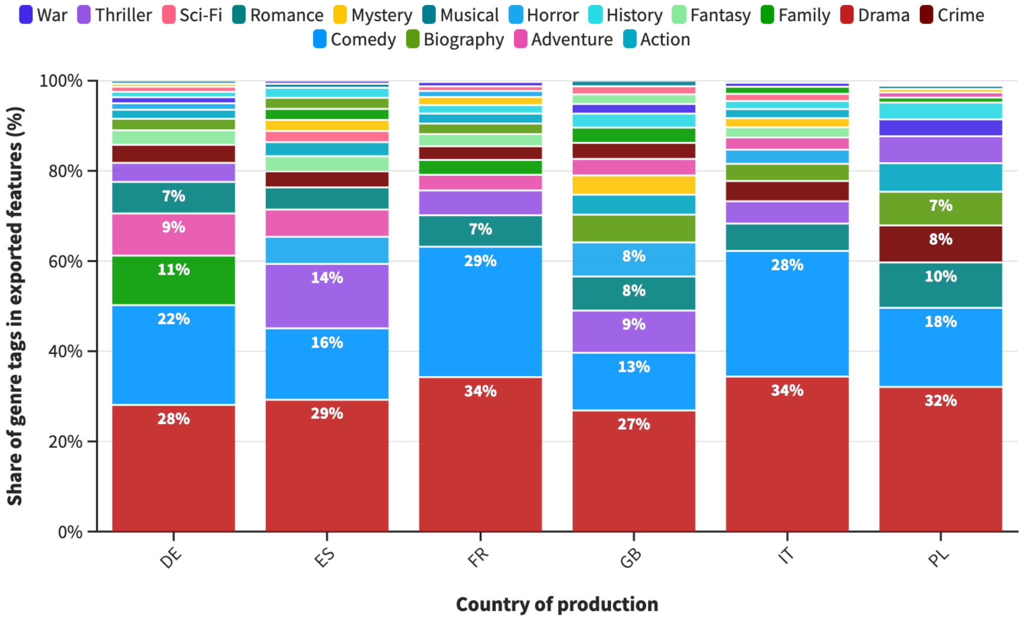


Source: European Audiovisual Observatory

A genre-based analysis of the top 20 films—both domestically and internationally—indicates that certain genres from small markets, including adventure, horror, sci-fi, fantasy, mystery, family, and drama, tend to perform better on the international stage than domestically.

Among fiction feature films exported from the six large markets, drama, and comedy are the most popular genres. From 2014 to 2022, France led in animation production with 77 titles, followed by Germany (45 titles), the UK (37 titles), and Spain (36 titles).

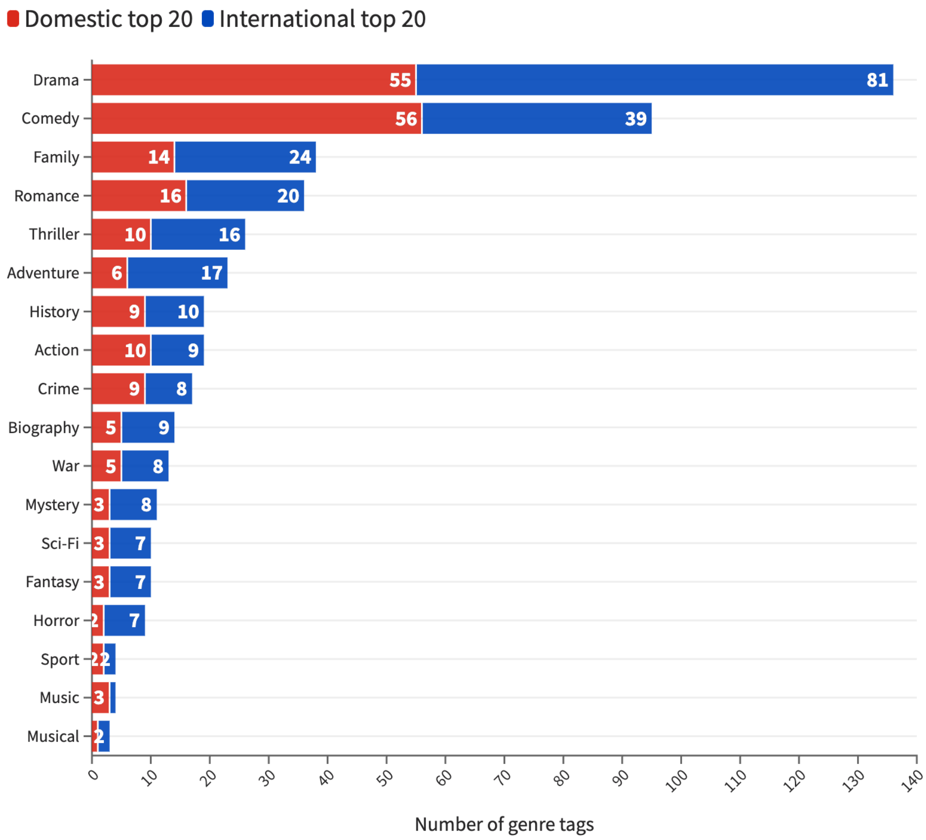
Genre mix of exported features from Large Markets



Source: Author's calculation based on European Audiovisual Observatory
Note: Animation is excluded from the analysis. The analysis includes feature fiction films.

Genre mix (2014-2022)

The top 20 films from HR, DK, EE, IE, LT, PT, VL in domestic and international markets (combined)



Source: Lumiere Pro (EAO)

What are the export destinations for CRESCINE films?

Films from the CRESCINE small markets find export opportunities in France, the United States, Russia, Mexico, the Netherlands, and Poland, though the impact varies by ecosystem. In addition, large European markets such as France, Germany, and Poland serve as important destinations. Large same-language markets play a key role for Ireland (with the US), Flanders (with France and the Netherlands), and Portugal (with Brazil).

An analysis of the average number of export markets reached by features produced between 2014 and 2022 reveals that Danish films enjoy a broad international reach, extending to approximately 30 foreign markets annually. However, when considering the average reach per film, Irish productions slightly outperform, spanning an average of 4.88 countries.

