

**CHALLENGES CINEMAS
IN HELSINKI FACE**
– A case study examining the years 2008 and 2018

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ABSTRACT

Thesis

<p>Title Challenges cinemas in Helsinki face – A case study examining the years 2008 and 2018</p>	<p>Number of pages 69 + appendices</p>
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<p>Abstract</p> <p>This qualitative case study examines the challenges, that cinemas in Helsinki were facing in 2008 and 2018. More precisely, the study explores their challenges regarding film curation and programming, strategic management, and marketing and audience engagement. Through the examination of the selected years, the study aims to depict an image of the development of the cinema industry and the general issues it is dealing with, and to indicate the possible future challenges and opportunities the organizations have ahead. The study is relevant for the field of arts managers, because viewing past actions and developments critically, can be beneficial in foreseeing the challenges of the future.</p> <p>The philosophical foundation for the study is critical. The theoretical framework consists of the concepts of film art, strategic management and strategic film curation, marketing and audience development. Three cinemas in Helsinki are researched as cases. The primary data consists of five semi-structured interviews, and the secondary data consists of the websites of the organizations, information given by the researched parties and the annual statistics by The Finnish Film Foundation. The data is examined using the method of content analysis.</p> <p>The study bears the results, that the size of an organization does have an effect on the challenges the organizations are experiencing. All operators face challenges in keeping their venues relevant and interesting for the audiences. The common challenge in 2008 was the special limitation the technology set, and in 2018, one could see that the creation uniqueness is one of the key challenges: an organization must think sharpen its vision and the values it is portraying to the audience in order to stand out from other operators and make it easier for its customers to gain trust. The results of the study introduce challenges touching upon each of the mentioned areas of arts management, but also give offer fruitful starting point for more thorough study.</p>	
<p>Keywords</p> <p>Audience engagement, Cinema, Curating, Film exhibition, Marketing, Strategic management</p>	
<p>Additional information</p>	

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1 INTRODUCTION

1.1 Background of the study

In 2018, there were 180 cinemas with over 320 screens in 140 towns or municipalities of Finland (The Finnish Film Foundation, 2018). Of those, thirteen were located in Helsinki, five of them had been opened during the year 2018. Only in the very centre of Helsinki, on a two-kilometre radius, there are five cinemas, that screen newly released films. Over a decade ago, the situation was quite different. In 2008, a working group, commissioned by the culture and library board of the City of Helsinki, published a proposal (Alanen et al, 2008) about the current state of “quality film cinemas” in Helsinki. This proposal acted as an inspiration to this thesis.

At that time of the publication of the proposal, there were five cinemas in Helsinki, and the cinema business was seen to be in deep trouble: in 2008, there were only three cinemas concentrated on screening arthouse film, as in 1998, there had been eight cinemas of such kind. (Alanen et al, 2008, p. 17). The word quality can be understood in many different ways, but the working group limited the characterization to arthouse cinema, that consist of independent and artistically challenging productions from all over the world. The working group suggested, that the city of Helsinki should invest in a “house of cinema” (p. 16), with several screens, and spaces dedicated to different activities such as exhibition and festival events. The house of cinema’s program would consist of quality art house films, festival screenings and it could work as a “move over” theatre, where small films, that had lacked audiences in the first short rounds in other cinemas, could be screened again there (p. 50). The models for the house of cinema were for example the Cinemateket in Copenhagen and the Cinémathèque Française in Paris (p. 48-49). (Alanen et al, 2008) The suggestion did not go through in the city council.

As the film culture seems to have grown to be quite vivid on its own, without the help of the city, I find it important to analyse, what has changed from the time of the report of Alanen et al (2008) eleven years ago to this date? What are the challenges, that cinemas were facing in 2008 and 2018? The results of those years will help to define the challenges, that cinemas are facing generally, without a linkage to a

particular year. More particularly, what are the challenges cinemas have faced and are facing regarding film curation, strategic management and marketing and audience engagement? I have chosen to focus on the cinema field for my own personal interest and professional experience from the field. I have worked in the field of cinema exhibition since 2013 for various film festivals and cinemas, in tasks related to project coordination, programming, cinema technology and customer service.

I have the aim of depicting the challenges, cinemas of different sizes in Helsinki are facing and through that give a picture on the differences of those organizations as well as the state of the industry. To do this, I will examine the years 2008 and 2018, because on 2008, Finland was in the beginning of digitalizing all its cinemas and quitting the traditional film projection, which meant the biggest change of screening films during the cinema's history. In 2008, the collapse of the Lehman Brothers stocks caused a substantial financial crisis in the world. Also Facebook and social media started to rise in Finland introducing new means of marketing, but they were not yet used in such an accustomed way as today, as Facebook started to reach Finland in 2007.

In 2018, a new boom of cinemas could be seen with the opening of new multiplexes and smaller cinemas, and there have been news about openings of new cinemas in the future. As the citizens can be happy for the versatility of venues, one has to wonder, are there enough audiences for all of them? To this date, the power of Internet has grown strong and people in a city have numerous opportunities to spend their free time – not just at the city but at home as well consuming different online streaming services. Marketing actions are taking place on a large scale in social media and organizations have to keep up on the usage of different platforms. Ticket prices are higher compared to ten years before.

As the screening technology has changed from analogue 35 millimetre film to digital, it is important to know, what are considered as pros and cons of film and digital technology: Have the opportunities for cinemas increased? Cinemas in small locations can screen premiering films at the same time as in capital areas – before this was not possible as there were only few film copies that would go first to the bigger cities and after that start travelling to smaller towns. Cinemas in Helsinki and especially the bigger multiplexes have most likely had the advantage of getting films

earlier than the rest of Finland, but has the change to digitization impacted them positively also then? Are there any new or unexpected challenges, that the digital technology has introduced?

The current view of the landscape of cinemas is more centralized than before because of the concentration of many auditoriums, forming multiplex cinemas. The first multiplex, Kinopalatsi with 10 screens located in Helsinki city centre, was opened in 1998 and started a trend, that took over the country. A multiplex is a financially friendlier form of running a cinema: With less staff one can run more films simultaneously. One might argue, that the problem with the multiplex is, that even though the program can be very varied with big Hollywood hits to small art house films, smaller films still struggle because of the big competition of films and poor screening times; prime time slots are given to the films that can maximize the profit, meaning the hit films. Alone in 2018, two new multiplexes were opened in Helsinki's Itäkeskus and Kalasatama districts with altogether 14 screens. But it is not only the multiplex that is experiencing growth, as also new 1-2 screen cinemas have begun operating during the past years.

It can thus be stated, that the audio-visual culture is currently thriving, as new cinemas are opening and there is more content available online than ever before. A question that might pop to one's head is: How do cinemas survive and maintain keeping audiences? Are they focusing nowadays to different things as before? What is the level of emergency when comparing the operations of a multiplex and a small operator?

1.2 Aim of the study

The aim of the thesis is to explore the challenges, that cinemas in Helsinki face through the examination of the actions of three cinemas in 2008 and 2018. Mapping the challenges that the cinemas in Helsinki have faced in the edge of digitization in 2008, and the challenges they faced in 2018 will draw an image of the development of the cinema industry and the general issues it is dealing with, and hopefully indicate the possible future challenges and opportunities the organizations have ahead. The research aims to give an image, what have been and what are the conditions for cinema managers to run their organizations.

The main research question is:

What are the challenges that cinemas in Helsinki have faced in 2008 and in 2018, related to film curation, strategic management and marketing and audience engagement?

Through the research, I also aim to answer the questions:

How do the challenges discovered from the studied years 2008 and 2018 resonate with today – can there be seen challenges that cinemas are generally facing? What are cinema operators doing to keep their venues interesting for audiences in the growing and changing market? Do cinemas of different sizes experience different kinds of challenges?

As *challenge* can refer to many different things, I will focus on three different areas: film curating and programming, strategic management and marketing. These three areas contain themes that are relevant to the research: technical development is an issue, that has an effect on both strategic management and curatorial issues, and audience engagement is an important part of marketing. Here are some examples of the issues each area offers to discuss:

Film curating and programming refer to the choices of programming in cinemas and touch upon the questions regarding the reasons behind choosing a film to be screened and how have the technological changes from analogue film to digital screening formats influenced the curatorial decisions. *Strategic management* refers to the visions and missions the cinemas have – which values lead their operations? What makes a cinema unique and what are they doing to maintain their uniqueness? *Marketing and audience engagement* refer to attracting and maintaining audiences – what were the means in 2008 and 2018? Did and do cinemas have to offer something “extra” to their audiences in order to have them to visit? How has social media influenced the marketing work?

The research was conducted as a qualitative case study research, analysing qualitative and quantitative data with the method of content analysis. Three cinemas were chosen as cases of the study. Their representatives as well as the representative of the Finnish Chamber of Films were interviewed regarding the three chosen areas of arts management. In addition, quantitative data regarding the cinema realities in Helsinki and in each research cinema in 2008 and 2018 was

collected, as well as charts of most watched films in Finland and in each of the examined cinemas, to examine the changes and developments that have taken place. The research also contains indications of possible future developments, that might occur in the cinema field.

I find the thesis relevant for the field of arts managers in the cinema field, because from my personal experience of working in this field, I find it important to take a step back and view critically the values of organizations and their activities. Also, it is important to see actions from a distance and from a wider time frame, in order to be able to foresee the possible future developments.

1.3 Research Approach

This thesis is a qualitative case study about the challenges, that cinemas in Helsinki faced in 2008 and 2018 and aims to draw generalizations of the challenges cinemas are dealing with also today. This thesis is particularly interested in the challenges cinemas have been facing regarding film curation, strategic management and marketing. The philosophical foundation for the study is critical. The theoretical framework consists of the concepts of film art, strategic management and strategical film curation, marketing and audience development. The primary data consists of semi-structured interviews, and the secondary data consists of the websites of the organizations, information given by the researched parties and the annual statistics by The Finnish Film Foundation. The data is examined using the method of content analysis.

Three cinemas have been chosen for investigation and their representatives were interviewed. The cinemas were chosen based on the following criteria: At least two of them should have been operating in 2008 and in 2018 and they should be operated by different companies. The third chosen cinema should have been operating in 2018 and preferably, it should contain some kind of factor that would differentiate it from the two other cinemas: a different focus in programming, further location (as the two other cinemas are located in the centre of the city) or another kind of specialty in its actions. In addition, a representant of the Finnish Chamber of Films was interviewed. Altogether, five interviews were conducted. The study has been conducted using the semi-structured interview as the main method of data collection. Secondary sources of data are the cinemas' websites and the

quantitative data, which comes from the annual statistics of The Finnish Film Foundation and the information given by the interviewed parties.

The study is relevant for the field of arts managers, because viewing the past and noticing the possible development and change of focus points can be beneficial in foreseeing the challenges of the future.

1.4 Structure of the thesis

This study contains six main chapters, followed by references and appendices.

The first chapter introduces the studied theme, gives reasons for the study and presents the aims for the study. It also introduces the research methodology.

The second chapter offers the theoretical framework for the study.

The first part presents film as a complex form of art and entertainment, as it offers important background information to understanding various programming choices.

The second part focuses on strategic management, first viewing the general challenges and issues in strategic management, and then specifying in different strategies regarding film curation and programming.

The third part focuses on marketing, shedding light to the importance of value creation. The last part of the chapter focuses on audience engagement and the history of cinema audiences.

The third chapter presents the research methodology of the study. The chosen study methods are presented and justified, and the different parts of conducting the study are depicted. The last part of the chapter offers also critical viewing of the research process.

The fourth chapter presents the findings of the conducted analysis. The findings are organized under following headlines: Film programming, strategic management, marketing and audience development, and future trends in the cinema field.

The fifth chapter presents the conclusions of the conducted study. The results are collected under three headlines, followed by a summary of the findings. Finally, chapter six discusses the findings and offers subjects for further studies. The chapter is followed by a list of references and appendices.

2 THEORETICAL FRAMEWORK

2.1 Film and exhibition – art or entertainment?

Bosma (2015) relies his definition of film art to a functionalist approach: he sees film art based on the reactions it accumulates in its viewers (p. 115). He refers to Allen and Lincoln, who state that the viewing can be categorised into the critical, professional and a popular recognition of film art. The actual value of film lies in the notion, that the variety and diversity of collective and personal memory gets broadened by film. (Bosma, 2015, p. 116)

What kinds of films are there then? One tends usually to divide films into genres such as drama, comedy or horror. But could this lead to simplifying the film into a one-sided piece; are comedies just funny, are dramas just serious? As a solution, Bosma (2015) offers a separation to two: *cinema of reinsurance* and *cinema of disturbance*. The first refers to “feel good movies”, that offer optimism and happy moments. The latter refers to pieces, that take contact to the dark side of humanity, questioning life or existence. Bosma stresses, that the separation does not necessarily mean, that one is a synonym for mainstream and the other to something else. (p. 63)

Wilinsky (2001) separates *art film* from other cinema, referring to the repertoire often screened at arthouse cinemas. But she finds out, that the term can have multiple definitions – beginning from if the term should refer to the film’s content or to the way it was produced – and defines three spheres in which the films could be analysed: 1) through the form and text of the films, 2) the national and industrial background of the films, and 3) the role of art cinema in the commercial cinema industry. According to her, most scholars agree on what art cinema is not: classic Hollywood film. This distinction would give art films the boundaries of being “an alternative to mainstream Hollywood cinema – not just in terms of their formal and thematic differences, but also in terms of their potentially alternative systems of productions, distribution, and exhibition in the United States”. (p. 13–15) This comment could be challenged, as the production system of Hollywood is quite unique – would then commercial Finnish films made for mere entertainment be qualified in some levels as art cinema?

Wilinsky mentions a court case in the USA regarding film censorship from 1952, when the Italian film “The Miracle” was under investigation. The court’s verdict stated that “it cannot be doubted that motion pictures are a significant medium for the communication of ideas”. This verdict could be seen as a grand turning point for cinema, as still in 1915 film was described by a US court decision as “a business pure and simple, originated and conducted for profit”. It thus strengthened – among others – gave affirmation to film as an art form and thus influenced how film is seen and studied today. Films got associated with culture and sophistication and so the importance of art cinemas increased – they became venues that helped people to identify themselves as consumers of culture, and not simply entertainment. (Wilinsky 2001, p. 5)

Even though film is today considered as an art form, it is still circulated under the restrictions of commercial values. Deciding on which film to screen depends on the potential profit the piece can make. Because of this, artistically compelling works have more difficulties getting represented on screens. In this, Bosma sees a “dead end street”, that is looking for purely financial arguments in the discourse of justification of the art of film. (Bosma 2015, p. 115).

In the United States, a theatre for screening film had become a norm in big cities by 1910’s (Gomery 1992, p. 29). Ever the since the beginning of film screenings, films were shown on analogue film. As technology evolved, digital possibilities for film screening became possible, and eventually the digitization of cinema became a current issue. In Finland, the digitization of cinema began in 2006 as a pilot project (Yle, 2006), and nowadays basically all regularly run cinemas are digital. Cinephiles around the world have expressed their concern long before the digital cinema era; the renowned director Peter Greenaway said that the death of cinema happened already on the 31. of September in 1983, when the remote control for television was first introduced (Verhoeven, 2013, p. 35).

