



Position Paper on Digital Cinema

Strategic importance of digital cinema:

Roll-out of Digital cinema technology has a relatively slow progress in Europe compared to United States and does not follow the fast pace of digitalization that can be observed in other media businesses. One reason is the presence in Europe of many independent movie theaters which are not in the position to invest massively in digital equipment, and get revenues enabling them to amortize that investment.

Digital Cinema refers to movies screened by digital technologies, whether the movie has been filmed with digital technology or not. Nevertheless, the master must be held in the digital format supported by the projector.

Along with digital formats, communication infrastructure and digital technologies have been developed during the past years, allowing digital cinema to come to happen. This evolution is the perfect framework to turn Digital Cinema into new business opportunities for the cinema industry

The migration of Cinema to digital technology is recognised as an important factor of development of the European cinema industry and associated culture. NEM, which has strong connections with that industry, feels concerned with that issue and supports all kinds of initiatives to foster the digital move in cinema also.

The present DC28 standard and DCI have gained serious momentum

The existence of standards is a prerequisite for the development of Digital cinema technology. Although the present DC28 standard is not fully compatible with those currently used by connected media, the NEM community recognizes that this is of minor importance compared to the existence of a world wide standard on which the industry can build its development.

Furthermore, some of the most relevant film producers have launched a new initiative Digital Cinema Initiatives, LLC (DCI), based on DC28 and which aim is to address the distribution format and security of digital cinema content. DCI's primary purpose is to establish and document voluntary specifications for an open architecture for digital cinema that ensures a uniform and high level of technical performance, reliability and quality control.

Decrease the cost of Digital theater equipment

All business models addressing Digital cinema request the existence of a large park of theaters able to display digital content. In the present European market conditions, the development of that park is linked to the investment level within reach of organizations which are often small. The cost of digital equipment is a strong barrier for those organizations. Any technology reducing significantly that cost must be considered with strong interest. Research in that field must be encouraged.

Develop new services

Digital technology offers much more than just replacing previous analogue technology. NEM has experienced that fact at the occasion of the digitalization of television which created new businesses. It can be anticipated that a similar situation will happen for Digital cinema. That would also modify the economic model of that business and may establish the conditions of accelerating the roll-out of Digital cinema theaters.

Various experiences have been performed. NEM encourages those initiatives and suggest that, within the FP7 framework programme new services should be developed including connected digital cinema for live events, 3D performances, gaming and interactive services. NEM suggests the connected media community to develop applications and services that will build of the existence of digital cinema theaters.