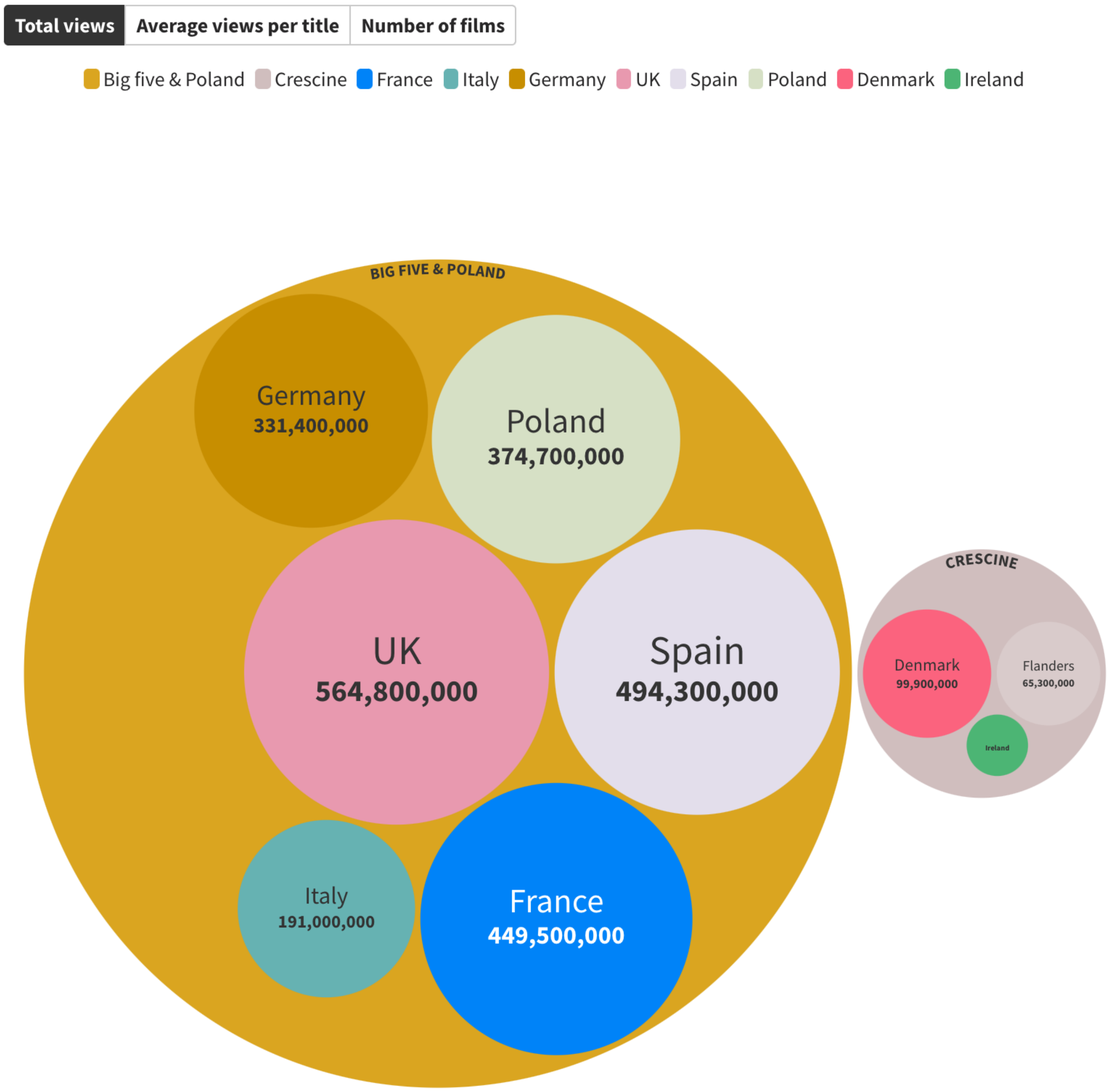
Circulation of films on streaming services

Global VoD services such as Netflix and Disney+ currently offer a limited selection of films from the CRESCINE ecosystems. Consequently, domestic and regional European VoD players have emerged as the primary buyers of VoD rights for these films. On average, CRESCINE features circulate in seven of the 26 European countries for which catalog data were available. Markets with a stronger theatrical export orientation tend to see wider VoD circulation. In addition to box office performance, factors such as recognizable talent and a strong genre orientation also enhance VoD reach. Nearly all titles from Denmark, Ireland, and Flanders are available on VoD, whereas a smaller proportion of films from other ecosystems achieve similar circulation. Irish films, for example, typically appear in an average of nine countries, while Lithuanian films circulate in fewer than five. Among the large markets, films from the UK and Germany show particularly high levels of VoD circulation.

Success of Films on Netflix

A comparison of films from the CRESCINE small markets with those from the six large markets was conducted using data from the three Netflix Engagement Reports (January 2023-June 2024) and top 10 lists from Netflix. This analysis, which considered total viewing hours and average views per title (adjusted for film length), found that films commissioned by Netflix from the UK are the most popular among subscribers. Conversely, Italian films registered the lowest view counts among the ‘Big Five’ and Polish films. French films had the strongest performance when examining the aggregated data on average views per title. Overall, Netflix commissioned the largest number of films in the UK (40) and Spain (39).

The analysis presents the total times viewed, average views per title and the total number of films commissioned by Netflix for each of the 13 markets. Use the selector to switch between total views, views per title and the total number of films.



	PL	DK	DE	FR	IT	GB	ES	VL	IE
% of titles that reached Netflix Top 10	84%	80%	68%	64%	62%	58%	56%	57%	50%
Average number of markets in which films reach Top 10	41	56	35	48	18	39	26	18	28
Average number of weeks films spent in Netflix Global Top 10	2	4	3	4	2	2	2	2	1

Source: Author's calculation based on collected data
Note: The Netflix Engagement Report includes viewing data of what people watched in the period January 2023 - June 2024. The report is rounded to 100,000 hours viewed. The data includes hours viewed for every title-original and licensed. Here, we analyse only films commissioned by Netflix.

According to the conducted analysis of the three Netflix Engagement Reports, covering the period from January 2023 to June 2024, Netflix did not commission any films from Croatia, Estonia, Lithuania and Portugal. Out of the seven CresCine markets, only Denmark, Flanders, and Ireland had films commissioned by the streamer. Another challenge is the lack of documentary films from the CRESCINE ecosystems commissioned by Netflix, indicating their underrepresentation in the platform's catalog.

The analysis of aggregated data shows that from the CRESCINE ecosystems, Danish films commissioned by Netflix had the highest total views and the highest average views per title, followed by films from Flanders and Ireland. As expected, larger markets in Europe have a higher number of views. During the analysis period, films from the UK had the highest total hours viewed, followed by films from Spain and France. Italian films had the lowest performance among the six large markets we analysed. French films had the strongest performance when examining the aggregated data on average views per title. Overall, Netflix commissioned the largest number of films in the UK (40) and Spain (39).

Films from some CRESCINE markets have performed strongly in Netflix's Top 10 films. For example, Danish films reached the Top 10 lists in an average of 56 markets, the highest number compared to films from the other markets in our analysis. Danish films also showed strong results in the average number of weeks they remained in Netflix's Global Top 10 for Non-English films.

Conclusion

Small European markets can achieve better international circulation by adopting a more strategic approach to film export. Insights from the European 'Big Five' markets reveal that the successful global circulation of domestic films is the result of deliberate strategic analysis of key export drivers. These drivers include leveraging international networks, engaging in co-productions with diverse partners, and identifying export markets and genres with strong international appeal.

In an era defined by globalization and digitalization, recognizing exports as a driver of competitiveness is essential. The analysis demonstrates that beyond producing ambitious European films, it is equally important to develop strategies that enable these films to effectively reach international audiences.

While films from small European markets have the potential to achieve global appeal on streaming platforms such as Netflix, the decreasing risk appetite of financiers and the evolving strategies of streaming services indicate that producers must remain agile and adopt a mix of financing models, including different release windows and sales across territories.

Furthermore, a comparative analysis of genre profiles across the entire repertoire of fiction feature films shows a notable overproduction of dramas in the small CRESCINE markets. This overproduction is not supported by their representation among top-performing titles. Nonetheless, dramas tend to be more competitive in festival circuits, often garnering nominations and awards, which underscores their importance within this competitive arena.