Susan Sontag (1996) wrote in her famous essay *The Decay of Cinema* about the death of cinephilia, that had experienced its rise in 1950’s. According to her, initially, what separated cinema from other art forms was that it was accessible, modern, poetic, mysterious and erotic at the same time – the cinephiles were brought together by the profound love for the nature of film, and movie going was an essential part of this love. To Sontag, a movie theatre cannot be replaced by the

biggest of screens in one's living room. (Sontag, 1996) Rapfogel (2010) agrees and describes the audience's experience as only an approximation, when watching it on a television or computer screen. Sontag (1996) states that cinephilia has become obsolete in the modern times: The death of cinephilia will mean the death for cinema too – only “a new kind of love” for cinema can save films. It would be interesting to know, what Sontag would say about the digitization of cinemas, that took place in the first decade of the 21st century. Verhoeven (2013) refers to Mulvey from 2006, who finds a symbolic connection in when cinema was celebrating its centenary, at the same time profound the shift towards the digital was made. This shift, that happened during the birthday of the original format, created a gap between the old and the new and “signals more precisely the end of an era”. (Verhoeven 2013, p. 37)

As many seem to be leaning towards the narrative of ‘good’ and ‘bad’, Verhoeven (2013) herself calls for a more throughout analysis of the technical developments: Instead of talking about the practicalities of a technology, Verhoeven urges us to ponder, how technology takes part in the defining historical and cultural humanization – “how the ‘inhuman’, the technical, might already exist *within* the ‘human’”. If the ending of screening traditional film attached to the ‘death of cinema’ is separated from the digital technology without temporal analysis, they are just seen as separate incidents in cultural history instead of having a relation and being a part of a continuum. (Verhoeven, 2013, p. 39)

Cinemas, or movie theatres, can be divided to three types: a megaplex with 16 screens and above, a multiplex with 8 to 15 screens, a miniplex that contains 2 to 7 screens and a single screen cinemas, that has one screen. (Bosma, 2015, p. 56) Multiplexes are service-driven theatres, that aim to transform a moviegoing into an entity and an experience. Media and corporate sales are a part of a multiplex's characteristics. (Ahokas, 2004, p. 7) Multiplexes screen both mainstream and arthouse films, but the common worry by film professional is that smaller films are overcast by the shadow of major studio films (Alanen et al., 2008). Wilinsky (2001) talks about “sure seaters”, which has two meanings: in the 20th century USA, sure seaters referred to art cinemas, that were 1) audience was always sure to find seats, or 2) a sure seater cinema was sure always to fill its seats. One could thus draw the conclusion, that art house cinemas have divided the opinion depending on the person who is speaking, maybe on who is of the target group for such a cinema.

Huffer (2013) researched, whether cultural distinctions were linked to social distinctions in contemporary art house cinemas in Wellington, New Zealand. By distinctions, Huffer is referring to Pierre Bourdieu's theories of the connection of taste and cultural interests (Huffer, 2013, p. 282). Huffer discovered, that the art house cinemas clearly wanted to separate themselves from the multiplex-theatres and cinema-rituals like eating popcorn, since as for the cinemas, the multiplex and popcorn seemed to symbolize popular taste, of which they wanted to distinguish themselves from. The beverages and snacks sold at the independent cinemas were clearly aimed for a more sophisticated audience, and to raise their interest, the cinemas had an emphasis on creating intimacy.

Wilinsky (2001, p.3) agrees with this separation and labels art-house cinemas as "alternatives" for audiences to separate themselves from the masses. She adds to the conversation by quoting Williams' definition of alternative culture "that of someone who simply finds a different way to live and wishes to be left alone". Wilinsky questions if this idea tells the truth about art-house cinemas – the audience might wish to keep the scene alternative and exclusive, but does the film industry want the same, to be left alone? Or would they rather want to "sell" the exclusivity of alternative culture to as large an audience as possible?" She continues by widening the conversation to the surrounding culture and ponders, how could the wider cultural scene integrate the alternative culture to the mainstream.

Huffer (2013) notices regarding the case in Wellington act as a continuation of the conversation started by Wilinsky: the promotion of the screened films had a clear high-brow connotation at the art-house cinemas, although there were signs to be noticed, that aimed for attracting middle-class audiences. Also, Huffer discovered that multiplexes had also art-house characteristics, that occurred through programming of film classics. Multiplexes offered more variety in different "classes" of movie-going, meaning better advances for bigger patrons. This notion leads Huffer to the conclusion, that even though independent art-house cinemas might be offering clearer culturally distinctive works for a particular audience, it is the multiplex, whose division within socioeconomic hierarchies is at its most severe, whereas independent cinemas do not divide their audiences, once they are inside the building.

2.2 Strategic management

2.2.1 *Strategic management and challenges*

Strategic management offers means for organizations to tackle problems, survive in a changing environment and formulate strategic short and long term goals (Varbanova, 2012, p. 28) In the book *Strategic Management in Arts Organizations*, Poisson-de Haro and Menot (2013) introduce challenges in strategic management. According to them, the challenges can be divided to three:

1. “The challenge of synergy” between the art, meaning the content, and the organization, meaning the management. This challenge touches upon performance assessment, flexibility of the organization, the relations between the artist and the manager and the state of competition.
2. “The challenge of the viability and sustainability”, that refers to challenge managers face to keep their venues interesting and relevant, to develop and still remember their mission. The challenge is closely linked to funding, decrease in audience numbers and the number of competing organizations.
3. “The challenge of audience retention and development” refers to the strategies for educating, maintaining and gaining new audiences in the growing competition. (Poisson-de Haro & Menot, 2013, p. 4–5)

Poisson-de Haro and Menot (2013) continue to identify six different issues of an arts organization – all can be characterized as challenges –, that are related to the different themes: artist/manager relationship, declining attendance, funding sources, increased competition, organizational flexibility and performance assessment. These issues are related to the three, above-mentioned challenges followingly:

	Artist/ manager relationship	Declining attendance	Funding sources	Increased competition	Organizational flexibility	Performance assessment
Synergy between artistic activities and the organization	x			x	x	x
Viability and sustainability of arts organizations		x	x	x		x
Audience retention and development		x		x	x	x

(Poisson-de Haro & Menot, 2013)

This model is useful in the analysis of the different themes as the challenge of synergy could be seen related to film programming, the challenge of the viability and sustainability towards general strategic management and the third, the challenge of audience retention and development refers quite clearly to marketing and audience engagement. In the model provided by Poisson-de Haro and Menot (2013), organizational flexibility refers to performing arts, where a performed piece can never be the same twice (p. 9) – it might be relevant to think, if this characterization could be added to the strategic management of a cinema: Could the notion of uniqueness be attached to the cinema-going experience?

According to Poisson-de Haro and Menot (2013), declining audience is linked to the various cultural offerings – increased competition – that are competing of people’s time, to which an organization then has to respond to. The decision on which cultural offering to choose, may depend on the person’s background: people with high education and work positions usually consume the so-called highbrow art. They add to this notion, that interestingly, popular art is usually consumed by everyone. (p. 8) This thought could lead to the wondering: is a multiplex cinema for everyone? To address the problem of declining audience, the organization must collect information on the external environment it operates in by using the PEST analysis (in which one discovers, evaluates, organizes and tracks its surroundings)

and then perform an internal analysis. (Poisson-de Haro & Menot, 2013, p. 198)

In order to assess performance, an organization must possess the tools to keep its visions and objectives clear and visible, while preserving a forward-looking vision. To succeed in this, the organization must evaluate its activities both on an artistic and functional level – this way, it can maintain an artistic integrity and stay economically and socially viable. Naturally, this leads to the challenge for the organization to develop these tools and indicators for the evaluation of actions. (Poisson-de Haro & Menot, 2013, p. 10)

2.2.2 Strategies for film curating and programming

Bosma has dedicated a book for film curation (2015). He defines the role of the curator as a “gatekeeper” or “cultural intermediary”, who stands in between the audience and the art and decides, what the audience should experience (p. 8). If a cinema relies on its programs to the films brought by the national distribution companies, a cinema manager should not call herself a curator or a programmer but a scheduler. In this case, it is the distributor, who does the programming (p. 51). The key task for the cinema operator then is to find an audience for each film. (p. 51) and schedule the screenings so, that there is a maximum audience for each time slot. (p. 54) The distributor is characterised to be both a link in a “decision chain”, who enables the efficient way of dispersing cultural offerings with a risk-minimising way, and also a part of the “value chain”, as distributors are delicately balancing between financial interests. (Bosma, 2015, p. 35–36)

Bosma (2015) refers to Schulte-Strathaus, who links three actions to film curation: “creating a strong program, embedding that program in a relevant context, and making the program attractive for a sufficiently large crowd” (Bosma, 2015, p. 9). Bosma adds to this equation the need to connect the curating to marketing and fundraising, as the curated programmes most likely have to stand in the commercial and profit-oriented surroundings (p. 8).

The curated and programmed film viewing experience is, according to Bosma (2015), to some level determined by the historical advancement of films. He introduces the “cinema dispositif”, according to which the film screening situation could be analysed. In this, one must take into account four aspects regarding the viewing experience: the possibilities, that technology possesses regarding

filmmaking and exhibitions; the circumstances of film presentation, that are linked to the cinema the film is viewed in; the cinematic text, which is connected to the story and the artistic decisions; and the psychological processes of the audience members, that refer to the perception process. (p. 13)

Revising strategically ones values and the important of values seems quite important today, where the economic realities are often based on the experience economy. Bosma (2015) describes the value trading today as the measurement of experiences instead of property. According to him, the exchange of value has previously been about the “haves” and the “have-nots” but today it can be said to be about the “connected” and the “disconnected”. (p. 31) This is why nowadays, through the participative culture, the cinema audiences are actively influencing and shaping the cinema viewing opportunities – the film streaming services are a great example of this. According to Bosma (2015), the increased freedom to choose what to watch and from where does create democracy, but also a challenge for cinema operators – how can a film exhibitor or curator remain their expertise as the controller of quality? (p. 32) He predicts the extinction of cinema windows, allowing all content to be available for everyone at the same time. This would then lead to the need of more innovative thinking among cinema operators and distributors – cinemas will need to screen carefully curated programs and “create an experience that adds value for their customers”. To achieve this, Bosma calls for an updated structure of financial agreements and coalitions between film exhibitors, distributors, sales agents, producers and other integrators. (p. 33–34)

In order to hold a film program, that is both artistically and economically viable, it is important to find the necessary tools for analysing the organization’s actions. One should start by sharpening or formulating the organizational identity, which contains the statement of mission, vision, values and elements of branding, such as a slogan or a logo. Formulating the organizational identity requires a contemplation regarding the organization’s reason to exists, their uniqueness, their societal importance and the key message they want to convey. Organizational identity is linked to the organization’s internal functions as well as to its public image. (Varbanova, 2012, p. 58–59)

Bosma (2015) encourages an operator to think measure the “Critical Success Factors” (CSF’s), that refer to different possible intentions the film programming

might entail. Bosma introduces six CSF's: Popularity, that balances between the films that are available for screening and audience's demands; social engagement, that is linked to audience outreach; diversity of audience, that has different segments in mind regarding reaching customers; diversity of films, that aims to screen a broad selection of pieces; uniqueness, that refers to existing film rarities; and excellence, that has a focus on screening the highest quality of film regarding artistry or craftsmanship. Through analysing the measuring the importance of these factors and intentions, a cinema operator can define the cinema's identity and profile, and together with the analysis of selected 'Key Performance Indicators' (KPI's) – that refer to the quantitative data of an organization's actions, such as audience numbers and box office results – one can form a viable strategy for programming. (p. 52)

Strategic planning regarding film curation could also be inspired by the Russian filmmaker Eisenstein's montage theories. Bosma (2015) offers three strategies:

- 1) With “dialectic curatorial strategy”, a cinema operator could combine films, with the aim to create a dialogue between them. The films could differ from one another, but have a thematic relationship.
- 2) A “curatorial strategy of attractions” would combine film screenings, art and music performances, food and beverage offerings and different kind of special programs that would enrich the cinema experience.
- 3) In the “intellectual curatorial strategy”, two conceptually similar, but stylistically different films would be linked to each other and screened as a “double-bill”.

(Bosma, 2015, p. 54–55)

As last, Bosma (2015) mentions the “sandwich programming”, that contains popular and accessible films for a wide audience and challenging films for a niche audience (p. 56). When planning the screenings, a cinema operator can either schedule the film screenings horizontally or vertically, if there are several auditoriums in the cinema. In horizontal programming, one looks at a timeline and strategically decides, which film begins at which time, balancing with the start and ending times and audience peaks with each film. In vertical programming, one looks at the scheduling from the auditorium's point of view and places films to be screened in

one auditorium, having in mind the type of film, preferred time slots for different audience segments but also the size and atmosphere of the auditorium. Both of these models contain also the practical element of leaving enough time for the cleaning and emptying the auditoriums between screenings. (Bosma, 2015, p. 55)

2.3 Marketing

The following subchapters discuss marketing from the perspectives of target definition and the value of an offering from the customer's point of view.

2.3.1 Defining the targets

It is not possible to simply offer a product or service, one must sell it. Colbert (2008) defines marketing as making the best of the communication between a business and its audience or clients and to increase the satisfaction of the both parties to the highest. Defining marketing, Kerrigan (2017) cites the definition of marketing by the American Marketing Association from 2004: "Marketing is an organizational function and a set of processes communicating and delivering value to customers and for managing customer relations that benefit the organization and its stakeholders." She claims this definition to be problematic for film marketing, as generally, filmmakers do not have many opportunities to be in such contact with their audiences. (p. 3) This approach, similarly as Colbert's, could be seen to suit the relationship a cinema can share with existing and potential customers. Colbert (2008) divides the concept of marketing to four areas: "the consumer's needs, the satisfaction of those needs, the connection between the business and the consumer and the desire to achieve financial equilibrium". (p. 4)

One can view marketing from two points of views: from the satisfactory point of view, where the needs of the customer come in first place – the product can be adjusted to meet those needs, or from the product base point of view, where the content is seen as the starting point and the right customer segment is sought according to it. The first point of view is characteristic for profit-oriented companies and the latter for not-for-profits. Hollywood films are characterised to represent the profit-oriented products. (Colbert, 2008, p. 4)

The profit-oriented company usually tends to follow the traditional marketing

model, where the information system gives relevant data – the need of the potential customers – to the company, according to which the company then comes up with the strategy to reach the market within the limits of their resources. The not-for-profit organization starts from a strategic analysis: they define the vision and mission of the organization and the art presented, and plan their marketing strategy accordingly. (Colbert, 2008, p. 5) Bosma (2015) characterizes commercial cinema to be operating with ‘service-marketing’, where the organization tries to connect as focused as possible to a need or an audience segment, where there is a promise of economic profit. An arthouse cinema on the other hand, functions within a smaller niche market, and aims to offer purely film art to its audiences. The challenge for an arthouse cinema is to convince the existing audience of the importance of their program and deepen their experience. Both types of cinemas should review their identity as it is seen by outer stakeholders and examine, what are the reasons for audiences to visit them. (p 62)

Kawashima (2000) sees a possibility in the satisfactory point of view for cultural organizations – that are often not-for-profits, when a social objective is added: According to her, by taking the approach of placing the customers’ needs first, the organization does not need to sacrifice their artistic vision, but it should recognize the needs the desired audience segment has and then see if it can meet them (p. 23). Kawashima cites Kolb, who states, that even though it could be beneficial for them, cultural organizations seldom use this approach (as cited in Kawashima, 2000, p. 24). As cinemas are usually companies, that aim to make profit, the question remains: can they be called cultural institutions, and if yes, where is the limit between a commercial and a “cultural” cinema drawn?

