

## The Other Cinema and Video Distribution

### VIDEO SALE/HIRE AS A PART OF TOC'S REVENUE

In 1984 our turnover was £219,000 . £26,000 was GLC support for a wage a promotional activities. Non-theatric video hire and sales on 16mm and video accounted for £102,000. Theatrical accounted for £12,000. TV sales accounted for £70,000. The non-theatric part breaks down into approx. £68,000 on 16mm hire, £20,000 on video hire and the remaining £14,000 on video sales. Revenue after royalties on video sale and hire ( royalties are set at 50% across the board and 25% on TV Sales) was £12,000. This figure was generated on the sale and hire of 121 titles. We hire videos at a cost (before postage etc) of £10.00 and sell at approx. £40 - £50.

Two conclusions: Without television sales we could be in trouble. Video is not yet a major area of revenue.

### DEVELOPING VIDEO

Over the last two years we have invested a great deal of time and revenue, concomitant with the running down of the 16mm non-theatric market, on developing schemes to heighten the profile of video as a resource for our traditional customers as well as newer areas (for us) like schools, libraries and teachers centres. We estimate that in another two years we may have doubled our revenue on video hire, and perhaps tripled video sales. This in turn will be accompanied by a drop in 16mm hire. Thus by 1987 we should make at least £41,000 on sale and hire of independent video. Assuming these figures are correct, we should make a contribution to the revenues of the independent video producers of the other £41,000 of the total £82,000 turnover - barely enough to make a low-budget TV documentary. And our 41,000 revenue would compare with a (current) annual office overhead of £60,000.

One conclusion: Any agency seeking to generate revenue from video distribution in the independent sector within similar constraints must be subsidised.

### WHY?

This paper is being drawn up in the context of a search for profitable or at least self-supporting modes of disseminating independent video production. If there is a need for subsidy, the principal reason lies not in the inefficiency of the left but the very fact that they are the left.

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## BUSINESS SOLUTIONS

**AMALGAMATION OF DISTRIBUTORS** Given the different ideological projects of the organisations involved, and their confidence of reaching specific markets most efficiently, amalgamation seems unlikely. The limited venture of a joint promotional agency, while more achievable, can only be done with no major increase in the labour cost.

**INTRODUCING COMMERCIAL PRODUCT** The rate of consumption of home videos has shrunk dramatically over the last year (or at least the amount of revenue generated from the total viewings). Available retail outlets have a high profile, are more convenient than the post, and have low rental charges. A broad choice is the one important thing a high street shop doesn't have.

## DIFFERENT MERCHANDISING STRATEGIES

1. "EXPANDING MARKETS" such as libraries. Even if library spending on audio-visual materials increases greatly, the bulk of it will continue to go towards product areas not dealt with by the sector, ie Shakespeare, Science, Sports. The same observations apply to schools. Although response to campaigns in specific new subjects like Multicultural Education and Women's Studies is encouraging, budgets are small and buying initiative is taken by junior members of staff. Trades Unions, insofar as they are involved in video, tend to sponsor their own productions to be sold at cost or below via agencies like TURC and BFVW.

2. MIXED ARTHOUSE/COMMERCIAL/DOCUMENTARY ON LOW COST MAIL ORDER Although this scheme overcomes the problems of the narrow range offered by video shops, the relative inconvenience to the customer may prove insurmountable (note the demise of the Observer Video Club).

3. VIDEO IN BOOKSHOPS A scheme run by The Other Cinema last year targetted at radical bookshops like Collets was a failure. Reasons: High unit cost of videos; narrow range; lack of interest from target group.

## OBSERVATIONS

Analysing The Other Cinema's video sales it's clear that our buyers have been from too narrow a range. We have attempted to break into the more mainstream area of the educational video market with television output like the Channel 4 Africa Series. But it also seems that independent distributors like TOC have missed an opportunity to sell product abroad, in particular to TV in Europe, and ceded the ground and the revenue to agents without political projects like Jane Balfour Films.

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