The Turbulent State of European Skills

By Sten-Kristian Saluveer & Fatih Abay

What is the current state of the skills in the European film industry?

How are European film professionals skilled to face the transition in the industry? This was the primary objective of the European Film Academy's inaugural membership survey in partnership with CRESCINE –conducted in the autumn of 2023 among its 4,600 members– to assess this very issue. The Academy, which represents European film and its associated industries, maintains a broad perspective on Europe by including countries that are members of the Council of Europe alongside nations such as Israel and Palestine.

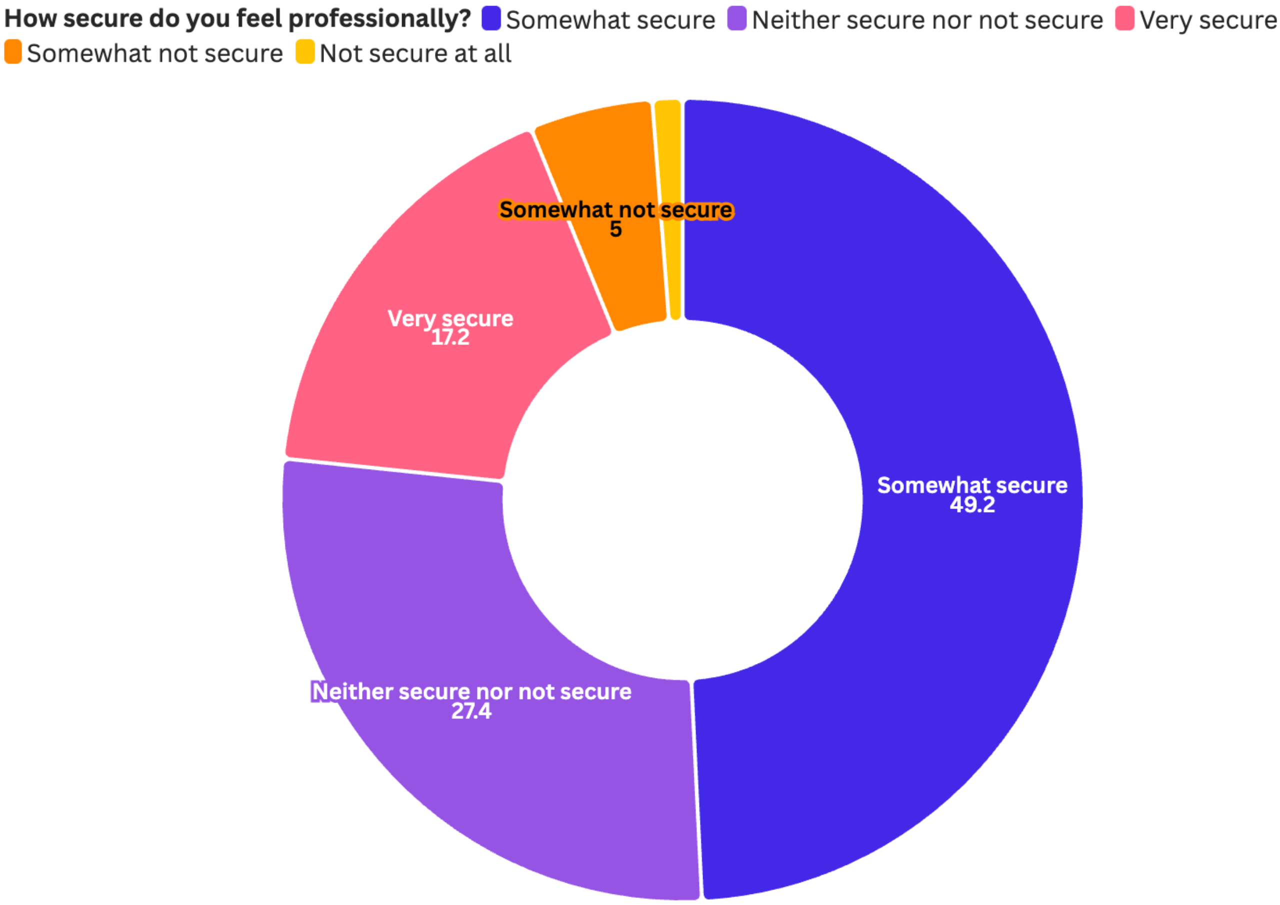
The survey examined a wide array of topics, including financial security, sustainability, diversity and inclusion, and preferences regarding content and platforms. Its findings indicate that the European film industry offers a range of exceptional opportunities through established training initiatives, such as ACE and EAVE. This is further underscored by the composition of the Academy's membership, which is largely dominated by producers, and complemented by a variety of other professionals.