Kerrigan (2017) agrees with Kawashima and sees the opportunity she described in film as well; Customer satisfaction cannot be accomplished by asking the audience, what kind of film would interest them, but by making a film – creating the product – that is of high quality and then placing the film so, that it will appeal to the aimed market (p. 5) This is why Kerrigan stresses, that the film’s marketing begins already in the idea phase and lasts until the consumption phase (p. 5) She introduces the supply chain of the film industry:

Develoment	Pre-production	Production	Post-production	Advertising and distribution	Exhibition
Rights acquisition Script development Concept testing	Financing Greenlighting Crew Cast	Above the line Below the line	Editing Soundtrack Special effects	Sales Distribution Trailers Publicity	Theatrical DVD / On-demand Pay TV Free TV

(Kerrigan, 2017, p. 7)

Kerrigan (2017) argues, that the film industry’s supply chain is generally lacking supply chain management, making the linkages vague and the system unsustainable. One of the reasons for the continuing success of Hollywood films and its dominance in the industry could be that their studios have a well-connected and managed supply chain.

From a marketing perspective, an arts organization can target with their actions up to four markets: the consumer, governments, patrons (or sponsors) and other partners (consisting of for co-producers, media and distributors). The consumer refers to the paying customer – often from a distinguished segment – the organization wishes to attract and keep. The partner market refers to a second party, such as a producer, a distributor or a media, with whom to join forces to enhance the marketing results. (Colbert, 2008, p. 6–7) Thus according this thought, in film, as the original product lies in the hands of a filmmaker and the producer, the distributor and the screening cinema can be seen as partners.

Two elements have a substantial effect on an organization’s actions and marketing planning: the macro-environmental shifting and competition. The organization must adapt to the environmental changes but it cannot influence the reasons of the changes. These consist of the main variables; demographic, cultural, financial, legislative and technological, and time and the specialization of the organization. The organization can carry some power over the competition with their Unique Selling Proposition – a feature only the company has, that the competitor does not. Colbert calls for an constant re-analysis of the marketing strategy and the understanding, why a marketing strategic can work for one organization, but not for the other. (Colbert, 2008, p. 10–11)

2.3.2 The value perceived by the customer

According to Colbert (2008), customers are more demanding than ever and their loyalty cannot be taken for granted (p. 11). Kerrigan (2017) stresses, than when thinking about film from the perspective of marketing, value is created only in the moment of consumption, and it can only be classified according to the customer's experience (p. 4). Organizations must thus actively work to maintain the interest of the customers. If a customer experiences poor service, it can lead to the ruining of the artistic experience, thus worsening the customer's satisfaction and eventually decreasing the organization's public image. On the other end, good customer service can lead to increased loyalty, thus making the organization unique for the customer. (Colbert, 2008, p.11–12) Ravanas (2008) speaks about "audience abuse", which refers to uncomfortable situation customers can experience due to arrogance or negligence of the staff (p. 79).

Colbert (2008) characterises an organization as "efficient" when it puts effort on examining the "moments of truth" – each incident, when a customer is in contact with the organization. An organization should acknowledge these incidents and put effort in increasing the service in each of them. This process applies also to all the other partners and networks the organization is in communication with. (p. 11–12)

The customer's loyalty can be said to be connected to the organization's brand – how the organization is seen in the mind of the customer. The process of figuring the brand is called Product/brand positioning. Colbert (2008) defines positioning as "the place a products occupies in the customer's mind as compared to products offered by the competition. Repositioning is any modification of the place occupied by the product further to analysis of the situation." He encourages organizations to perform a positioning exercise, which could be said to be linked to strategic management: Through thinking about the offered product, the aimed market segment and the product's own place in the minds of the customer within those segments as opposed to the product by the competitor, one begins to view the organization and product and their role in the market strategically. The analysis helps the organization to relate with the customer, as customer bases its image of an organization always on its own perception. (p. 18)

The reason for a brand is to identify and separate from products from others.

According to Colbert (2008), branding is important part of marketing strategies especially “in the most commercial enterprises”. Although, they do add that for a cultural organization, a strong brand is essentially important, because when using a service or a cultural organization, the customer is always performing a specialised purchase. He presents five characteristics, that are associated with branding. The more of them an organization can say to be meeting, the stronger the brand they have. (p. 20–21)

1. *Perceived quality*: The concept of quality differs according to the one experiencing – people tend to have different motivations and beforehand knowledge when experiencing art, thus the understanding of quality also varies. It is also meaningful to separate the quality experienced by an expert and by a regular user.
2. *Brand awareness*: A brand is the more established and powerful, the more people are capable of naming it.
3. *Loyalty*: Loyalty can be calculated and measured based on how many a customer returns or re-purchases a product.
4. *Association with salient elements*: A brand can be identified with a well-known part of an organization, such as a well-known artistic director or a certain famous product.
5. *Association with tangible and intangible elements*: An organization may be known for its outer characteristics, such as the architecture or the history the venue entails.

(Colbert, 2008, p. 20–21)

An organization must still remember, that when they are measuring their brand strength, they must do it from the point of view of the customer. (Colbert, 2008, p. 21) Kerrigan (2017) refers to the study by Kerrigan and Yalkin from 2009, where they discovered, that the customer’s consumption of the product does not end on the act of purchase, but may continue for a long time: the customer might recommend the product – or in this case, film – to a friend, continue to read about it on the internet or discuss it with other people (p. 8). When this theory is reflected on the ones by Colbert and Ravanis regarding customer loyalty and customer abuse, the cinema can be said to play a vital role in the supply chain of a film, that was

introduced in the previous subchapter.

2.4 Audience engagement

2.4.1 Audience engagement

Audience engagement can be looked at from different kinds of angles. Nobuko Kawashima (2000, p. 8) divides audience engagement work into four different categories: Cultural inclusion, extended marketing, taste cultivation and audience education. All of them can be intertwining with each other. Within the divisions, the analysis of them can be divided into target, form and purpose.

In cultural inclusion, the target group are “people least likely to attend” because of social reasons, which can refer to the level of financial income, education or the feeling of being represented. The form of this is outreach, which means that the cultural product can be taken to the target group instead of asking them to come to the product. Outreach can also refer to including the target group to the piece by participating in the making. The purpose of the work is social. (Kawashima, 2000, p. 8) Kawashima later advises not to use the term cultural inclusion in the context of audience engagement, but to refer to outreach, since cultural inclusion is a complex and political term, that does not look at people as audiences or non-audiences, but as people with larger social problems or disadvantages. (2006)

Kawashima (2000) characterizes extended marketing as being based on the basics of arts marketing. The target group of the strategy is the people, who are not yet customers or users of the product, but have a high potential to be that. The form of the offer is the product, enhanced with features that can make it more attractive, such as a price discount. The purpose of the strategy is financial and artistic. (p. 9)

Taste cultivation is aimed at the already existing audience to whom different or new forms of art are introduced. The form of executing the strategy is to offer a different kind of experience to the known audience so that they could widen their interests and discover something new. The general aim of this is to encourage people to experience even more different kinds of culture and arts. (Kawashima, 2000, p. 9)

Lastly, audience education is aimed at the existing audience, similarly as in taste cultivation. In audience education, the purpose is to deepen the experience of the

art piece, to add to the experience by offering additional information to make the experience more qualitative. (Kawashima, 2000, p. 9)

A study on Audience development commissioned by the European Commission (2017) added to Kawashima's segmentation the types of audiences. The audiences were divided into three: audience by habit, that refers to people, who are used to being an audience and usually take part in cultural activities; audience by choice, who are not used to participate in cultural activities for financial or social reasons, but who are potential customers; and audience by surprise, who are the people least likely to attend a cultural event because of complex reasons and whose attendance could not be possible without a long-term planning and approaching. These audience types can be paired up with Kawashima's strategies: Audience education and taste cultivation work best with audience by habit, extended marketing with audience by choice and cultural inclusion with audience by surprise. Bosma (2015) looks at an audience either being extrovert or introvert, by either looking for excitement and fun or contemplation and visual pleasure (p. 65)

UNIC – International Union of Cinemas, who promote the cinema-going in Europe, encourages cinemas to use various means of technology and collaboration in order to engage with their audiences. According to their study, four trends are seen to be encouraging the audience engagement work performed in cinemas: 1) the “experience economy”, which sets a cinema visit to a deliverer of value for the customer on her customer journey; 2) the modern data analysis, with which a cinema can extent its services; 3) mobile devices and social media extend the activities of a cinema, and 4) the “offer” based cinema, that provides people with diverse and “more fragmented preferences”. (UNIC, 2017, p. 5)

There are examples of different audience engagement initiatives from various parts of Europe, that range from a cinema group creating a YouTube channel with additional content to the cinema experience (such as interviews) to making the cinema experience more personalised, by having a staff member introducing the film before it is screened (UNIC, 2017, p. 7–8). Different technical innovations varying from event cinema screenings, immersive sound cinemas to premium large formats attract audiences but “identifying ‘game-changing’ technologies, evaluating new consumer trends and ensuring that investments in upgrades lead to tangible returns have become key challenges”. (p. 22–23) The report stresses the importance

of social media and the Internet: over 80 per cent of European citizens watch trailers online, and over 50 per cent of cinema attendees discuss films on social media (p. 6).

A cinema operator could look at the five indicators of audience participation: access, attendance, involvement, response and interaction. These areas answer to the questions of who is welcome and physically or emotionally able to come to the cinema, who does in fact come, what kinds of emotional expressions are there to be sensed from the audience in relation to the cinema, what kind of feedback does the audience give and in what way can the audience have an effect on the cinema's actions. (Bosma, 2015, p. 66) These indicators are initially meant to be used in the analysis of the effectiveness of a curated film programme, but it could also be argued, that they could be used in the analysis of audience engagement planning.

2.4.2 Cinema audiences

The first ever screening the Lumière brothers' did with their cinématographe in 1895, *L'arrivée d'un train en gare de La Ciotat*, made history. What could be an urban legend, it has been told, that the image of the arriving train was so vivid and truthful, that the audience dispersed from in front of the screen, because they were afraid the train would drive through the screen (Grundhauser, 2016). The screening was not the first exhibition of moving image, but the venue Grand Café could be argued to be the first "semi-permanent" cinema of the world (Chapman, 2003, p. 55).

As the story of the fleeing audience could be merely a legend, the general research on early cinema audiences seems to remain on the same level: Chapman refers to Robert C. Allen's remark of film history, that still in mid-1970's "was almost universally taken to mean the history of films" (Chapman 2003, p. 61) because of the "high theory" connotation films and their content had, leaving the area of audiences and exhibition neglected. During the last couple of decades, the research has increased but according to Allen and Gomery (1985), sociologists and historians have had troubles with the heterogenic cinema audiences, as they do not share the habits: "thus, the 'audience' for movies in any sociological or historical sense is really only an abstraction generated by the researcher, since the unstructured group is constantly being constituted, dissolved and reconstituted with each filmgoing experience." (as cited in Chapman, 2003, p. 62) Bosma (2015), speaks of the

different reactions a film could evoke in a viewer, making the film reception a dynamic experience, as many outside features may affect the experience one can have when seeing a film. He refers to Odin, who separates two ways to see a film: the autonomous aesthetic experience, that sees beauty and other triggering visual content, and the informed view, that is able to set a film to its historical context and recognize the handprint of the artist. (p. 13)

In the end of the 19th century in the United States, the early film screenings were initially embedded to the activities of vaudeville theatres and opera houses to attract a wide range of people – opposed to Europe and particularly France, where early cinemas were located in theatres and cafés, and were aimed for the bourgeois. The US audience has been believed to be wide, ranging from different socioeconomic classes of the society, before the purpose-built cinemas arising on the second decade of the 19th century, who then created division among audiences. (Chapman, 2003, p. 62–63). Founded in 1895 but boomed in 1905 until circa ten years later, the nickelodeon theatres were the synonym for cinema-going, as in 1910, there were 10 000 Nickelodeons in the USA.

The cheap cinemas were usually founded in converted storefronts. The average nickelodeon audience was often said to be of working class people with immigrant background, to whom the theatres were places to meet friends. The theatres carried an important role for non-English speakers, as films did not require language skills and could be understood by everyone. This made the cinemas unattractive for middle-class audiences. (Butsch 2000, p. 141) Both Butsch (2000) and Chapman (2003) however challenge this generalization by adding that the audience of a nickelodeon depended on the location of the theatre: in big urban areas, the audiences – changing from blue- to white-collar clientele – were depending on the parts of the city they were located in. In smaller towns the audiences consisted of larger variety of people. Nickelodeons attracted particularly immigrant women, and offered a space for them. (Butsch. 2000, p. 143; Chapman, 2003, p. 64)

After the World War II, there was a shift regarding the motivation of going to the movies, as the post-war society did not seem to have the same socioeconomic divisions it had had before. In the “classless” society people’s relation to different social groups was not directly linked to their socioeconomic backgrounds, but to their activities and taste. Thus, the decision on where to see a film could act as a way

to separate oneself from others. (Wilinsky 2001, p. 83)

According to Colbert (2008), numerous surveys on arts audiences conducted in Europe, Canada, the US, Australia and Japan are like-minded, as they all have the same averages in audience numbers and sociodemographic profiling, and show the same kind of division between high and popular culture; High art, meaning art-house cinema, attracts educated audiences and popular culture attracts all segments. A segment refers to a subgroup of a market. In those surveys, two main segments were discovered within the people who go to the cinema regularly: young, 15–25-year-olds and educated people. (p. 7)

According to Kerrigan (2017), going to the cinema is still considered to be the most prestigious form of consuming films. She states, that film consumption has been heavily linked to the studies of cultural consumption, according to which the social and educational background plays a role in the consumer's decisions. (p. 99) Kerrigan refers to the study by Wohlfeil and Welan from 2008, that made the distinction between individual and collective cinema-going. Their study showed, that mainstream cinema is consumed collectively, whereas people, who have expertise of film, consider the consuming to be more individualistic. (as cited in Kerrigan, 2017, p. 101) López-Sintas and García-Álvarez (2006) divided consumers of audio-visual content to five categories: infrequent cinema-goers, light cinema-goers, cinema enthusiasts, audio-visual enthusiasts and television enthusiasts. Similarly to other mentioned studies, their results showed, that the higher social class was represented the most by audio-visual enthusiasts and cinema enthusiasts. (as cited in Kerrigan, 2017, p. 101).

Wilinsky (2001), who studied the American cinema audiences in the 1940's, talks about the "lost audience", people over the age of 35, who were a challenging group for cinemas to reach. The challenge seemed to be then that the adult audiences did not find the more serious films from the light Hollywood film programs. (p. 88) The industry's reaction to this was participation. New film techniques, such as the widescreen and 3D image were marketed as encouraging audiences to take part more and to feel a part of the events happening on screen (Belton, 1992, as cited in Wilinsky, 2001, p. 88). Non-commercial content was marketed as challenging, thus more participatory, as the audience members have to work mentally more while watching. Theatres wanted to enhance this by providing spaces in the cinema for the

audiences to analyse and talk about what they had seen. (Wilinsky, 2001, p. 89)

There are not traces of the early Finnish cinema audiences, but there are facts and figures of more current ones. In 2008 and 2019, The Finnish Film Foundation conducted a study on Finnish movie-goers (Parametra, 2008 & 2019). The results contained following information: In 2008, 62% of Finns went to the cinema at least once a year, 42% of Finns chose a Finnish film to see. In 2018, 66% of Finns went to the cinema at least once a year and 46% of the citizens watched also Finnish films. Also in 2018, 26% of Finns watched a film on an online streaming service at least once a week, 52% at least once a month. The growth in this percentage is substantial, as in 2015, only 26% of Finns watched a film on an online streaming service at least once a month.

The biggest reason for going to a cinema was the cinema technology: big screen (in 2008: 85%, 2018: 79%) and sound system (2008: 82%, 2018:83%) were the main reasons. The want to see a film right after it premieres was more important in 2018 (48%) than in 2008 (43%). The importance of additional services, such as candy, restaurants and games, had also risen with six per cent from 2008 (14%) to 2018 (21%). As for deciding which film to see, 93 % (2008) and 96 % (2018) claimed the subject of the film to be the most important factor. In 2008, 52 % considered reviews in the media to be a reason to choose a film. In 2018, the percentage for this was 54, and in addition, reviews in social media was considered important by 35 %.

On the territories of UNIC – International Union of Cinemas (containing the countries of the European Union, Russia, Turkey and Israel), the number of cinema admissions has grown from 2008 (1140 million) to 2018 (1290 million) with 150 million. On the European level, the average amount of visit to the cinema in 2018 was 1,5. The average amount of going to the cinema in Finland was 1,3, France holding the record with 3,1 visits per capita. (UNIC, 2018, p. 8–12)

3 RESEARCH METHOD

This chapter will describe the research methodology for the study. In chapter 3.1, the methodological approach of the study, the case study, is introduced. In chapter 3.2, the data collection method is presented. In chapter 3.2.1, the interviewed organizations are introduced in brief. In chapter 3.3, the performed content analysis to the collected data is described. Finally, in chapter 3.4, the research process is viewed critically.

3.1 Methodological Approach of the Study

The research has been conducted as a qualitative case study research. The philosophical foundation for the study is critical. According to Davey and Liefoghe (2004), critical research “aims to expose power relations” and “it challenges assumptions that are often taken for granted in other approaches, and while, in its broadest sense, it is applied to any work that goes beyond unquestioning description, critical research has more to contribute than finding fault”. Context is a vital part of a critical study, as without understanding it, it is not possible to profoundly understand the actions taking place in it. (p. 180–181) This is why, as seen in the analysis results in chapter 4, technical development of the cinema industry is discussed, as it could be said, that the technical realities are in a vital position in understanding the existing or past realities of cinema operations – thus, introducing these realities offers context to the researched themes. Davey and Liefoghe (2004) claim, that in critical research it is assumed, that the most powerful has the advantage and voice, and this is then researched via the analysis of the relation between knowledge, power and language (p. 181).

In case study research method, a phenomena is under investigation, with the aim to offer insight to its context. As in its philosophical foundation, critical research, in a case study, the researched area is impossible to separate from its context. A case study analyses – generally inductively – usually one or more organizations, having the aim of analysing the context and broadening theories. In fact, case studies often contain the formulation of a hypothesis and theory. (Hartley, 2004, p. 323 & 325) Foster, Gomm & Hammersley (2000), on the contrary, present that a frequent description of the aim of a case study is to “capture cases in their uniqueness, rather

than to use them as a basis for wider generalization or for theoretical inference of some kind” (p. 3). They continue the conversation by stating, that the aim is deeply connected to the purpose the research possesses, which could be, for instance, to test a theory, create theoretical frameworks or to the description of a particular organization and its situation (p. 4–5).

According to Hartley (2004), case studies often use multiple methods and the researcher could be even called an opportunist, as the data can be collected as planned or spontaneously. Developing theoretical frameworks is characteristic to a case study. He refers to Yin’s comparison of a case study researcher to a detective, who collects different kinds of evidence in order to discover what in fact has happened and in which circumstances. (p. 324)

The study investigates the challenges that the cinemas in Helsinki are facing, by examining the years 2008 and 2018. Three cinemas were selected as the cases for the study. The following criteria was used for the selection of the investigated cinemas: At least two of them should have been operating in 2008 and in 2018 and they should be operated by different companies. The third chosen cinema should have been operating in 2018 and it should contain some kind of factor that would differentiate it from the two other cinemas: a different focus in programming, further location (as the two other cinemas are located in the centre of the city) or another specialty in its actions.

In 2008, there were five cinemas operating in Helsinki: Kinopalatsi, Maxim and Tennispalatsi, who were operated by Finnkino; Kino Engel, operated by Cinema Mondo; and Malmitalo, a cultural centre where the city of Helsinki organizes also film screenings. As one of the criterions was that the cinemas should not be operated by the same company, only one of the Finnkino-run cinemas could be selected – Kinopalatsi was the chosen theatre, as it represents the multiplex cinema type and has been operating as one of the longest. As Malmitalo is not screening cinemas on a daily basis, Kino Engel was chosen as the other cinema to be investigated. Riviera was selected to be the third investigated cinema, as the cinema has a speciality in its actions: it is a combined eatery, bar and cinema, that has a bar operating inside the auditorium. In addition, a representative of The Finnish Chamber of Films was also asked to be interviewed. Behind of this request was the wish of gaining general knowledge on the realities of the local cinema industry – the context.

3.2 Data Collection

The primary data of this study comes from five qualitative, semi-structured interviews, conducted in Spring 2019. All of the interviewees were selected based on the organization they represent, their position in it, and their availability and interest to participate in the study. Four of the interviewees were contacted via e-mail in the beginning of April, 2019. During the interview of Ms. Malla Sevón, the chief of operations of Kinopalatsi, she advised, that I should also contact Mr. Toni Lähteinen, who works as the head of programming for Finnkino – meaning that he is responsible for the programming of Kinopalatsi – and in addition, has a background in working at Kinopalatsi’s cinema operations. Ms. Sevón encouraged to contact Mr. Lähteinen regarding the questions of programming and technical developments.

The selected organizations are introduced briefly in the chapter 3.2.1. The following persons were interviewed for the research:

Organization	Interviewee	Position	Time of interview
Kino Engel	Ville Purjo	Head of Programming and Operations	24.4.2019
Finnkino	Toni Lähteinen	Head of Programming	2.5.2019
Finnkino Kinopalatsi	Malla Sevón	General Manager	23.4.2019
Riviera	Atte Laurila	Founder	26.4.2019
The Finnish Chamber of Films	Tero Koistinen	Chief Representative	2.5.2019

The data was collected the spring and summer of 2019. The interviews were conducted as semi-structured interviews in April and May 2019 and the other data was collected between April and August 2019. The interview questions (see appendices in chapter 8) were organized under following headlines: technical development, programming, strategic management and marketing and audience engagement. Cinemas, that had been operating both in 2008 and 2018, were asked the same questions, with the exception, that Mr. Lähteinen, the other representative of Kinopalatsi/Finnkino, was not asked all the questions, as his speciality was the questions related to programming and technological development. The cinema, that

had not been operating in 2008, had the same questions as the two other cinemas, but was only asked about the period of 2018. The questions for the representative of The Finnish Chamber of Films were formulated so, that the subject of them was not any particular cinema. Permission to record the interviews was asked from all of the interviewees as well as the permission to be mentioned with their own names, to which they all agreed to. The direct citations of the interviewees were sent to each interviewee before handing in the final study. The yearly statistics of Finnish cinema-going conducted by the Finnish Film Foundation from 2008 and 2018 were used as background material for some of the questions, and the quantitative information of each year's statistics regarding the number of cinemas, screens, new releases and the lists of most watched films in the country were used as data.

In addition to the interviews, each cinema was asked to send some additional information on their actions: their audience numbers, most watched films from 2008 and 2018, number of film titles in 2008 and 2018, and the revenue division by per cent. One of the cinemas was able to provide the numbers regarding revenue division, two others were not, because of corporative limits of giving out information and because of unknown other reasons, but they were able to give out some estimations in the interview. One of the cinemas was not able to the number of titles and the list of most watched films, but some of this information was obtained from The Finnish Chamber of Films, with the permission from the cinema in question. Also, the websites of each cinema were used as sources in search of their vision, mission and goals, and the number of seats and auditoriums in each cinema. If those were not visible on a cinema's website, they were discussed in the interviews.

The semi-structured interview form was chosen, in order to have the freedom to elaborate on the discussed matters. In qualitative research, the interviewer does not think it is possible to neutralize oneself from the situation, and for this, it is fruitful to take part in the interview actively in order to create a relationship with the interviewee, where it feels good for the interviewee to share information. The aim for qualitative interview is to understand the point of view of the interviewee regarding the chosen theme, and also to recognize the path the interviewee has taken to reach the point of view she has. (King, 2004, p. 11).

King (2004) sees advantages and disadvantages in the qualitative interview method: by interviewing qualitatively, one can have a flexibility in the approach on the

researched theme – it can provide information on a specific area or a broader theme and reveal various levels of meaning (p. 21). This was indeed the intention, when formulating the interview questions: by asking about the different areas of the cinema operations, the intention was to map the realities and through them, the challenges the different cinemas were facing. As a disadvantage, the time consuming method takes time and energy not only from the researches, but from the interviewee as well, and the analysis of the data can seem exhaustive (King, 2004, p. 20–22).

Qualitative interviews are, according to King (2004), the most liked form of research for interviewees. In this research, the interviews varied of length from 40 minutes to 1 hour 50 minutes – the activeness of the interviewees played an important part in the variety of length. The interviews were conducted in Finnish.

3.2.1 Introduction to the interviewed organizations

Finnkino Kinopalatsi, opened in 1998, was the first multiplex cinema in Finland. The cinema has 10 auditoriums, the number of seats varying from 88 to 400. The cinema is located in Kaisaniemi, in the centre of Helsinki and the building has been running as a cinema by different operators since 1939. Nowadays, Kinopalatsi is a part of Finnkino, a cinema corporation, that runs 16 cinemas around Finland. The corporation is a part of the Odeon Cinemas Group, owned by the American cinema chain AMC, who own cinemas in 13 European countries. In 2018, Finnkino started to serve alcoholic beverages to some of its auditoriums. (Finnkino)

Kino Engel is the longest running independent art-house cinema in Helsinki (Elokuvateattereita, 2014), it is located at Torikorttelit, the historical centre of Helsinki. The cinema has two auditoriums, with 68 and 55 seats. The cinema was completely renovated in 2017. The cinema is owned by the film distribution company Cinema Mondo. Kino Engel holds an outdoor cinema called Kesäkinö Engel during the summertime at the inner court of the premises. (Kino Engel) The cinema is a part of the Europa Cinemas, a network founded by the European Commission and CNC France to support the exhibition of European cinema (Europa Cinemas).

Riviera is a one screen cinema located in Kallio district, Helsinki. The cinema was opened in autumn 2016 (Sarhimaa, 2016). Riviera is a combination of a bar, a

restaurant and a cinema: There is a bar in the cinema auditorium, which the audience can visit during the screenings. Instead of traditional cinema seats, the audience is seated on sofas and armchairs. The auditorium has 61 seats. Riviera organizes concerts and club nights in their bar lounge, which are open for cinema-goers and other customers. The cinema has an outdoor terrace during the summer. (Riviera)

The Finnish Chamber of Films is the central organization for The Finnish Cinema Association and the Finnish Film Distributors' Association. Filmikamari was founded in 1923 with the name Finnish Biograf Union (freely translated by the author). The association works for the improvement of the Finnish cinema industry by giving out statements of matters regarding the cinema industry to the officials. They aim to affect the legal actions regarding the cinema industry. The Finnish Cinema Association is an association for film exhibiting companies, associations and private entrepreneurs. They aim to increase the economic and forensic status of the operators, to increase the professionalism in the field, to act for the increase of the film education, to see that the operators are functioning according to good business manners, represent the operators in public medias and international conventions and give juridical support and advice to its members. (Filmikamari)

3.3 Data Analysis

After the research interviews were held, they were transcribed, as is more reliable to control the spoken data, when it is transformed to written form (Saaranen-Kauppinen & Puusniekka, 2006, p. 78). The data was then processed using the content analysis. According to Hardy et al. (2004), content analysis focuses on the material itself, not on the discourse it inhabits, its motivations, aims or reception. Saaranen-Kauppinen and Puusniekka (2006) state, that content analysis looks at text and examines the differences and resemblances it holds (p. 97).

Content analysis is originally connected to quantitative research, but it is also admitted, that the concept of content analysis can also be seen as broader, reaching more qualitative forms (Hardy et al., 2004, p. 20). Fierke (2004) does agree with Hardy et al. regarding the quantitative and qualitative qualities content analysis has, and broadens the concept by stating, that this form of analysis is suitable for analysing continuity.

After the transcription, the data was then organized according to themes, as it is possible to organize the text according to different theoretical frameworks or other arising topics (Saaranen-Kauppinen & Puusniekka, 2006, p. 105). As the interview questions were structured under four different themes, it seemed reasonable to view the data according to the same categories: programming, technical developments, strategic management and marketing and audience engagement.

After this, the data was coded, meaning important elements regarding the research question were highlighted from the text, as by coding, one can bring structure to the data and ease the data analysis process – the process may bring out the richness of the data (Saaranen-Kauppinen & Puusniekka, 2006, p. 80–81). The analysis was then carried out by looking at the different coding and writing down the findings.

3.4 Critical Reflections on the Research Process

Looking back to the planning of the research in the light of the data, it could have been beneficial to redefine the studied area. The city of Helsinki was chosen as the research area, but the data acquired from the interviews revealed that the capital area (consisting of Helsinki, Vantaa, Espoo and Kauniainen) is often considered to be one entity by Finnkino and The Finnish Chamber of Films. This did not cause problems, but sometimes it did cause some confusion in the interviews, when the interviewees spoke about the whole capital area and then remembered that Helsinki was the area of interest. When processing the data it was also noticed, that some singular questions were sometimes forgotten during the interviews. This naturally had an effect on the results of the analysis, as some information might have potentially been lost.