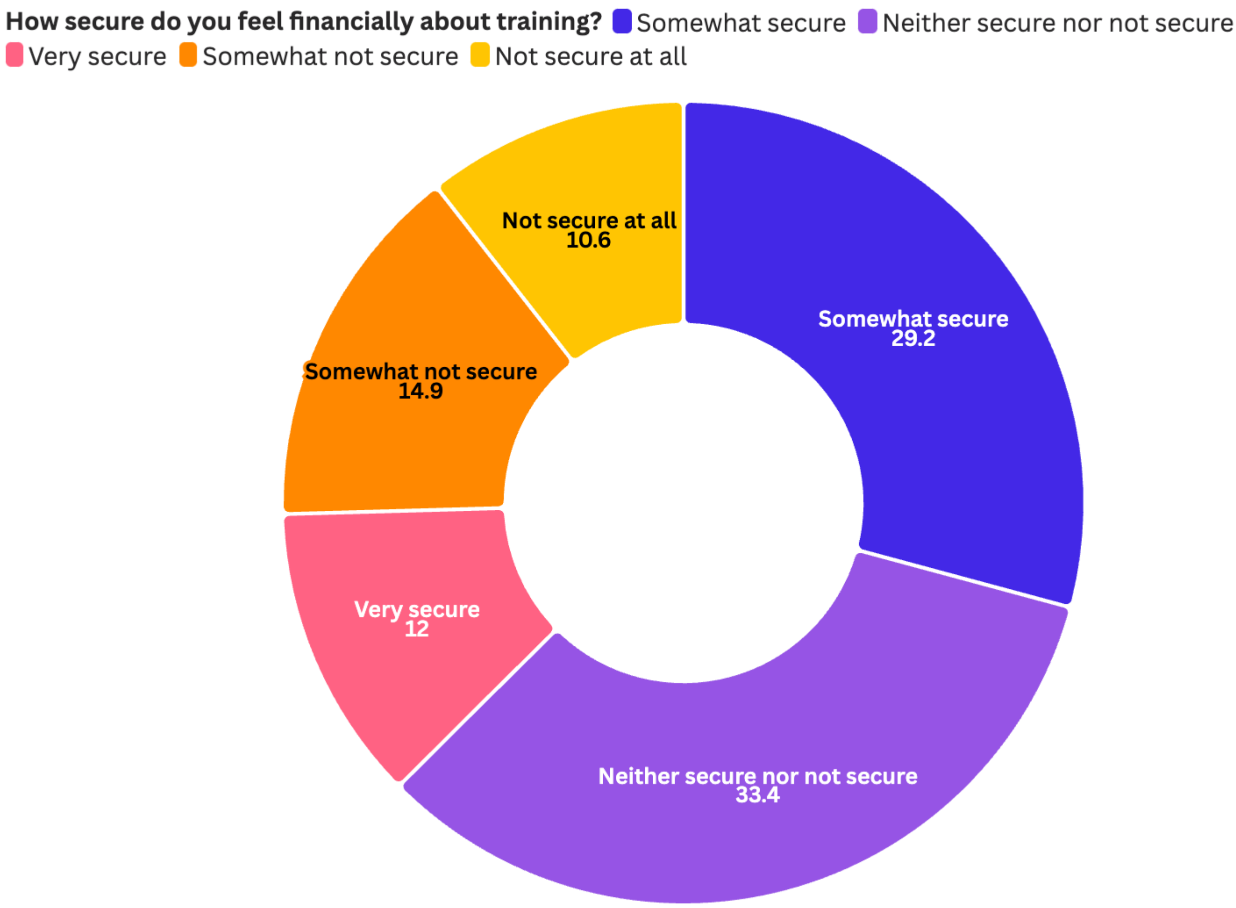
Key Findings

Sources for Learning, Professional, and Financial Security

The survey indicates that nearly 80% of respondents are eager to acquire new skills within the European film industry; however, opportunities for regular training remain limited. The findings reveal that the majority–approximately 10%–attend training programs only once or twice annually, relying predominantly on film festivals and markets for their professional development. While these events provide excellent platforms for skill enhancement, there is a clear need to expand the scope of training to include year-round initiatives.

Furthermore, the research shows that only about 15% of industry professionals report a strong sense of financial and professional security, with the majority experiencing only moderate levels of stability. Networking events, chiefly organized through festivals and markets, serve as the primary source for gaining insights into emerging trends within the European film industry. Despite their value as knowledge hubs, the high costs associated with attending these events underscore the challenge of achieving broader financial and professional security. Additionally, the report highlights that established sectors within the industry tend to remain relatively homogeneous, as underrepresented individuals and early-career professionals face significant barriers to entry in these markets.


How secure do you feel professionally?
Somewhat secure
Neither secure nor not secure
Very secure
Somewhat not secure
Not secure at all
Somewhat not secure
5
Very secure
17.2
Somewhat secure
49.2
Neither secure nor not secure
27.4


How secure do you feel financially about training?
Somewhat secure
Neither secure nor not secure
Very secure
Somewhat not secure
Not secure at all
Not secure at all
10.6
Somewhat secure
29.2
Somewhat not secure
14.9
Very secure
12
Neither secure nor not secure
33.4

More than 80% of respondents consider the film industry's commitment to combating discrimination, sexism, and racism—as well as enhancing the participation and visibility of under-represented groups and ensuring non-discriminatory, non-stereotyped storytelling—to be of critical importance. Similarly, over 80% regard the transition toward a more environmentally sustainable European film industry as essential, with particular emphasis on reducing carbon emissions, improving waste management, and promoting social equity and fair labor conditions.

Within this framework, festivals and networking events serve as the primary channels for acquiring information on sustainability, diversity, and inclusion. However, the survey does not specify the nature of the knowledge acquired or the methods of its dissemination. Notably, key festivals such as Berlinale/EFM (34%), Cannes/Marché du Film (25%), Venice (13%), Locarno (7%), and San Sebastian (5%) are the predominant venues attended by respondents, with the remaining percentage accounted for by smaller festivals and markets.

Streaming Platforms

Approximately 70% of respondents report watching twice as many films through streaming platforms compared to cinemas. Specifically, 50% of respondents view up to 50 films on streaming services annually, while a similar proportion attend up to 20 cinema screenings per year. Nearly 80% agree that the European film industry should strategically leverage streaming platforms to its benefit.

Recommendations

- The majority of respondents, 85%, are enthusiastic about furthering their personal development; however, they are not adequately informed about the opportunities available in Europe.
- Eighty percent of all respondents are unable to attend training programs, despite their desire to do so, and do not feel secure within the industry.
- Only 20% of all respondents are confident in their financial capacity or their position in the industry.
- The motivation for knowledge sharing is extremely strong, as over 50% of all respondents are willing to serve as a mentor or expert in a variety of European film industry projects.
- The European film industry demonstrates a distinct skills gap, with opportunities and accessibility being restricted to those who can afford it.
- The extensive demand for learning skills necessitates that the accessibility of learning programs be adjusted.
- Although Learning Skills are exclusively film-specific, there is already existing knowledge on topics such as leadership, DEI, and sustainability that should be leveraged.
- Markets should cease to be exclusive and implement additional upskilling initiatives throughout the year. Additionally, markets should educate themselves to remain current.

The Rocky Road to a ”Greener“ Film

By Tobias Frühmorgen, Jeppe Olesen & Kirsten Langgaard

Identifying Green Innovation

One of the core challenges that the world faces is the climate issue. And the film industry is one of many sectors that impact our climate severely, especially in terms of carbon footprints. Luckily, much can be done, and a lot is already happening in the field of green innovation. A part of CresCine’s innovation-oriented activities revolve around contributing to this important work and tying all the national and regional initiatives throughout Europe together, creating synergies between the initiatives, so all the existing work benefits everyone - for the sake of both our planet and the industry.

In the coming year, CresCine will intensify its work in the field, and this chapter shows what we have done so far.

Approach - Mapping and Bringing Together Stakeholders

Sustainable (”green“) film production is a topic that many professionals in the industry talk about with both fear and excitement. The work presented in this section attempts to shed light on the needs, challenges, and consequences of this new transformation. As part of the work dedicated to innovation, CresCine has explored the current landscape of sustainability and green initiatives in the European film industry and discovered certain possibilities and obstacles.

The approach in this task started with EU-wide research on the topic and mapping of green initiatives. The result of the mapping led to an initiative from CresCine to bring together multiple stakeholders from different EU countries to a roundtable session during the Berlinale in February 2024.

The roundtable consisted of a diverse group of influential stakeholders in the European film industry such as film commissioners/institutes, film funds, producers, broadcasters, green consultants, and researchers. The stakeholders were brought together to figure out what this group of organizations could do to improve the efforts for greener film production in Europe. They discussed multiple subjects such as: what is currently preventing the different regions from getting started on producing sustainably? And what are the most low-hanging fruits that could easily be implemented to make change?

Green Mapping - Sustainability Beyond CO2

Our findings start with an in-depth examination of sustainability, presenting the argument that the concept encompasses more than just reducing CO2 emissions. The discussion further explores the inclusion of fair labor practices, gender equity, and responsible material sourcing as critical components of a comprehensive sustainability strategy, moving beyond the emphasis on carbon footprints.

Analysis of Varied Perspectives and Shared Responsibilities in Sustainability:

The discourse explores the diverse viewpoints regarding sustainability from the perspectives of producers, various project initiatives, and company-wide policies, acknowledging the challenges associated with adopting environmentally friendly practices. It raises the question of who bears the responsibility for advancing sustainability, whether it should be the state, producers, consumers, policymakers, or entities like film commissions. The need for a united approach to tackle sustainability challenges within the creative sectors is emphasized.