In critical research, the understanding of the researcher's own position is vital, as the assumed position is on the side of the suppressed. According to Davey and Liefoghe (2004), this position holds two threats: "the danger of misinterpretation and the second, more complete difficulty, is of the power structures and dominance inherent in the arrogance of claiming to speak for another" (p. 182). This is something I contemplated on during the interviews, as having a background in the cinema field, I naturally carried my own ideology and values with me. Naturally, I did not have any kind of arrogance in me when interviewing different organizations, but I felt that I had to be aware of my values, because of all of the researched

cinemas, in their own way, represent a particular kind of cinema-going.

One could argue, that researching only three cinemas would not be sufficient to form an image of the challenges the cinemas in Helsinki are facing. Also the researched areas – film curating, strategic management and marketing and audience engagement – could be seen as quite broad for a master thesis study. In fact, after having performed the interviews, I did feel that the themes were quite broad for one interview. Also, when thinking in retrospect, the interview questions could have also been phrased and structured differently to obtain more profound results.

4 ANALYSIS AND RESULTS

In this chapter I will present the results of the research, based on the primary source of data, which were the semi-conducted interviews, and the secondary sources of data, that were the quantitative data collected from the interviewees and the annual reports of The Finnish Film Foundation, and the websites of the studied cinemas. The semi-structured interviews consisted of 23, 26 and 34 questions divided under five segments: general information on the organization, technical developments, programming, strategic management, audience and marketing (for the interview questions, see chapter 8). The number of questions depended on if the researched cinema had been operating in 2008 and 2018 (36 questions, Kino Engel and Kinopalatsi), only in 2018 (28 questions, Riviera), or if the interviewed party was representing more generally the cinema industry (25 questions, The Finnish Chamber of Films). The results are divided to the following sections: film programming, strategic management and marketing and audience engagement. As the very last, I will present some future possibilities and directions for the cinema field, that arose in the interviews.

4.1 Film programming

4.1.1 *Limits set by technology*

In 2008, the common challenge occurring in Kino Engel and Kinopalatsi, was the limitation the analogue film format brought. For a smaller organization like Kino Engel, the format dictated the cinema's program profile, since the few film copies distributed in the country premiered first in the biggest cinemas in big cities and moved along afterwards to smaller venues. This is why Kino Engel started as a "continuing cinema", where films, that had premiered earlier, came for a second round of their cinematic lifecycle. In addition, physical space was a challenge, as one could fit only so many space-taking film copies in the projection room at once. This had a direct impact on the amount of films being screened. Kinopalatsi could only fit a certain amount, 5–10 film copies in a projection room, which was usually used to screen films on to two screens. Another limitation in both cinemas was, that one could not move the film copies from one projection rooms to another easily, as the copies were heavy to carry and valuable. This is why films were screened in one

auditorium only – this was a challenge that affected heavily the program planning, which is focused on later in the chapter.

In 2008, a couple of the auditoriums in Kinopalatsi were digitized for the ability to screen the film *Avatar*, which premiered that year and was screened digitally in 3D format (Lähteinen). The year 2012 was important for Kinopalatsi and Kino Engel, as the digitization of both cinemas was then finalized. Koistinen states, that in order to finalize the digitization by 2012, the industry needed – in addition of lobbying – also luck. By luck, Koistinen refers to the people in deciding positions, such as the cultural minister at the time Stefan Wallín and the head of Finnish Film Foundation Harri Ahokas, who “took the cinemas’ need for renewal seriously”. According to Lähteinen, Kinopalatsi was one of the last cinemas to be digitized in its entity in Finland. After 2012, there has not been any other kind of film distribution than digital in Finland, apart from Aki Kaurismäki’s latest film in 2017 (Koistinen).

Another important concept that concerned the digitization was the VPF, *virtual print fee*. In 2008, the shipping of heavy film prints was expensive for the distributors, and these fees disappeared after the rise of digital cinema prints. Distributors saved a substantial amount of money, whereas cinemas had to invest to valuable new digital projectors. In order to even the costs, the VPF model was implemented for bigger cinema chains worldwide. Distributors had to pay a fee (the amount was related to each saved sum) to a third party, a mediator, who would then pass the amount on to the film studios. The film studios would then return some of the costs to the cinemas in order to help them finance their projector purchases. The VPF deal was set to last for ten years. In Finland, Finnkino was the only one with whom the VPF contract was formed, and it lasted until early 2018 (Lähteinen). Smaller cinemas in Finland, who were not a part of the contract, got their cinemas digitized through the financial assistance of the Finnish Film Foundation.

Digital technology has made it possible for us to exist. (...) The digital technology grants the entry to all content basically just like that. It is only a matter of the price and the prices are quite similar among operators.

(Atte Laurila, Riviera, translated by the author)

In 2018, the challenges regarding screening technology were fewer. All interviewees agreed on the technology being trustworthy and stable and if there are challenges, they have to do with smaller details, such as the KDMs, Key Delivery Messages, that

contain keys to enable the playing of an encrypted film from the cinema projector's server (Lu, 2015). Occasionally, there are problems with the keys, but these can usually be fixed when noticed on time. Each interviewee stated, that the situation during the digital age is better. As one is working with digital files, they are received usually electronically and with large servers, one does not have significant problems in storing the films. Challenges might occur once there is need for maintenance, as it is more complex to maintain a digital projector than a film projector, where the technology was analogic (Purjo). With the digital machinery and complex mechanisms, repairs often require a specialist, as happened with Kino Engel, which can cause that a cinema needs to be closed for a certain amount of time.

The digital technology can liberate the staff to other duties, because with digital films, one does not need to be in the same space to guard the screening, or even start it, as everything can be done remotely. This makes it possible for the projectionist to check tickets at the door and clean another auditorium in between, hence the company can save on staff expenses. (Sevón) Lähteinen estimates, that during the digital era, Kinopalatsi can make do with 0,5 person less staff compared to the film era. The challenge may arise from small details: Sevón stresses the importance to focus to the work, in order to avoid mistakes.

4.1.2 Challenges on Programming

Sevón stresses, that the challenges in programming start long time before the premiere date: cinemas are dependent on the quality of films produced and the decisions of distributors of which films to distribute in Finland each year – these factors have existed in 2008 and 2018.

As Kinopalatsi is a part of Finnkino corporation, it is relevant to explain Finnkino's meaning for the cinema field. Lähteinen explains, that because of their position as the market leader, when distributors have a film that will be released in Finland, they first call Finnkino and either let them know the premiere date, or ask for Finnkino's opinion about a suitable premiere date. As all distributors are doing the similar thing and contacting them first, Finnkino has the most information on the premiering films.

Finnkino has also the challenge of fitting the ~200 film distributed yearly in Finland to its program. Finnkino runs 70% of the cinema auditoriums in Finland (Sevón),

which on the one hand, gives them power and on the other hand, according to Lähäinen, brings a responsibility and challenge of giving almost every film distributed a screening slot, a life.

The challenge in 2008 with analogue film copies was the availability and the physical nature of the copies, as one could not fit endless amounts of films to a projection room at a time. This affected the planning of the cinema schedule. The availability often had a direct effect on the formation of a cinema's program profile. As Kino Engel was almost the only cinema operator besides Finnkino cinemas in Helsinki in 2008, it meant that it received the films only after a film's lifecycle in Kinopalatsi or another bigger cinema was over. Kino Engel was thus a "continuing cinema".

"What you chose to the program was more riskier at the time. You had to live with them, nowadays you can, in principle, give a few screenings to a film on the first week, then see how it goes and then continue bigger with it. But back then, if you took a film, then you were sort of married to it for the week. It doesn't sound like a long time but it can be surprisingly long, if no-one goes to the cinema. So it was more challenging, because you only found out on Monday if a film copy would become available on Friday. So the planning was more hectic."

(Ville Purjo, Kino Engel, translated by the author)

This was a challenge, but sometimes there was a risk worth taking. Ville Purjo described the winter of 2007, when Kino Engel started to screen *The Lives of Others* by Florian Henckel von Dönnersmarck. The German arthouse-film had already been screening at Kinopalatsi cinema and after having gotten less viewers, Kinopalatsi dropped it out of its program and Kino Engel booked it. This happened before the Academy Awards gala. The film won the award for best foreign language picture. As there was only one copy of the film in Helsinki, it could not be seen in any other cinema, which is why everyone came to see it in Kino Engel. This would not be possible any longer, as each cinema has access to digital films, and on a moment like described, cinemas could nowadays simply book the film to their program of next week.

A film week in Finland starts on Friday and ends on Thursday. After reviewing the results from the weekend, cinemas usually release their new schedules in the

beginning of the week. Kinopalatsi and Kino Engel operate this way. Riviera, operating with just one screen, has a model of having their program public 3–4 weeks at a time.

“It feels that if people want to see a film as a social event, if they are going with a friend, they have to look at their calendars several weeks ahead in order to find a suitable time, and then there’s the third factor of finding a suitable film to see, so there needs to well-ahead, about 3-4 weeks of program announced. We get wishes from customers that the announced program should reach even further to the future, but we are not too excited about that as we won't necessarily know enough about the upcoming films. And the closer we get to the release – or beyond it –, the more we know about people's reactions. If we make a very big booking and closer to the premiere we discover that people don't like the film, and then there’s another film that people like and we might not have many bookings of it. That's why we like to have the shortest possible time frame on that regard, 3-4 weeks is just about enough for the customer. If they could decide, it would be 1-2 months.”

(Atte Laurila, Riviera, translated by the author)

Kinopalatsi – or in this case, the programming body of Finnkinno led by Lähteinen – does detailed calculations and estimations on the film’s goal of ticket sales and it’s likeness to reach those goals. After having finished the next week’s schedule, they send the suggested program to the distributors. Finnkinno’s challenge is to get into an agreement with the film distributors about the bookings and planned screening times. Lähteinen guesses that because of their position in the market, smaller cinemas might not experience as much pressure as Finnkinno, when agreeing on the amounts of screenings planned.

Distributors often think that the bigger the fish net and the more fish traps, the more fish you get. Even though all the fish could fit into one trap, they won’t all swim into it. More fish traps brings more fish than one, even though one big trap could fit tons of fish.

(Toni Lähteinen, Finnkinno, translated by the author)

In the actual program scheduling, Finnkinno must take into account several factors: Giving primetime slots, which usually mean Saturday 18 o’clock slots, for

premiering films while planning the schedule so, that a film starts at the same time as the right target audience is on the move. In addition, films should not start at the same hour in order to avoid traffic at the cinema's kiosk, as films screened at adjacent auditoriums should not begin and finish at the same time:

“But the killer is, when the doormen has to open auditoriums 6 and 8 at the same time, and the film in 7 ends behind him, so 180 people are coming in and going out at the same time. These are issues in the planning of schedules, the limitation has existed already during the film era.”

(Toni Lähteinen, Finnkino, translated by the author)

In 2008, the placement of films between Kinopalatsi and Tennispalatsi multiplex cinemas, that are located a walking distance from each other, was a substantial challenge (Lähteinen). According to Lähteinen, Kinopalatsi was and still is a less popular cinema than Tennispalatsi, for which in 2008, it was important not to place a film to Kinopalatsi if it could do better in Tennispalatsi, as one could lose audience. The analogue film format and later on the VPF had the effect, that a film could only be screened in one cinema instead of sharing it between the two multiplexes. Starting from early 2018, once Kinopalatsi was free from the VPF, the programming of the cinema started to be in close contact with Tennispalatsi. It no longer mattered, if one film runs in both cinemas. In fact, Lähteinen considers Tennispalatsi and Kinopalatsi to form one 24-screen multiplex.

Digital technology has also allowed the screening of different content. Live streams of international operas, ballets, plays, concerts or museum tours have become a ordinary. Out of the three, Kino Engel is the only one not screening streams of the “event cinema” performances. When the performances are screened live, the biggest challenge according to Lähteinen is to make sure, that the signals, bringing the picture from for instance London's Royal Ballet to Helsinki, are working seamlessly. Sevón adds, that the new kinds of programs bring also new demands for services, that then require planning. Koistinen recommends an event-like approach to domestic documentary film screenings: instead of having Finnish documentaries, that might be challenging to market, it would be more beneficial to have filmmaker guests present in the screenings – this would require more engagement from the filmmakers, but examples have shown that it can benefit the film.

4.2 Strategic management

4.2.1 Figures and top-lists

According to Sevón, ticket sales make only a small percentage of the income of Kinopalatsi, whereas supplementary sales (food and beverages) are main source of profit, and corporate sales (meaning private screenings and events for companies) and media sales (meaning selling out advertisement slots) are also important sources of income. It was not possible to obtain exact data of the revenue division from 2008 or 2018. Kino Engel practised some corporate sales but no media sales in 2018. The percentage of the income coming from corporate sales was less than 10, and the supplementary sales made a small percentage of the revenue. Riviera was not able to give out numbers regarding corporate or media sales for 2018.

Data regarding revenue division in 2008 was not obtained, but both Kinopalatsi and Kino Engel state, that the amount of corporate and private screenings has risen from that year. According to Laurila, Riviera has renewed their revenue division method, and treats its sales slightly differently from the usual ticket / supplementary / corporate / media sales division. The new areas are 1) cinema experience including movie tickets, food and drink, 2) private events, 3) gift shop including sales of gift vouchers, 4) bar, that serves also customers that are not the cinema-goers and 5) media sales.

“We’ve been opening this up for ourselves, and aimed to look at it from a customer oriented approach and from what we actually want to follow. So we’ve started to see which information our system automatically produces, like how our food, drink and movie sales go in relation to one another, and which information we actually want to follow.”

(Atte Laurila, Riviera, translated by the author)

In the following chart, figures regarding cinemagoing and the amount of screens in 2008 and 2018 appear. The chart also presents the individual information of each cinema. The amounts of viewers are rounded to the nearest thousand. Percentages are rounded to the nearest 0,00 decimals.

	2008 / Helsinki	2018 / Helsinki	2008 / Kino Engel, Kinopalatsi	2018 / Kino Engel, Kinopalatsi, Riviera
Cinema admissions	2.234.000	1.814.000	Kino Engel: 23.000 Kinopalatsi: 604.000	Kino Engel: 32.000 Kinopalatsi: 520.000 Riviera: 39.000
Admissions per capita	3,89	2,8	Kino Engel: 1,03% of Helsinki's cinemagoing Kinopalatsi: 27,04% of Helsinki's cinemagoing	Kino Engel: 1,76% of Helsinki's cinemagoing Kinopalatsi: 28,67% of Helsinki's cinemagoing Riviera: 2,15% of Helsinki's cinemagoing
Number of screens	38	55	Kino Engel: 2 Kinopalatsi: 10	Kino Engel: 2 Kinopalatsi: 10 Riviera: 1
Number of seats	7.616	8.574	Kino Engel: 170 Kinopalatsi: data not available	Kino Engel: 123 Kinopalatsi: 1.488 Riviera: 61
Films in distribution (new releases in brackets)	391 (169)	383 (210)	Kino Engel: 62 Kinopalatsi: Data not available.	Kino Engel: 113 Kinopalatsi: Data not available. Riviera: 169

The results show, that Kinopalatsi's cinemagoing numbers make almost 1/3 of Helsinki's overall cinemagoing. Kino Engel's and Riviera's moviegoing amount make for less than 2 per cent of Helsinki's cinemagoing. From 2008 to 2018, the audience numbers of Kinopalatsi was dropped with 13,91% (from 604.000 to 520.000) and Kino Engel's numbers have risen with 28,13% (from 23000 to 32000). When looking at 2018, one can see, that the amount of seats at Riviera make 4,10% of Kinopalatsi's seat number, Kino Engel's seat number is 8,27% of the one of Kinopalatsi.

When comparing the audience numbers of the different cinemas, one can see, that in 2018, Riviera's yearly audience numbers make for 7,50% and Kino Engel's

audience numbers make for 6,15% of Kinopalatsi's numbers. Kino Engel has 50,41% more seats than Riviera, but in 2018, it had 17,95% less viewers than Kino Engel. In Kino Engel, the amount of films in program have risen from 62 to 113, meaning the number has risen with 45,13%. The data does not show, what percentage of the yearly new releases are screened in each cinema, and because there is not data about the numbers of screened films, that come from the outside of the distribution system, it is not reliable to draw assumptions from them.

4.2.2 Vision, mission and aims in operations

The data does not answer to the question of how much strategic analysis is performed in the cinemas. Riviera tells to have performed strategic analysis during 2018, in which they viewed their values, their visions, goals and their business model. Sevón tells that their vision comes from the chain's current owner, the Odeon corporation, and claims that the cinema needs to "come up with something new every year". Kino Engel says that they think about their functions critically from time to time and see what is happening in the arthouse field. No results from 2008 from Kinopalatsi or Kino Engel were obtained.

Each of the cinemas has a vision, even though at the time of the data collection, Riviera was reformulating theirs. The initial vision, in Laurila's words is to make the world a more human place and give people more opportunities to spend time together. Finnkinon's mission is common for all its cinemas: "Finnkinon's goal is to make each visit to the theatre a complete experience, not only by offering high-quality films but also by providing the best viewing experience and a variety of complementary services" (Finnkinon). Kino Engel aims to be a traditional art-house cinema, where people can come and see a quality film without distractions.

According to Purjo, as Kino Engel is a small basement cinema, it cannot compete on technical excellence. In spite of this, they saw it necessary to update their auditoriums by giving more leg space and renewing the cinema seats, which was done in 2016–2017, even though the need for renovations was seen already in 2008. By renewing the auditoriums they have "sharpened" their vision. Malla Sevón from Kinopalatsi also sees the execution of the vision challenging:

"Right now we are tenants at the property, so we cannot serve well enough for example technology-wise. We are not on the same level as Itäkeskus or

Tennispalatsi cinemas. So now we would like to have our landlord to repair the spaces so it's not in our hands. But we are clearly lacking, there are 20-year-old supplies and they require quick fixing. And of course, technology is renewed when we can, but we cannot do everything at once."

(Malla Sevón, Kinopalatsi/Finnkino, translated by the author)

In 2018, Kinopalatsi opened the renewed Kinopalatsi 2 -auditorium with more leg space, new screen and updated technology and additional small tables. Outside the cinema, Oscar's Bar was opened, from where one can buy drinks to the cinema. (Sevón)

In 2018 and at the time of the interview, Kino Engel states having a value in having the film in the centre of all actions. This is done by analysing the film's arch and not taking it from the program too early (Purjo). Kinopalatsi's Lähteinen talks about customers' impact on programming:

But mainly of course you could think that it's democratic, if a greater part of people want to see a film for whatever reason. Whether it be due heavy marketing or some other reasons. It is a bit tricky – if we are moralizing – to judge that is a person's reason to want to go to see a silly film less worthy than someone else's reason to see a sophisticated film. Should we push this smart film to a customer, do we have the right opinion, or can we think that we know better. The fact that customers vote with their feet and wallets, those films that collect audiences, I guess we should also respect that, because otherwise those films won't meet their audiences so well.

(Toni Lähteinen, Finnkino, translated by the author)

The following table presents three most viewed films in each cinema and in the whole country in 2008 and 2018. Kinopalatsi was unable to provide with data from 2008. In brackets the film's position in the domestic top 20 chart is stated (provided by The Finnish Film Foundation).

Top 3 watched films (in brackets is the film's placement in the top 20 of Finland)	2008	2018
Finland	<ol style="list-style-type: none"> 1. Quantum of Solace 2. Mamma Mia! 3. Sex and the City 	<ol style="list-style-type: none"> 1. Mamma Mia! Here we go again 2. Happier Times, Grump 3. Bohemian Rhapsody
Kino Engel	<ol style="list-style-type: none"> 1. My Blueberry Nights (not in top 20) 2. The Diving Bell and the Butterfly (not in top 20) 3. You, the Living (not in top 20) 	<ol style="list-style-type: none"> 1. Call Me by Your Name (not in top 20) 2. The Square (not in top 20) 3. La Villa (not in top 20)
Kinopalatsi	Data not available.	<ol style="list-style-type: none"> 1. BlacKkKlansman (5) 2. Avengers: Infinity War (4) 3. Mamma Mia! Here We Go Again (1)
Riviera	Not operating in 2008.	<ol style="list-style-type: none"> 1. BlacKkKlansman (5) 2. Bohemian Rhapsody (3) 3. Call Me by Your Name (not in top 20)

In 2018, all three of Kinopalatsi's most viewed films were also in the top 20 list of the country, whereas Kino Engel's top 3 films were not – the same situation taking place in 2008. One of Riviera's top 3 films was not on the top 20 list of Finland.

4.2.3 Competition and uniqueness

All of the interviewed cinemas see their position at the market positively. Kino Engel and Kinopalatsi found themselves having a good position in the cinema field also in

2008, when there was less competition. Koistinen remembers the discontent many expressed in 2008 about the situation with a decreased amount of cinemas, but according to Koistinen, the number of screens and auditorium was in the end quite the same as before, more of them were simply under the same roof in multiplexes.

In 2018, none of the cinemas saw the competition of Helsinki's cinemas as a threat. Both Kino Engel and Riviera stated, that as Finnkino is such a grand operator, that there is no reason to compete with it. Even though there are new, smaller cinemas opened in Helsinki during the last few years, Lähteinen does not see them as a threat or as a reason not to choose a film to Finnkino's program. The grown competition in the capital area, including Espoo and Vantaa, can be seen in the slightly decreased audience numbers in the centre of Helsinki (Lähteinen).

Kino Engel's Purjo mentioned that the plans of opening an arthouse-multiplex in the old bus terminal in Kamppi (Vesalainen 2018) is a threat, because according to Purjo, audience numbers do not grow in the same relation with the growing of cinemas. Laurila sees other cinema competitors as helpers, who can both widen the cinema culture and inspire. Koistinen is doubtful and finds great risk in new competitors for the existing operators – he would not open a new cinema in Helsinki at all. He stresses, that in order for a cinema to survive, it should have its own “thing”, a feature that makes it unique. All cinemas agree, that the most important thing to do in the changing field is to do one's work as well as possible.

“The more commercial the commercial cinemas get, the more advantage we have on being different.”

(Ville Purjo, Kino Engel, translated by the author)

On the other hand, Koistinen claims, that generally, more supply leads to increased demand; new cinemas have the tendency of creating new audiences. In this though, the big cinemas and cinema chains play a vital part as they are the ones attracting the bigger masses. Koistinen sees, that the rise of Finnish film in its quality and interest of public and the new cinema centres are main factors in keeping cinemas popular.

Koistinen talks about the four trends in the cinema that were to be seen in 2018 and today: 1) multiplex functions, where there are as many films as possible on primetime time slots, the services are good with big selection of snacks and high-

quality technology; 2) specialized cinemas, that have unique food or beverage offerings, or a specialized program; 3) Premium Large Format cinemas, of which IMAX cinemas and different premium cinema auditoriums are a part of; and 4) technologically even more specialized cinemas, that contain for example particularly wide screens or other physical elements, such as water sprinkling on the audience. In 2008, the multiplex trend was the most popular one to be seen (Koistinen).

Koistinen reminds that people have a need for self-identification:

“A smart person’s cinema, that screens the same films as Finnkino. The mother, who has a higher education, comes to this cinema to see Ice Age, because smarter people come to this one instead Finnkino’s mass cinemas. When I use this example I’m referring to Helsinki. The customer should feel that she is making a smart person’s choice, even if she is seeing exactly the same films that are screening in other places. Accomplishing this would be something to make money with.”

(Tero Koistinen, The Finnish Chamber of Films, translated by the author)

At the same time Koistinen praises on the multiplex culture that exists in Finland and compares it to the Middle-European model, where arthouse and mainstream cinemas are clearly distinguished from each other, which one can see clearly in their programming and in the distribution scene. Koistinen appreciates that an arthouse film can have more viewers and income when screened in a multiplex, where it is easily reachable – audiences do not have to make a choice of identity to go to a certain arthouse cinema. On the other hand, Koistinen states that this system thins the “arthousiness” in the local cinema culture.

When asking the interviewees about the threats they consider themselves having, only Kino Engel brings out online streaming services: Purjo states, that Netflix and alike services could be in theory seen as threats, but the possibilities the services have to offer can potentially serve cinemas as well. As an example, he mentions the film *Roma* by Alejandro Cuarón, a Netflix-film, that premiered online in December 2018. Two weeks before the online premiere, the film had a limited release in smaller cinemas in selected cities in Finland, including Kino Engel and Riviera with success. Purjo speculates, that if this kind of releasing will become a habit, it can have a positive effect on the cinema operations. Koistinen agrees and mentions the

release windows¹, of which Netflix has not cared about regarding their cinema releases. That is why bigger mainstream cinemas, such as Finnkino's theatres have a rule: If a film becomes available on a streaming service less than 90 days after its theatrical premiere, it will not be taken to the cinema program (Kinnunen 2018). As *Roma* was going to premiere on Netflix only one week after its theatrical release, it was not screened in Finnkino's cinemas, but in small theatres, who are not as strict with windows.

*“Regarding windows or release schedules, there were a couple of Netflix films in cinemas this past year. Netflix hasn't cared much about traditional windows and the same happened with us as in many countries, that the windows are a bit more important for so-called mainstream cinemas than to those, who consider themselves as arthouse cinemas. I've been using this slogan, that if you get your cash from *The Grump*², I would be quite careful with the windows. But if not, then it doesn't really matter what you do.”*
(Tero Koistinen, *The Finnish Chamber of Films*, translated by the author)

4.3 Marketing and audience engagement

4.3.1 Marketing means and audience research

When the cinemas were asked about their core audience, they do not name only one single group. Kino Engel states, that their core audience are over 40-year-olds, culturally active people, often female-identified. Kinopalatsi's core audience consists of “elderly people”, Riviera characterizes their audience as people, who like going to events and use the city's services.

All of the studied cinemas used social media in their marketing in 2018: Riviera uses Facebook and Instagram, Kino Engel uses only Facebook and Kinopalatsi does not do marketing as a cinema, as the Finnkino corporation does the marketing for the whole chain. Sevón mentions, that some Finnkino cinemas in Finland also market themselves when performing individual projects, but in Helsinki, this has not been

¹ Window refers to the exclusive release time, that especially bigger cinema companies hold on to; A certain time has to pass, before a premiering film can be released in other formats, such as in streaming services.

² *The Grump* refers to a film directed by Dome Karukoski, which premiered in 2014. The film is a comedy film based on a book by Tuomas Kyrö. The film received over 500 000 viewers. (Katsojaluvut)

beneficial. In 2008, Kino Engel used newspaper advertising in their marketing. Koistinen adds, that in 2008, newspaper marketing started to decrease drastically. Kinopalatsi was unable to tell about the Finnkino's marketing channels in 2008.

Kino Engel tells that it knew its customers in 2018 in a different way than in 2008, because of social media and the advanced web analytics. However, they do not perform any official audience studies, but get to know their customers when meeting them face to face – the importance of this is underlined by Kinopalatsi and Riviera as well. They did not perform audience surveys in 2008 either. Data regarding audience surveys performed in 2008 could not be gotten from Kinopalatsi, as staff had changed during the time period. In 2018, Sevón tells that Kinopalatsi performed audience studies regarding their web shop behaviour once in a quartal, and the web team of Finnkino followed the online shopping baskets, as they can suggest suitable films for their customers. Riviera has – in their words – a qualitative approach to customer research. They have organized workshops and interviews with their customers. According to Laurila, they have less quantitative data of their customers, but more qualitative information on their feelings and the reasons why they come to the cinema.

Laurila talks about the challenges regarding marketing: Riviera screens films, that are come from outside the national distribution field, in its program on a regular basis. He states, that the difference between screening a distributed film and a film coming outside of the distribution scene is, that the premiering film is heavily marketed by the distributor, hence the cinema does not have to share the message of the film's content alone. When a film is brought to the screen by the cinema, it must do the communication by itself, and sharing information on a film to audiences can be challenging. In these situations Laurila hopes, that the customer will remember the cinema's promise of knowing its customers and choosing films that are suited for them.

Regarding marketing and communication, a challenging group to reach for Kinopalatsi are the older generations, who do not use Internet and who are not used to eating at the cinemas, as they are not interested in the provided deals on movie snacks. (Sevón) Kino Engel, however, praises Facebook, because as older generations have started to use it, they are easier to reach. A challenging group for them are the film heavy-users. (Purjo) Riviera finds a challenging group to reach out

to in their existing customers: they have difficulties in getting in contact with the customers, who have bought gift vouchers. They would like to inform them, when the vouchers are expiring, but have not yet found the means to do it.

4.3.2 Outreach and engagement

In 2018 and today, Kinopalatsi finds challenges in attracting audiences to day screenings, as the active hours are focused on evening times. Day-time screenings would be suitable for instance for elderly people and shift-workers. (Sevón) For Kino Engel, the challenging time slot to fill is the 21 o'clock screening time, as Kino Engel's regular audience do not seem to go to the cinema so late. An ideal group for this time slot would be the urban 30-year-olds, who seem to be going to the cinemas in the evenings as well. (Purjo) Riviera, does not have a desired audience group in mind, as the 61-seat-cinema has had "enough customers". Laurila mentions, that the filling percentage of Riviera is 88. That is why Riviera wants to concentrate on their existing audiences rather than attracting new ones.

Kino Engel sells serial tickets, but claims that Finnkinno's serial ticket is a challenge for them, as "the whole serial ticket rumba attracts so efficiently customers to the market leader". (Purjo, translated by the author) Riviera, does not want to sell serial tickets, because they do not wish to "force" people to come to their cinema.

When asking about the ways to engage with the existing audiences, Sevón talks about the Finnkinno Lab portal, which rewards the existing customers with various offers, Kino Engel refers to the promise of quality that the cinema has regarding its program, and Riviera to the experience the cinema has to offer. According to Purjo, Kino Engel has a promise of offering quality film, which is a "vote of confidence" from the customers. This has become apparent in the Internet, where according to Purjo, there are google reviews of the cinema saying that one can always see quality films in Kino Engel. In order to be worthy of the reviews, the cinema must remain as focused as possible.