Focus on Certification and Green Consulting in Film Production:

The challenges faced when selecting from different sustainability certification systems across Europe point out the lack of consistency and the need for a standardized approach. The significant role of green consultants is discussed, emphasizing their influence in fostering eco-friendly measures in film production by offering alternative solutions and making authoritative environmental decisions.

Emphasis on Transportation and Encouraging Industry-Wide Green Practices:

The findings highlight transportation as a key area for reducing CO2 emissions and discuss strategies to encourage stakeholders to adopt more sustainable industry practices. It uses the problematic adoption of electric vehicles in film production logistics as an example to illustrate broader challenges (availability examples were shown, as well as the question, if we solve problems by not reducing the number of cars, be they electric or conventional).

Utilization of Data and Addressing CO2 Compensation:

The importance of standardizing emission factors and suggesting the potential benefits of making such data freely available as open source. It also confronts the issue of greenwashing and stresses the need for reliable mechanisms for CO2 compensation.

Exploration of Social Dimensions and Sustainable Industry Practices:

Findings show that a more inclusive approach to sustainability that integrates social aspects, such as the implementation of a four-day workweek in film production, fostering a family-friendly workplace, and overcoming cultural barriers to sustainable practices worldwide would be advisable

Green Storytelling:

The integration of sustainability in content creation and narrative development, probing the timing and extent of sustainability consultants’ involvement in production. It also considers the tension between artistic freedom and sustainability objectives, the financial implications of environmentally conscious production, and the rapid technological changes affecting sustainable practices.

Conclusion and Invitation for Ongoing Dialogue:

Overall, the central question of responsibility for promoting sustainability in the film industry remains open. It calls for continued dialogue and collective efforts to define and implement effective sustainable practices in film production and related areas.

BFTP

Prior to the roundtable session at the Berlinale, the CresCine group dedicated to green innovation collaborated with BFTP (Danish Sustainable Film and TV-production Alliance). BFTP has made a huge effort in the Danish film industry and therefore has done most of what can be done at this point of time in Denmark.

BFPT helped define how the CresCine consortium with its European scope can make the highest impact, and therefore what the efforts concerning sustainability on a European level could consist of and what would particularly be effective.

CresCine's work on sustainability could help the European film industry in the following ways:

1. **Create inspiration for sustainable film production actions across countries.**
2. **Discover:**
    - **How far are the different countries (and regions, if relevant)**
    - **Where has the work started, and where has it not started?**
    - **Does the country/region have recommendations?**
    - **Does the country/region have guidelines/rules?**
    - **Is any financing in the country subject to reporting on/reduction of carbon footprints etc.?**
3. **Facilitate streamlined production reporting rules in order to facilitate reporting for European co-productions where multiple countries are involved. BFTP also took part in the roundtable session in Berlin and was a co-facilitator.**

CresCine Roundtable on a Greener European Film Industry

The following points are the results from the roundtable session at the Berlinale 2024. The session gathered stakeholders from 14 different European countries from different parts of the film industry. There was a diverse range of film commissioners/institutes, producers, broadcasters, green consultants, and researchers represented at the roundtable which ensured a discussion with many different perspectives considered.

The participants were first introduced to the initial findings of the CresCine research and thereafter there was a keynote from the Green Producers Club (NO/DK) that presented some of the initiatives going on in the Nordics. After this, a discussion began on how to secure a greener European film industry.

These are the most important points which came out of the discussions, which were held during the roundtable session:

1. Holistic Approach

It's generally agreed that the best way to make sustainable efforts in the industry is to combine regulatory demands with financial incentives to go green. The demands on the industry need to be clear and if it can be tied to financial incentives then it makes more sense for the production companies to actively engage.

2. Institutions Responsible for Demands

The demands for making CO2 calculations and reductions should come from the film funds, broadcasters, and streaming platforms with agreement across the institutions to make the demands transparent and obtainable.

3. Gradual Transition

The participants acknowledge that changes on this scale are a big challenge and that they need to be handled gradually to avoid sudden disruptions.

4. Industry-Wide Responsibility

The roundtable participants stressed the need for the entire industry, including subcontractors like scenographers and catering services, to take responsibility for incorporating green practices.

5. Challenges in international Co-Productions

An obstacle in producing co-productions is that there's different criteria and regulations from different financiers – this can make reporting back to the financiers a bureaucratic challenge for the production companies. Streamlining regulations across countries could ease this problem.

6. Training and Certification

A suggestion for specific training and guidelines was made to manage the added complexity of green transitions, with an emphasis on raising awareness within the industry. The consensus underscored the need for a robust certification mechanism, recognizing and incentivizing green producers to foster a more sustainable industry landscape.

7. Market Opportunities and Challenges

Market opportunities were identified, such as the demand for green consultants in some of the EU countries, but it depends on the readiness level of the individual country. Going green on productions will if implemented sufficiently actually lower the cost of productions especially if it is a continuous effort. However, there lies a challenge in the common misconception of how costly it is to become more sustainable.

Key Findings and Going Forward

The key findings in this transformation process were that there is a lot of uncertainty in the industry due to the lack of standardization and harmonization. While there is no doubt about the need for this transformation, there is a willingness to support it, but the economic sustainability, the financial impact and the concrete steps to achieve this goal remain unclear. The need for further training is obvious, as well as including measures beyond CO2 reduction.

The CresCine group will continue to work with sustainability in the film industry. Going forward we are specifically going to make recommendation guidelines for film producers. These guidelines will especially concern co-productions in Europe. The recommendations will be based on comparisons of different certification methods and the status quo for sustainability efforts in many regions of Europe, mapping the current situation for producers and also presenting relevant case studies of already established "Green" production approaches.

How Entrepreneurial are European Producers

By Manuel José Damásio, Niall O Leary, Ulrike Rohn, Marta Samek & Małgorzata Kotlińska

Context

In an ever more volatile, uncertain, complex, and ambiguous world like the one we are all faced with, an entrepreneurial mindset is key when an increase in innovation and competitiveness is at stake. Considering this, CRESCINE has from its offset associated research on innovative business models with the assessment of the degree of entrepreneurship skills and attitudes depicted by producers across our studied ecosystems. The final objective is to design and suggest strategies and policies to introduce more innovative business models across the film and audiovisual industries in these countries, while fostering entrepreneurship and an entrepreneurial mindset among producers in these markets. The present section of this publication includes an overview of the key drivers of innovation in the film industry in Europe our initial research has highlighted along with the description of key actions conducted so far in view of stimulating in the sector the type of collaborative innovation that we postulate is key to increase the competitiveness of these small markets. Key findings highlight both the relevance of collaboration and systemic support, along with the implementation of training and collaborative programs that can support entrepreneurs and organizations in view of innovative forms of collaboration.

The drivers of innovation

European film producers in small markets predominantly operate within small and medium-sized enterprises (SMEs). In fact, the European film and audiovisual sector is characterized by a high concentration of SMEs, with 77.6% of businesses structured around 1 employee. This indicates that the majority of film production companies in Europe are either individual entrepreneurs or very small teams [ec.europa.eu/eurostat/databrowser/view/sbs_sc_sca_r2/default/table?lang=en].