For Riviera, the ways to engage audiences can also turn into slight challenges:

"They are after humanity. We see it in their wish for things to happen sensibly. Meaning, that if we have had some principles that we have stuck on to, it has been a very unpleasant thought for our customers, because they

assume that they are taken as individuals and humans, which we have tried to do a lot. It is surely because of the image or expectancy that we have given, that we take the audience as people and not as customers. And then they expect that attitude from us, that if there is a problem, it will be solved. If for instance, they have misread the opening hours and they come to buy a gift voucher, but we are closed but we do have a person working the day shift doing something else – they expect that we can make an exception, open the cashier and sell them the gift voucher.”

(Atte Laurila, Riviera, translated by the author)

When asking about the audience’s changed needs, Purjo talks about the audience’s need for local services:

“I’m not sure is it just a feeling, but when Finnkinno was sold to China about 3–4 years ago I suddenly noticed that in Helsinki– and this does not only apply to cinemas – there was a trend that everything small was trendy, small boutiques and everything with an artisan touch. H&M and other big ones, they weren’t in fashion in that sense anymore. So if you followed your time, you had to root for smaller, local operators. We benefitted from that nicely, our audience numbers grew. Maybe because of that so many new cinemas emerged during the last years, there was a want for alternatives.”

(Ville Purjo, Kino Engel, translated by the author)

In 2008, this trend was still not yet existing. Purjo also mentions the people’s need to share their experiences, and through the sharing they can shape their identity. Sevón talks about the audience’s grown tendency to give out complaints:

“I can't give years, but nowadays in general the customers are quite demanding. They know what they have paid for, and if it is not what they have expected, we get feedback very quickly. It would be good to get the feedback on site, when we could do something about it, a week afterwards the situation is already over. Nowadays people might think that if I complain, I get a compensation. It won't save the situation but they know that they can demand it. We see this the most: people are eager to complain, and they want the compensation rather than us solving the situation.

Everyone is in a hurry, and they want everything right now. I don't know was it like that in 2008 but I don't think so.”

(Malla Sevón, Kinopalatsi, translated by the author)

4.4 Future trends in the cinema field

I've watched enough Star Trek to say that if anything was possible, a holodeck would be ideal, meaning a room where you can live inside a story and you could potentially physically touch it. Because isn't storytelling based on that a story should be as real an experience as possible to all senses.

(Toni Lähteinen, Finnkino, translated by the author)

According to Koistinen, the field can develop in various ways. Ticket sales and other basic functions of the cinema can be developed further through systems, that would allow more connected transactions. He anticipates, that paper posters will be decreasing and eventually replaced by electronic posters. The challenge with them will be connected to the size of cinemas: the smaller the operator, the less need will there possibly be for an additional screen to show poster images.

Koistinen speaks about the potential move from the canvas screen to a digital screen. There are questions with this regarding the appearance of colours, and also the question of the consumers' feelings: do they wish to watch a film from a screen, that resembles home equipment – where is the difference between home and cinema drawn? Lähteinen sees the digital screens as a definite direction as LED screens are functioning in Asia already. However, the question of when will the technology reach Finland, depends on finances and the functionality of the screens. The digital screens would also allow 3D screenings without glasses, as the technology does require a certain kind of screen.

Other technical innovations and auditorium experience models are the Premium Large Format, that uses a special technology and is found in a large auditorium with a large screen and comfortable seats, and Screen X, which is a three-screen screen, providing a 270 degree angle for the viewer (Koistinen). Koistinen predicts though, that these innovations will be not seen in Finland. Lähteinen explains, that as the audience is used to the traditional 2D image with 24 frames per second, experiencing the film as a virtual reality experience will become a possibility in the

future.

Regarding content, Lähteinen predicts, that “small screen serialised storytelling” will become more common: audiences will gather together to watch a high quality television show in a cinema or will call for serialised films, that offer continuity and long-lasting engagement. The storytelling form will become a “synthesis” between film and television. An example of such a project are the Avengers films. Also, live streaming of content will also remain a wanted element in the cinema programs. In addition to the “event cinema” that is screened nowadays, imagination is the limit to what content is possible to screen – Lähteinen adds, that during the turbulent times of climate change, screening more alternative content could have its place in reducing unnecessary flying. In order to maintain a rich programme, Laurila calls for mediator services to reduce the work done by cinemas when searching screening rights and copies for films outside the domestic distribution field.

“On the consumer side we have Spotify and Netflix or mediators like that who act in between the practise and the content producer, negotiate and do pricing and such. In cinema operations those are still lacking, we have to deal with everything case by case. I wish, expect and believe that at some point these will appear, that we will have online catalogues, where we can click a film, see the cost and directly download it our cinema and the payment goes somewhere.”

(Atte Laurila, Riviera, translated by the author)

The threat of online streaming services are not seen as a threat by Koistinen. According to him, the release windows have been shrinking, first because of WHS tapes and then for DVDs. The windows could diminish even further, and Koistinen believes, that if cinemas would require simply some kind of premiere right to material, they will not have a problem in the future. He stresses the importance of domestic film for the cinemas, as those films bring in audience.

5 CONCLUSIONS AND MAIN FINDINGS

It can be concluded, that a bigger cinema operator deals with different kinds of challenges than a smaller one. A bigger organization have more challenges in the programming phase – regarding scheduling, staff operations and relations with the distributors – as smaller operators face more challenges in getting their message heard and engaging their audiences with different means, for example with serial tickets. All operators face challenges in keeping their venues relevant and interesting for the audiences. The following subchapters are divided to the thematic of technical limitations and the democratizing effect brought by digital technology; the importance of the values that are visible to the customer; and the importance of keeping of with the development of the field. The last subchapter offers a summary of the main findings.

5.1 Limitations creating values and the democratizing effect of freedom

The technical shift from film to digital screening format has had a substantial change on the functions and opportunities of cinemas. Starting from the space, a cinema had in use for storing film copies, to the programming decisions it could make and the risk it was taking when choosing a film to its program, meant that the functions of a cinema looked very different in 2008 than in 2018. It can thus be stated, that the analogical film format acted as a limitation and had an effect on the amount and type of films, that were screened, as a small cinema had to wait for a bigger cinema to be first done with screening a film before having it in the program. It could be argued, that this limitation had a substantial effect on a cinema's program profile, as one of the studied cinema, Kino Engel, had the characterization of being a continuing cinema. As the data shows, Kino Engel considered extending "the film's life" a value also in 2018 – it could be analysed, if this value is originated from the cinema's position in the film era. In continuation it could be argued, that the once-experienced limitation may even act as benefit when defining values for actions, and be visible for audiences through the offerings of the organizations. The example of Kino Engel's programming strategy can also be seen as an example of the Colbert's (2008) suggested reaction to macro-environmental or competition: the organization should adapt to the changes but also keep in mind their Unique Selling Proposition.

Smaller cinemas have the challenge of making the right choices with the selection of films: the less auditoriums there are, the bigger significance there seems to be in choosing the right films and deciding their screening times. A bigger organization who runs several cinemas, had in 2008 the strategic challenge of placing films to the right venue, as well as estimating precisely, in which sized auditorium would each film do best. This procedure corresponds to Bosma's (2015) characterization of "vertical programming", which is done from the point of view of an auditorium. In 2018, when the digital technology is used and larger cinema operators have been freed to pay the VPF fees, the technological freedom allowed chains to place same films to different venues – an optimal situation for "horizontal programming". It can be thus concluded, that digital cinema has shifted the programming principles of cinemas from vertical to horizontal.

In the digital age, as cinemas can screen the distributed films they wish starting from the premiere day, it can be stated that the digital screening technology has democratized the cinema operations and freed the staff to concentrate on different tasks. However, technological challenges may emerge from the complexities of the screening machinery: problems with encryption keys or the failing of the machinery, as the reparation calls for more profound actions as did the analogic film projector.

There is no academically viable way to define in this thesis, if the most watched films in 2008 and 2018 in Finland and in the studied cinemas represent Bosma's (2015) cinema of reinsurance and the cinema of disturbance. As one of Wilinsky's (2001) characterization of arthouse films is that they are screened in arthouse cinemas, the fact that, as the data showed, the top 3 films of Kino Engel from 2008 nor 2018 did not appear in the top lists of the country, could be seen as reassuring proof, that Kino Engel is truly an arthouse cinema. Kinopalatsi had all their three most viewed films in the top 20, which could conclude them as a mainstream cinema. Riviera seems to be balancing in between, having one of their films outside the top 20 list.

This could be seen as a proof, that when Koistinen talked about the balancing effect a multiplex may have in including mainstream and arthouse cinema – a smaller single-screen operator could be seen using the same model. The democratizing model – or in Bosma's (2015) words, sandwich programming model – of not dividing programs to purely mainstream and arthouse but combining them can thus benefit operators of different sizes. The question of uniqueness and profiling may

then come from other features than solely programming. Perhaps in the case of the democratic film screening policy across mainstream and arthouse, one could see Wilinsky's (2001) idea of "selling" exclusivity of an alternative culture – both in small cinemas regarding the question of identity building through space and brand, and in multiplex cinemas regarding the availability of non-commercial films.

In the light of the numeric data it could be stated, that the multiplex's role in the cinema field of Helsinki is unquestionable, as Kinopalatsi's audience numbers were over 30% in 2008 and in 2018. It can also be stated, that Riviera's status was solid and viable in 2018. Reasons for this can be detected from its branding and values, offerings or unique paste of programming. As the cinema's time span of publishing film program is longer, it could be seen to give it advantage in engaging its audiences but also bringing the challenge of foreseeing the potential success a film may have. Kino Engel's results of audience numbers come on third place from the three studied cinemas, but interestingly their numbers have risen from 2008 to 2018 whereas Kinopalatsi's have decreased.

Holding the position of market leader also brings on the challenge of being responsible for the film scene in the country and fitting each premiering film to its program. Smaller operators do not seem to carry this responsibility in the same way. This responsibility could be seen to been brought by the "democratizing" multiplex culture, that Koistinen refers to. It could be analysed, that if the programming of the market leader was not as wide, would smaller operators feel more responsible to take even more or even more specified films to their program?

Perhaps surprisingly, according to the data, Video On Demand or online streaming services are not seen as a threat. Naturally, basing this assumption to the notion, that only two of the five interviewees, did bring the issue up, is quite weak and depresses the conclusion's credibility. However, the data did suggest, that the collaboration with online streaming service – in this case Netflix – can become beneficial for smaller operators: When multiplexes or cinemas run by larger corporations refuse to screen films with small release windows, smaller operators can potentially grow their market, and attract new audiences. On the other hand, if the development is going to the direction as Koistinen and Bosma (2015) see it, that in the future, all operators start screening also content with smaller release windows, this will most likely affect negatively to the uniqueness of smaller

operators. This issue would also bring along the challenge mentioned by Bosma (2015): the complete democracy of film viewing without the “boarders” created by the release windows. If this became the reality, cinemas would possibly have a harder time remaining their position as the controllers of quality.

5.2 Keeping one’s promise

The data shows, that the digital age has helped the cinemas to know their audiences better due to data analysis processes, but the importance of meeting one’s customers face to face cannot be diminished. The impact of social media is substantial, and by using even just one channel can help an organization to gain results. Social media does not only work in one way, customers also share their thoughts on the organization online, which may bring the organization additional value or help them shape their “promise”. The data does not give information on whether cinemas are using the analysis model by Bosma (2015, in which five indicators of audience participation are looked at). Maintaining the strength of the promise may be challenging in various aspects of marketing work, as unknown content may be challenging for a cinema to market – it could be argued, that with weak building of an organizational identity, the task is the most challenging: when it is clear to the audience, who is the organization serving and what are their values, it is easier for them to trust the organization. This proposition of thought does not mean that a customer relation would then be conflict free if the identity would be well-built, as the modern customer is demanding.

As all of the interviewed cinemas agree, that in order to stay relevant in the field, one should do their work as well as possible. To stay true to one’s vision is a way to engage an audience, but the data shows, that the this brings in a responsibility, a promise that the organizations are expected to keep in each “moment of truth” (Colbert, 2008). As customers may have needs to identify to a place, the organization must thus respond to that need and identification. One could argue, that a well-thought promise and concept is a key for a cinema to survive and a factor that makes it unique. When looking at the listing of Colbert (2008) of a strong brand, it could be stated, that each of the studied cinemas does carry strong brands: perceived quality can be seen in the technology, programming strategy or the appreciation for the whole experience, loyalty in the audience numbers from 2008

and 2018, the association with salient elements could be said to be the Finnkinno corporation in the case of Kinopalatsi, and the distribution company Cinema Mondo in the case of Kino Engel. The association with tangible and intangible elements could be seen to be associated to each of the cinemas, as all of the venues carry reputation as being an old cinema venue (such as Kinopalatsi and Riviera) or a part of a historically and tourism-wise important part of the city (Kino Engel in Torikorttelit). Brand awareness is the only point this study cannot comment on – as well as the overall analysis of the strength of a brand, as no audience surveys were conducted.

The question of creating the promise organization provides could said to be heavily linked to branding as well: as one of the studied cinema does not use the usual way to engage its audiences, the serial tickets, because it does not wish to “force” its customers to come to the cinema – this could be said to be a unique view on the matter and it’s reasons could be analysed: is the decision not to use sell serial tickets to customer connected to the cinema’s brand? If the cinema’s current situation regarding ticket sales was weaker, would they still hold the same stand? What kind of associations does the decision awake in customers?

5.3 Following the developments

When looking at the data, it could be stated that the challenges depicted by Poisson-de Haro and Sylvain (2013), that were presented in chapter 2.1.1 – the challenge of synergy, the challenge of viability and sustainability and the challenge of audience retention and development – are challenges, that also cinemas are experiencing. The data shows, that at least declining audience is challenging the multiplex Kinopalatsi and the whole Helsinki, when looking at the audience numbers from 2008 and 2018. Also, increased competition is a challenge, that – if not already – will affect the cinemas. Performance assessment can be seen to be a highly important task of the cinemas in the ever-changing industry. The data did not give results on the amount, type or quality of the strategic management performed in the researched cinemas in 2008 or 2018.

According to the statements given by Koistinen, there are four cinema trends to be seen throughout the industry: 1) multiplex functions, 2) specialized cinemas with unique offerings, 3) Premium Large Format cinemas and 4) technologically even

more specialized cinemas. For a multiplex, the uniqueness comes from several characteristics, one of them being technical excellence. The data shows, how Kinopalatsi was unsatisfied to the overall technical state of the projection conditions and compared itself to the other cinemas of the company, who are more up-to-date regarding their screening equipment. From the mentioned factors the conclusion could be drawn, that when a new, modern cinema is opened, it reveals the weaknesses the older cinemas possess. The question then remains, how important cinemas find this – do they even try to keep up with the developments, or which ones?

In 2018, as the digital technology enables new kinds of innovations and contents to be screened, such as the event cinema, it also brings a new challenge or discovering new services to be brought to the cinemas. As a cinema must reinvent its services while staying true to its values, it could be stated to need continuous strategic planning and entrepreneurial thinking. Perhaps one can speak of entrepreneurship, when viewing how the corporate and media sales have increased from 2008 to 2018. Ahokas (2004) states, that corporate and media sales are characteristic business methods for multiplexes, but according to the data, also smaller operators seen to perform those means of gaining revenue – even though the data does not show, how much more important those business models are for bigger organizations. In general, that the data shows that the corporate and media sales have increased, could be said to tell that cinemas cannot rely solely on their main offering of films. To analyse the reasons for this, an PEST analysis would be appropriate way to start examine the surroundings and the reasons affecting general audience decrease.

5.4 Summary of the results

The study bears the results, that the size of an organization does have an effect on the challenges the organizations are experiencing. On a practical level, the smaller operators experienced different kind – and often more limiting – challenges as the film technology prevailed cinemas from screening the content they would have wished to. The common challenge in 2008 was the special limitation the technology set – one could only fit a certain amount of film to an operating room, which caused the programming to be vertical. As a bigger operator needed to be strategic, to which venue to place a film, a smaller operator needed and still needs to be strategic in

deciding which films to choose to their programs. A market leader has quite the opposite challenge, namely the one of bearing the responsibility of fitting all films to its program (consisting of several theatre venues) and thus maintaining the film culture.

The digital screening technology has democratized the programming operations, as different operators have the same films to choose from. This democratizing culture can be said to have enhanced the call for uniqueness among operators; an organization must think sharpen its vision and the values it is portraying to the audience in order to stand out from other operators and make it easier for its customers to gain trust. Important is, that an organization does not promise anything more than it is able to offer, as it if does so, it can have a negative effect on its operations and reputation. The uniqueness may be created through technical excellency, programming, other offerings or for instance a behavioural model towards customers. In the changing field of cinema, where online streaming services have more and more space, cinema operators have the challenge of finding a beneficial way to collaborate with the online operators.

Having unique offerings compared to the ones of the competitors – such as a different schedule in announcing a screening program – it most likely then introduces new challenges unknown to others to the operator. Also new venues or operators in the market might shed light to the weaknesses an organization possesses, such as technical lacking. The democratizing programming model of a multiplex, that contains both films characterized as mainstream as well as arthouse, can also be seen to benefit a smaller operator. Also, with the decreasing cinema audience numbers in Helsinki, smaller operators also use the means of business historically characterized to multiplexes, namely corporate and media sales, to increase their revenue.

6 FINAL DISCUSSION

This study examines the challenges cinemas in Helsinki face, by looking closer at their actions in 2008 and 2018. As cinemas overwent a tremendous shift in their actions through the change from analogic film to digital screening technology, the reality in which they choose films, screen them and in general, operate in, has changed very much. The study aims to shed light upon the challenges they were facing in 2008 and 2018 in order to understand their current state of operating and especially the different issues, that multiplexes and smaller operators are dealing with. This study acts as an introduction to the researched issues, but does awake questions for further research, examples of which are presented in the following subchapter.

In retrospect, the selected cases offer reason for critical viewing: As the results show, that in 2018, Finnkinno linked the programming of its two multiplexes in the centre of Helsinki so closely together and sees the overall programming of its cinemas in the city centre as an entity – and takes into account the whole capital area. This factor is important in the critical viewing of this study – how relevant is it actually to analyse Kinopalatsi as a single cinema? It is also worth mentioning, that in the Spring 2019, Kinopalatsi suffered from a fire and a water damage caused by the water sprinklers in the space and had some of its spaces under construction for several months.

This study reminds of the cinema's ultimate role as a messenger – a messenger of films. Cinemas screen those new releases, that have been made and the cinema itself does not have a say on the content of the production. As there are more and more real-time messengers, from online streaming services to social media, cinemas are expected to have a clear uniqueness in their functions. Perhaps more than a messenger, a modern cinema is a facilitator – providing stylized experiences for each taste and need.

6.1 Further Research

This study aims to present the challenges, that cinemas of different sizes in Helsinki are facing. By doing this, the study also aims to give information on the state of the cinema industry and the possible future developments.

The conducted study acts as an introducer to the challenges cinemas have been and are dealing with. The data, in which the themes of curation and programming, strategic management and marketing were examined, offers results, that indeed shed light to the challenges touching upon each of the mentioned areas, but also give expectancy for a more thorough study. For instance, the exact procedures, and financial and artistic reasons and facts behind programming decisions, the amount and content of strategic planning and management conducted in the organizations and a closer look at their marketing actions are examples of the directions the study could in the future be taken. Apart from the areas of the themes that were not yet researched, the findings of this study raise many questions as well.

The audience numbers have decreased in Helsinki from 2008 to 2018, but still one of the studied cinema has increased their results. There can be various reasons for the rise, which should be further explored: are the bigger selection of screened films and premieres the main reason, or could the growing amount be linked to the mentioned trend, that sets consumers after more “artisan” experiences. Also, as audience numbers do not grow in the same rhythm as new operators appear, but more operators do awake more demand to some extent – what is then the ratio between the raise of interest and the increase of operators? This theme could and should be elaborated.

The democratic programming of multiplexes could also start a conversation regarding the other democratic elements of a multiplex: it’s accessibility, pricing and programming. It would be interesting to consider its action in the light of Huffer’s (2013) results, in which the multiplex in Wellington proved to be the most dividing in socioeconomic hierarchies.

As the last part of the analysis chapter shows, digital technology nor the possible future trends of storytelling do not show signs of standing still but they are constantly evolving. These findings support the thoughts of Verhoeven (2013); Cinema and it’s technology does not stand on its own but they form a part of a continuum, and they could be said to be existing “within the human” through the new needs and visions people have. New technological innovations are emerging also at this moment, but the question is, which of those will be visible in a city like Helsinki. It could be argued, that the innovations regarding screening technology will first touch upon bigger operators and multiplexes. The idea of film mediators –

systems, that act systematically in the distribution of cinema outside of the domestic distribution system, is an interesting one and would require more research: Is such a system already existing or under development and how wide would its operations be, regarding film history or territories?

The data showed that there are four trends in the cinema field at the moment, and Riviera and Kinopalatsi were quite easy to recognize to represent two of them. Kino Engel was not directly characterizable to any of them. Thus, one could analyse, does a traditional arthouse cinema stand outside of those trends, and is that its asset or disadvantage? As in Finland, one could state that realistically, the market leader is among the only ones, who is able to invest on large technical innovations, and that is one of their ways to stand out. For a smaller organization, that possibly cannot compete with the technical excellence, it will be interesting to see in the future, in which directions do the unique offerings develop – will film be in the centre or in which degree do supplementary offerings bring quality. Perhaps the trends of audience engagement provided by UNIC (2017) will give a new direction for the specialization, or even create a fifth trend, deepening the impact on service economy in cinema operations.

It will be interesting to see, if the screening trends regarding content will go to the direction as Lähteinen predicted: more serialised content will appear. As the known examples of serialised storytelling are the Avengers films, it might be relevant to wonder, would there be a kind of serialised storytelling content that could find its way to an arthouse cinema? Also, what the data did now show, was the other possible trends that might be influencing cinemas – new ways of audience engagement or additional services. The future trends call for more studies, as they would bring vital information for operators and help them to stay viable in the cinema field.

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8 APPENDICES

8.1 Appendix 1: Interview question template

The interviews were conducted in Finnish, but the questions are presented here as English translations.

8.1.1 Interview questions for cinemas, who operated in 2008 and 2018

GENERAL

1. Could you tell me your name and your position in the organization. When did you start working in the organization?
2. Which areas does your business consist of? Ticket sales, supplementary sales, private screenings/corporate events? What areas did your business consist of in 2008?
3. Do you receive outside funding?

TECHNICAL CHANGES

4. In which year was your cinema digitized?
5. In 2008, which formats were film screened in?
6. What kind of problems or challenges did you experience with the screening technology in 2008?
7. How was the situation in 2018, which formats are presented?
8. What are the pros and cons in the digital technology?

PROGRAMMING

9. How is the programming of your cinema organized?
 - a. Who make the decisions of the screened films?
 - b. How are the screened films selected?

- c. How long do films stay in the program?
10. What is the program profile of your cinema? Has it changed from 2008?
 11. What are the biggest challenges regarding the program planning?
 12. In 2008: what kind of films were screened in your cinema?
 13. Can you tell about the challenges in programming in 2008?
 14. According to the Finnish Film Foundation, in 2008 there were 169 new releases, in 2018 there were 210 new releases, meaning that there was 41 more releases in 2018 than in 2008. What do you think about the distribution situations in 2008 and 2018?

STRATEGIC MANAGEMENT

15. What is the cinema's vision, what kind of a cinema would you like to be? Has the vision changed from 2008?
16. What challenged the cinema's existence the most in 2008? Back then, there were 38 cinema screens in Helsinki, in 2018 there were 55.
17. Are the challenges the same today as well?
18. How have the goals of the cinema changed in ten years? The goals can be attributed to, for instance, growing the business operations or developing audiences.
19. In 2008, what made the cinema special?
20. What made the cinema special in 2018?
21. In 2008, there were 38 cinema screens and 7161 seats in Helsinki. In 2018, there were 18 cinemas, 55 screens and 8574 seats and the amount is apparently increasing with competition. What kind of challenges might follow from this and what could be the solutions?
22. How do you see your cinema's role and position in the future?

AUDIENCE AND MARKETING

23. In 2008, what kind of audiences visited your cinema?

24. What kind of audiences visited your cinema in 2018?
25. Do you follow or study your audiences? How? Did you also do it in 2008?
26. Has the audience following changed from 2008 to 2018? How were audiences studied in 2008?
27. Do you think about different audience segments in your operations, did you think about them in 2008?
28. Is there something that is noticeably more difficult regarding audiences, when comparing 2008 to 2018?
29. Which marketing channels did you use in 2018? What about 2008? What are the difficulties in the channels you use?
30. Which group is the most difficult for you to reach marketing-wise?
31. What is the hardest audience group to attract to the cinema?
32. How do you engage your existing audience? How do you obtain new audiences?
33. How have the audiences needs and wishes changed, when comparing 2008 and 2018?

LASTLY

34. Those were my questions. Do you have anything to add?
35. Could I get following information:
 - a) Audience numbers from 2008 and 2018?
 - b) Most watched films in 2008 and 2018?
 - c) Number of titles in 2008 and 2018?
 - d) The revenue division between ticket sales, supplementary sales and other sales (or according to how revenue is divided in your organization) in 2008 and 2018
36. Can I use your name and your organization's name in the research?

8.1.2 Interview questions for cinemas, who operated only in 2018

GENERAL

1. Could you tell me your name and your position in the organization. When did you start working in the organization?
2. Which areas does your business consist of? Ticket sales, supplementary sales, private screenings/corporate events? What areas did your business consist of in 2008?
3. Do you receive outside funding?

TECHNICAL CHANGES

4. In 2018, on which formats were films presented?
5. What are the pros and cons in the digital technology? What kind of difficulties do you experience with the technology?
6. Do you see any directions, where the digital technology could develop to in the future?

PROGRAMMING

7. How is the programming of your cinema organized?
 - a. Who make the decisions of the screened films?
 - b. How are the screened films selected?
 - c. How long do films stay in the program?
8. What is the program profile of your cinema?
9. What are the biggest challenges regarding the program planning?
10. What kind of challenges are you experiencing regarding special programs?
11. According to the Finnish Film Foundation, in 2008 there were 169 new releases, in 2018 there were 210 new releases, meaning that there was 41 more releases in 2018 than in 2008. What do you think about the distribution

situations in 2008 and 2018?

STRATEGIC MANAGEMENT

12. What is the cinema's vision, what kind of a cinema would you like to be? Has the vision changed from 2008?
13. What are the goals for your operations? The goals can be attributed to, for instance, growing the business operations or developing audiences.
14. What challenged the cinema's existence the most in 2018?
15. What made the cinema special in 2018?
16. In 2008, there were 38 cinema screens and 7161 seats in Helsinki. In 2018, there were 18 cinemas, 55 screens and 8574 seats and the amount is apparently increasing with competition. What kind of challenges might follow from this and what could be the solutions?
17. How do you see your cinema's role and position in the future?

AUDIENCE AND MARKETING

18. What kind of audiences visited your cinema in 2018?
19. Do you follow or study your audiences? How?
20. Do you think about different audience segments in your operations?
21. Which marketing channels did you use in 2018? What are the difficulties in the channels you use?
22. Which group is the most difficult for you to reach marketing-wise?
23. What is the hardest audience group to attract to the cinema?
24. How do you engage your existing audience? How do you obtain new audiences?
25. What kind of needs or wishes does your audience have?

LASTLY

26. Those were my questions. Do you have anything to add?
27. Could I get following information:
 - a) Audience numbers from 2018?
 - b) Most watched films in 2018?
 - c) Number of titles in 2018?
 - d) The revenue division between ticket sales, supplementary sales and other sales (or according to how revenue is divided in your organization) in 2018
28. Can I use your name and your organization's name in the research?

8.1.3 Interview questions for The Finnish Chamber of Films

GENERAL

1. Could you tell me your name and your position in the organization. When did you start working in the organization?
2. What does The Finnish Chamber of Films and The Finnish Cinema Association do?

TECHNICAL CHANGES

3. In which year were the cinemas of Helsinki digitized, when was the process started and finished?
4. How did the transition phase go?
5. What kind of problems or challenges occurred with the screening technology in 2008?
6. How was the situation in 2018, what are the pros and cons in the digital technology?
7. What kind of developments do you see in the future regarding digital

technology?

PROGRAMMING

8. How did the cinema scene look like in Helsinki in 2008?
9. In 2008, what kind of variation was there to be seen in the program profiles in the cinemas in Helsinki?
10. What was the situation like in 2018?
11. What are the biggest challenges regarding the program planning?
12. Were the challenges the same in 2008?
13. According to the Finnish Film Foundation, in 2008 there were 169 new releases, in 2018 there were 210 new releases, meaning that there was 41 more releases in 2018 than in 2008. What do you think about the distribution situations in 2008 and 2018?

STRATEGIC MANAGEMENT

14. What kind of cinemas did well in 2008? What was the competition like, what kind of trends were there to be seen regarding cinema operations?
15. Which factors challenges the cinemas' existence the most in 2008?
16. What kind of cinemas did well in 2018?
17. What kind of trends were there to be seen in 2018 regarding cinema operations?
18. In 2008, there were 38 cinema screens and 7161 seats in Helsinki. In 2018, there were 18 cinemas, 55 screens and 8574 seats and the amount is apparently increasing with competition. What kind of challenges might follow from this and what could be the solutions? Should there be any developments regarding program planning?
19. How do you see the cinemas' role and position in the future?

AUDIENCE AND MARKETING

20. Has the following and studying audiences changed from 2008 to 2018? What kind of methods were used in 2008 to study audiences?
21. Is there something that is noticeably more difficult regarding audiences, when comparing 2008 to 2018?
22. What were typical marketing channels for cinemas in 2008?
23. How have the audiences needs and wishes changed, when comparing 2008 and 2018?

LASTLY

24. Those were my questions. Do you have anything to add?
25. Can I use your name and your organization's name in the research?