The resilience and adaptability of the film ecosystem are closely related to the size of companies. The qualitative aspects of entrepreneurship suggest the importance of a broad base of active "everyday entrepreneurs" (Welter et al. 2019). Small and medium-sized enterprises (SMEs), which are prevalent in the European film industry, tend to have certain advantages that can enhance their resilience and adaptability, such as flexibility (less bureaucratic structures, allowing for quicker decision-making and adaptation to changing market conditions), innovation and niche focus (smaller companies can be more innovative, as they focus on niche markets and are typically closer to their customers and can tailor their offerings more rapidly to meet specific demands).

However, European film producers also face challenges that can impact their sustainability, such as limited financial resources and a smaller scale of operations, which can make it harder to absorb shocks compared to larger companies. To add to this, we also see signs of low levels of innovation in the face of larger competitors and a fast-changing environment in which small countries' companies often lack the means or will to react.

Key drivers for innovation in the film industry we identified are:

Technological Advancements: Innovations such as virtual production (VP), motion capture, use of game engines supported with AI, development, and use of AI, and big data are offering new ways for storytelling and speeding up creative processes.

Rise of Streaming Platforms and change in consumer habits: SVODs like Netflix, Amazon Prime, and Disney+ have changed how audiences consume content, pushing the industry towards more flexible and on-demand content delivery models. Emergent models such as FAST (Free ad-supported television) are also creating new opportunities for distribution.

Growth of Costs: Due to inflation and the rising costs of energy and talent, film production budgets have increased significantly. Meanwhile, the allocation of public subsidies has not changed substantially.

Emphasis on Diversity and Inclusion: The push for representation of women, people of color, and other underrepresented groups is leading to a broader range of stories and perspectives being shared on screen.

Environmental Sustainability: There is a growing focus on reducing the environmental impact of film production and exhibition, which encourages innovation in sustainable practices across the industry.

The following review of innovations in the film industry in Europe is divided into four main strands of innovation we have identified and that correspond in broad strokes to four main tendencies when it comes to innovation in the aforementioned sector:

- **technological**
- **economical (e.g. business models)**
- **social/artistic**
- **sustainable**

Whereas the latter is relevant to social and ecological sustainability, the former is crucial to the survival of the industry in the first place and its main drivers of change. To a certain extent, social and environmental innovations shape and are supported by technological innovations and ways of looking at the (potential) monetization of film and audiovisual practice. The identification of these four strands also tells us that "traditional" models of for instance Open innovation might not be applicable in the film industry and collaborative models are more fit to purpose since they allow for a better integration of all these four strands.

Technological

The NEM – New European Media Strategy 2024 (NEM, 2024 - http://www.nem-initiative.org/) highlights Networks for media; Immersive Content, and AI for media Content as the key domains of technological innovation European Media face shortly and the three are also applicable to Film.

Trend 1: Big data is a prominent trend, impacting various media industries like radio, streaming, and publishing. This trend includes the simultaneous presence of online and offline content delivery. The Nostradamus report suggests a revenue-sharing model on platforms (especially FAST -YouTube). Godavarthi et al. (2023) emphasize the importance of cloud systems in market transformation, but insights beyond monetization are lacking. The NEM – New European Media Strategy 2024 highlights these Networks for media; Immersive Content and AI for media Content as the key domains of technological innovation European Media faces in the near future and the three are also applicable to Film.

Trend 2: However, both VR and AR and other forms of Immersive Media are peripheral to the notions of film and audiovisual as we know and conceive them – in terms of the technology, the space where they happen, and the discourse they channel. Should they become truly widespread in the near future, they will likely constitute their own category. Even though they might be based on moving images, they have the potential to give rise to new business models but will hardly be coupled with film or AV practices. However, Pudło et Al. (2022) show XR production technologies have recently expanded in the film industry and heavily influenced the production process. They explore the differences between diverse XR production workflows. The analysis of three case studies of cinematic VR production, computer-generated VR production, and Virtual Production provides criteria for workflow paths of the traditional approach to film production and XR production flow, including workflow structure, skills, education, and equipment.

Trend 3: AI plays a significant role in scaling digital servitization. It involves AI capabilities like data pipeline, algorithm development, and democratization. The Nostradamus report (2023) predicts that in the next 3-5 years, AI support will be integrated into all fully or partially digital work processes, especially increasing virtual production to replace characters in scenes, eliminating the need to involve dozens of people in the production. Business model innovation is crucial for scaling AI in this context (Sjödin, Parida, Palmié, and Wincent, 2021).

Economical:

Knobloch (2021) highlights significant changes in the Scandinavian film industry, emphasizing shifts in distribution channels, revenue streams, and core offerings, with studios venturing into online distribution. Solidoro et al. (2020) acknowledge that the industry is evolving due to online tools, leading to new approaches to dealing with intermediaries and stakeholders. Niemczyk et al. (2021) discuss the theory of network effects, particularly in the context of conglomerates, and how this concept could apply to national film and AV production, potentially inspiring new business models.

Theoretical discussions involve disclosing competitive advantages, business models in low-income markets, and the categorization of business models, with Schoorman et al. (2023) offering tools for classification.

Recent discussion (Fayard et al, 2024) highlights the importance of proper environments and structures that nurture innovation. Classic models of Open or Disruptive innovation will not generate economic value unless these long-term support models are in place. This does not currently happen in small countries in Europe!

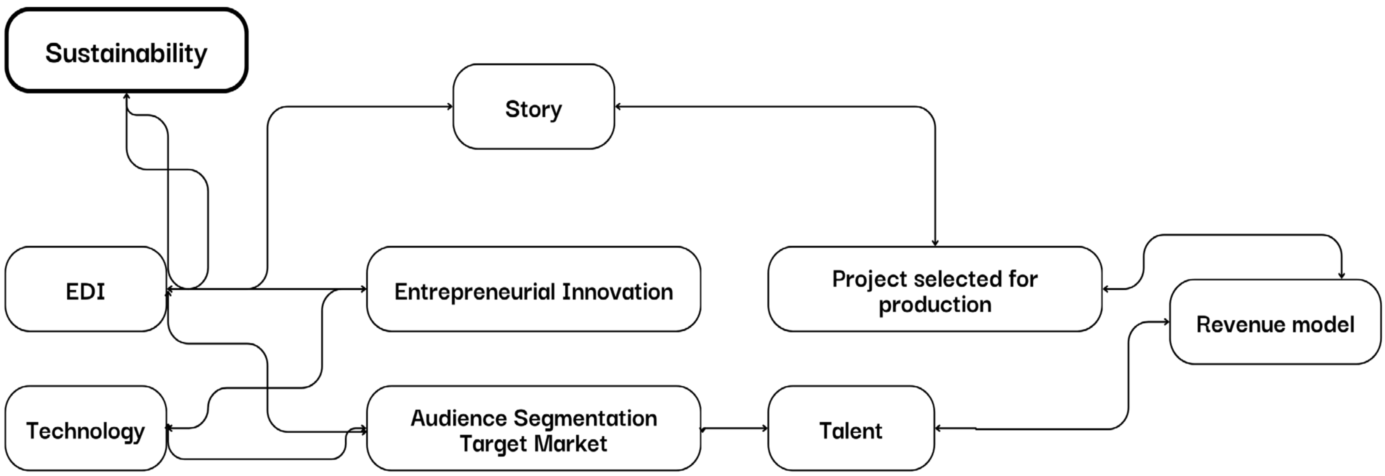
Social/Artistic:
Sewpersadh (2023) explores the disruptive impact of the coronavirus pandemic on businesses and the importance of evolving business models in response to technological advancements.

Del Vecchio, Kharlamov, Parry, and Pogrebna (2021) focus on enhancing productivity in the entertainment industry through data science, linking emotional arcs in movies to product and service innovation. Vanessa Roger-Monzó's research (2022) investigates sustainability initiatives in the Spanish audiovisual sector in alignment with the United Nations' Sustainable Development Goals.

Green:
Bhavana Godavarthi et al. (2023) examine the sustainability of a cloud computing service provider business model built on circular economy principles. Jonathan Victory's article (2015) emphasizes the need for environmentally conscious practices in the film industry, focusing on environmental sustainability. The relevance of environmental sustainability in the media industry is highlighted, offering insights into the environmental impact of digitalization and big data analytics.

A way forward: collaborative innovation
After identifying the drivers of innovation described above, we identified the core traits of innovation in existing business models across these markets and the degree of entrepreneurial mindset depicted by producers. Exploratory qualitative research and action-based research were conducted including interviews, multiple focus groups, and collective workshops at this stage.

The following figure is an Illustrative conceptualization of some of the increasing entrepreneurial factors influencing film producers that were extracted from our analysis.



We concluded the main goal for European film producers is to leverage their strengths while finding ways to mitigate their vulnerabilities, such as through collaboration and seeking external support during challenging times. This prompted us to hypothesise that collaborative models of innovation instead of disruptive or open ones, are the more fit for purpose when we seek to increase innovation in the film industry.

In order to pilot this proposition, overcome some of the challenges we have mentioned, and come up with a supportive environment where innovation can be nurtured, CRESCINE designed and implemented in the past year a "producers club" as a seminal model for collaboration that can foster innovation across small markets. We regard the producers club, now in its initial stages of piloting, as a viable complementary model to other existing forms of collaboration in the industry – i.e. co-production – and envision it to become a core network of competencies and collective innovation. After an initial stage of assessment, a total of 45 producers coming from all the CRESCINE markets are already participating in the club and in its activities.

Outputs/recommendations from the initial stages of the "producers club" pilot:

1. **Project Selection Process:** Given the impact of various factors such as costs, inflation, audience segmentation, global crises, and the ecological crisis on financing structures, it is recommended to develop sustainable development strategies. This could involve adopting greener practices, revising pricing structures, forming new partnerships, enhancing staff support systems, and increasing collaboration with other film markets. The project selection process should be reconsidered in light of these changes.

2. **Value of Smaller Markets:** Smaller markets serve as gateways for new creators and are crucial for generational renewal. It is recommended to foster a creative environment that maintains the industry's dynamism and connects with a changing audience.

3. **Interpersonal Connections:** Given the importance of interpersonal interactions and

face-to-face meetings in shaping film and television markets, it is recommended to facilitate networking opportunities. This could involve creating platforms for relationship-building and business discussions.

4. **Revenue Sharing Model on Platforms:** With the rapid development of advertising-financed channels (FAST), it is recommended to explore revenue sharing models on SVOD platforms and FAST ones. This could cater to both mass and niche markets, contributing to the growth in this field.

5. **New Generation, New Patterns:** The film industry needs to adapt to the expectations of young audiences and workers (Gen Z) in terms of mental health, work-life balance, and other aspects. It is recommended to adapt educational programs and training approaches to cater to new talents, considering the changing industry landscape and new career paths. On the other side, audience testing, such as concept testing, becomes crucial to understanding viewer interaction and increasing appeal. Film productions should focus on understanding and meeting the needs of their audience, and experiment with different forms, formats, and narrative lengths to maximize project value.

In the coming two years we will continue to nurture this innovation milieu the producers club represents and pilot the introduction of several innovations in this context, including funding and technologically related ones, while continuing to foster an increase in our producers entrepreneurial mindset.

Our Recommendations and The Look Ahead

By Sten-Kristian Saluveer & Manuel José Damásio

We live in strange but also exciting times. This edition of the European State of Film Platform attests to the myriad of challenges but also opportunities small European countries face when striving to survive amidst increasing competition for audience eye-balls, funding for creative endeavors, and talent. The report covers five grand domains that shape the European Film industry nowadays: innovation in business models; talent attraction and retention; circulation of content; audiences' engagement and sustainability. All these five domains are closely interlinked and dependencies are everywhere.

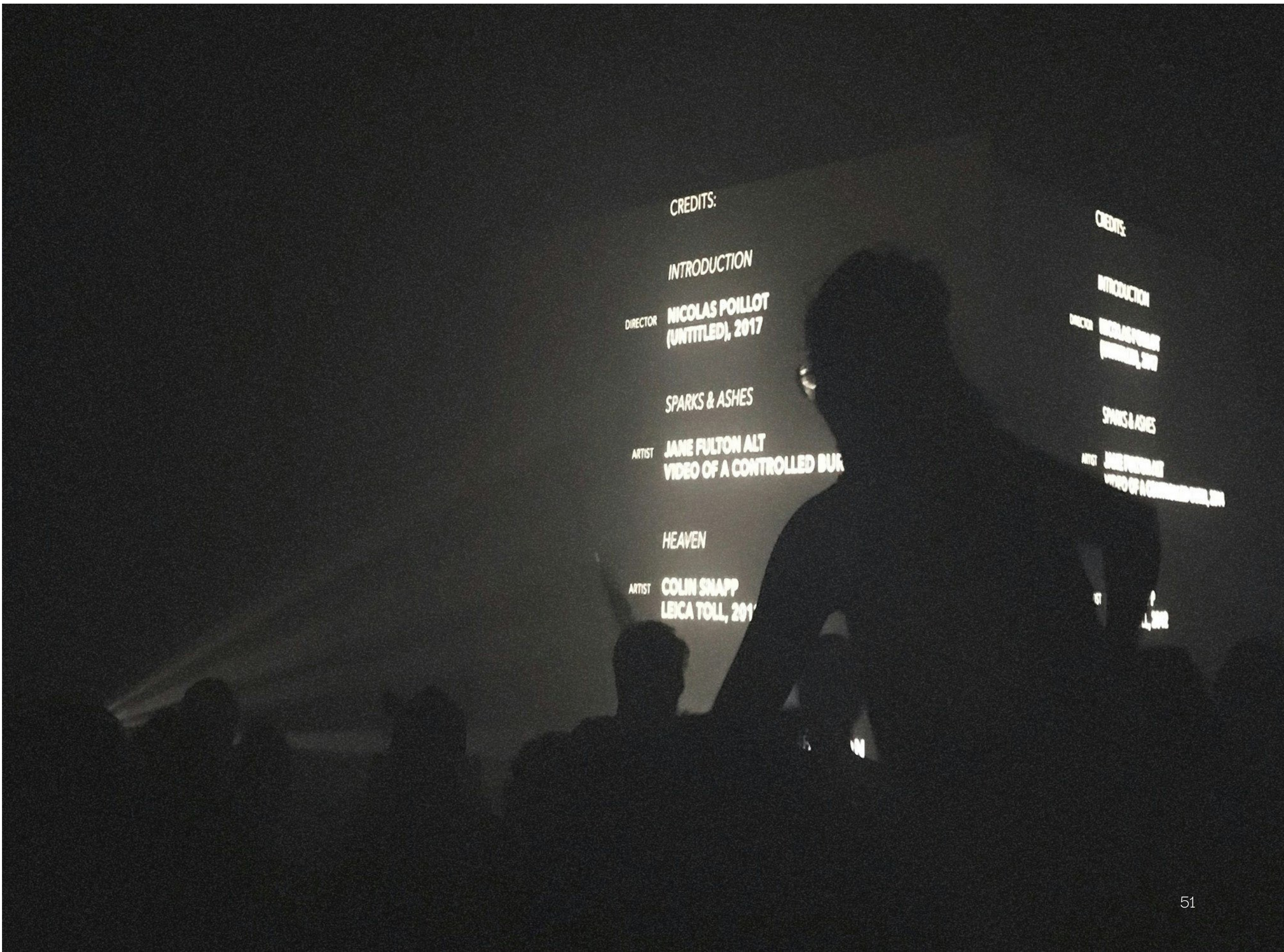
The report builds on a comparative approach between the different analyzed ecosystems of small countries in view of identifying and understanding traits of innovation or uniqueness that can drive these markets' competitiveness and that of the overall European Film industry. This comparative approach impels our analysis of the comparative performance of these markets in terms of presence in festivals - an ever more relevant distribution milieu for films coming from small countries - or exports. This comparative approach allowed us to identify four different developmental models that are represented in different forms across the seven countries we focus on.

Our comparative efforts not only focus on the offer and production side but also cover the demand side in view of understanding how audiences across these different countries react so differently to locally produced films. This overarching discussion of these markets and countries from a comparative perspective is then supplemented by a specific focus on concrete drivers of innovation and transformation for the markets, such as the sustainability or entrepreneurship challenges, and probably more importantly, the foundational aspect of skills and talent upskilling and reskilling. Altogether, the data and interpretations included in this publication provide a detailed bird's eye view of different phenomena and forces shaping the competitiveness of the Film industry across Europe.

In producing this report it is not our intention to systematize all data and findings we have in a too rigid manner. We have separated this report into different apparently non-related sections because we are convinced this reflects the high level of uncertainty different actors across the value chain face in these small but also in larger European countries.

Currently, there is little reliable data on the circulation of films from smaller European markets to export territories and festivals, on domestic audience preferences, as well as on training needs and skills development. Relying on extensive data analysis and insights, this edition of the State of European Film aims to provide a clearer picture of the current challenges, offering a stronger evidence base to identify opportunities for enhancing the competitiveness of the European film industry.

The State of European Film Platform is an open informational resource open to discussion and scrutiny. We hope others can benefit from these insights knowing that only up-to-date information processed in a critical manner ensures the positive externalities European companies, professionals, HEI, civic society, and policy-makers need if we want our industry to continue to flourish and position European as a world leader in creative and artistic production.


CREDITS:
INTRODUCTION
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SPARKS & ASHES
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VIDEO OF A CONTROLLED
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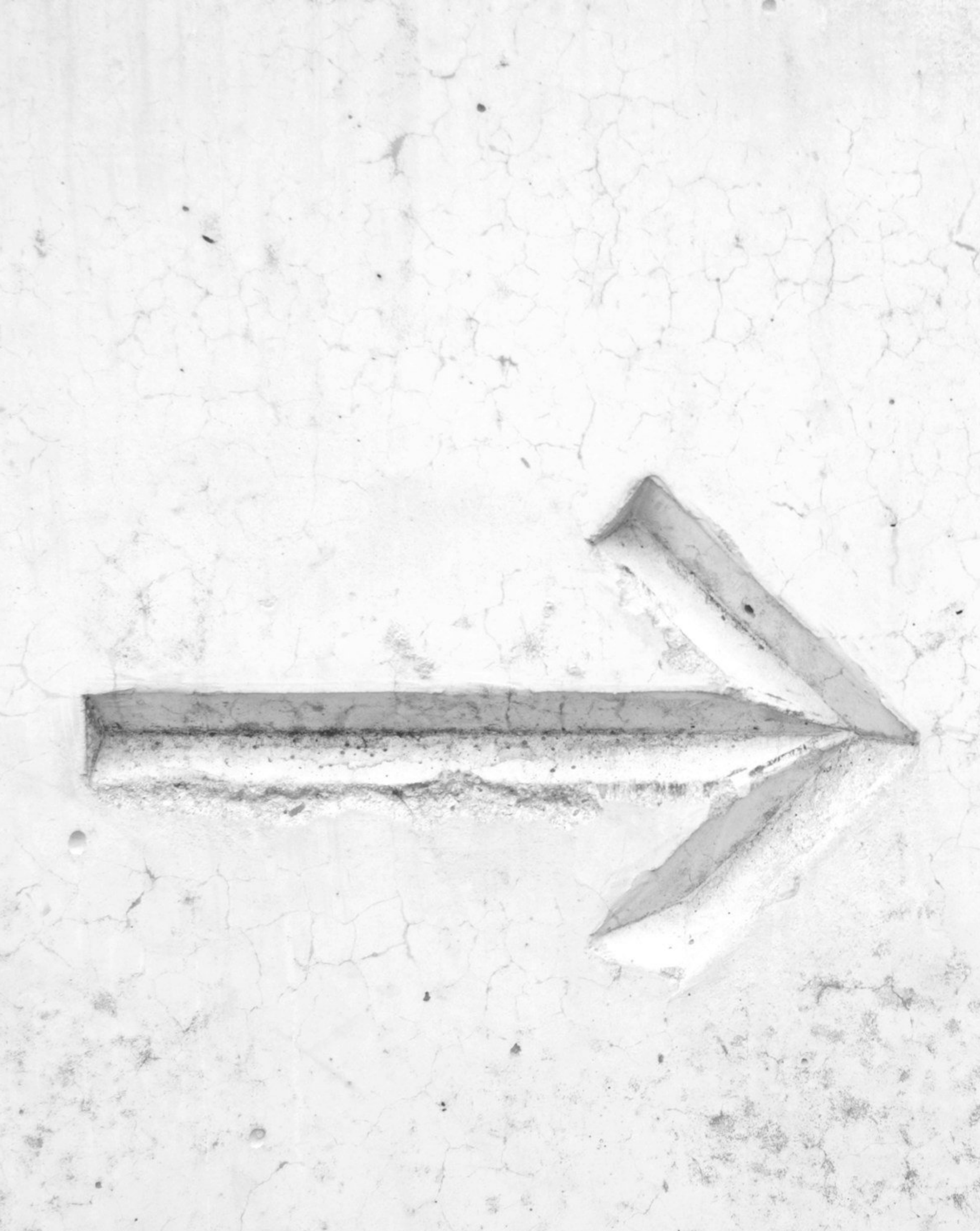

crescine

INCREASING THE INTERNATIONAL COMPETITIVENESS OF
THE FILM INDUSTRY IN SMALL EUROPEAN MARKETS