

## balancing act news update

### IDmage offers African film-makers distribution via VOD and pre-paid mobile cinemas

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IDmage's move into VOD is a way of reigniting some excitement in African films and revive their power in markets where large distributors have killed margins or where piracy has driven film theatres and producers in bankruptcy. The portal system gives content owners a way to experiment with new distribution avenues and lets them monetise their films more quickly. Unlike the mainstream distribution market, the portal also gives producers the chance to sell their films in an environment that is not beholden to complex launch calendars and market cycles.

**BA: What is the key objective of your new VOD store <http://www.africafilms.tv> ?**

EC: We want to bring African films back on screen and bring cash back to African filmmakers. AfricaFilms.tv is one of the first VOD (video-on-demand) online stores 100% dedicated to African films, of all genres, accessible from any territory in the world. We have set up a system which guarantees a fair revenue to African filmmakers and producers. The portal model will also allow IDmage to re-launch many bestselling titles which have been forgotten.

**BA: What category of African film producers will be interested in the portal?**

EC: It will be accessible for all African film rights owners for any film content (within qualitative limits) and in any language. Key benefits for African film makers and producers will be:

- \*simple set-up,
- \*free-no investment necessary, apart from a bit of time to send us their materials and sign the contract,
- \*get an international visibility,
- \*non-exclusive rights,
- \*get on-going potential revenues
- \*and there is no need to travel around to find distributors.

Africafilms.tv will be a multi-territory, multi-genre portal. This will be especially true for African film owners who don't have access to export markets and those who do not have resources to attend international festivals and content event.

Apart from festival films, the portal will also carry soap operas, documentaries (from 26' upwards) and stand-up comedy shows. Our difference is that we do not purchase rights, and our contract is non-exclusive for producers who thus keep their freedom in distributing their content elsewhere. In case they sell rights to a TV broadcaster that seeks exclusivity on its territory, we remove the title within a few days from the available offer in that territory.

**BA: What type of audience will be interested in your VOD catalogue?**

EC: The portal will be targeted primarily at world culture buffs and at the African Diaspora, i.e. mainly audiences located in North America / Caribbean and Europe or Austral-Asia. Anybody from anywhere will be able to watch videos using a video device linked to the web: computer, smart phones, etc. Our price per film will remain reasonable to allow as many people to have access: movies will be charged about 4-5 Euros (or US \$4-5 USD) for 48 hours rental, documentaries (26', 52') and series around 2-3 Euros / USD per watched item.

**BA: Technically and financially, how does it work for film rights owners?**

EC: What we are proposing to producers is a service and a partnership.

As the content owner, you contact us to sign a contract, we upload your content (DVD or DV provided by you), we grant you a personal login so that after a while, you can go to your account and see how much you've earned. You then send us an invoice and we pay you straight-away: 50% goes to the producer and 50% to us to cover our technical costs and wages.

If you have a strong « brand » (e.g. a very popular soap opera, a famous production house), you might want to have your own, personalized VOD online store to sell directly to your loyal fans. Still, a VOD portal such as the one we are about to launch costs about 200 000 Euros to build, which is out of reach for most independent African producers. This is why AfricaFilms.tv will include a simple

website builder, allowing you to create your webstore in just a few clicks at no cost. And the split becomes more interesting for the producer: IDmage only takes a 10% handling fee.

**BA: When do you plan on launching the portal?**

EC: It will be launched around June 2010. We will start with a beta version, which will improve over time with new versions. We have set up a team in Paris and Dakar who will promote the launch and take care of the technical aspects.

**BA: What phase have you reached so far and what remains to be done?**

EC: We are in a pre-launch phase, currently developing, testing and improving the site, finalising our film catalogue, identifying new content owners and signing contracts with them. We still need to find more content providers. We are also interested in finding partners and more funds to insure that the portal will survive in the long run.

**BA: How much will the portal costs you in total?**

EC: We got €0.5 million from the EU via ACP Films – the ACP-EU cooperation support programme for the ACP cinema and audiovisual sectors - for this project and the Mobicine project (see story that follows below). This is public money, and our approach is public and transparent: we want to support African film productions, and allow African independent right-owners to maximize their revenue abroad.

The company will start promoting its online store as soon as it launches, and will need local web media to convey its message. IDmage also invites African producers and film makers/distributors to contact the company in order to add their content to its catalogue. Lastly, IDmage is looking for funding and media partners in order to support its African film distribution initiatives in the long run.

**mobiCine: A new pre-paid model to get films to audiences and revenues to film-makers**

IDmage has set up mobiCine, a new screening network targeting urban popular audiences in Dakar and Bamako, two African capitals where many cinema theatres shut down due to piracy. mobiCine is trying to recreate a distribution sector in places where film exhibition has disappeared, particularly in francophone Africa.

In the current environment, the old model for cinema exhibition with the physical transport of film prints and the overheads associated with running a building in Africa seems outdated.

Africans like to congregate and share. Right now, people buy TV sets, VCD players and pirated copies of VCDs and have pirated connections to Canal Horizons, etc. In Mali, 3-4 million VCDs are bought every year at €1.50 each, of which 98% are pirated (IBF Survey for the European Union, January 2008).. Illegal cinemas (called things like video booths elsewhere in Africa) charge 200-300 CFA francs (half a dollar) a viewing.

The idea behind mobiCine is to make these illegal practices legal, locking out fraud by the use of DivX secured hard-disks. The project has developed a business model which it believes will fit the new context in Africa: as people don't go to cinemas, cinema will go to the

people. In each city, mobiCine will hire 7 projectionists, and identify 40 to 50 free premises. Every day, each projectionist will move from one venue to another to show films.

How does the business model work? According to Chiesa: "By analogy, it's a mix of the pre-paid cellphone and the taxi. The cellphone model works as follows: The hard disc loads permission to show a certain number of screenings of a film, in effect « screening units » using DivX technology. The entrepreneur buys for example 20 screening units. It's a flat fee paid in advance, one third of what we would expect the box office to be. Once he's finished his « screening credit », he has to buy more to organize more screenings".

Each mobile projectionist (the entrepreneur running them, also called the franchise operator) will be like a "taxi". He will have a three wheel vehicle – a moped with a large trailer, a flight case with the screening equipment, a video projector, a hard disc, a 2 metre screen and a small power generator. Every evening, as most taxi-drivers in Dakar or Bamako, he will pay us a rental for the equipment. His personal revenue is the money left from the tickets sold, after he's paid the screening rights and the mobile video-kit rental.

Overall, on every ten euros paid by the audience, roughly 3 euros goes to IDmage, 3 euros to the franchise operator and 3 euros to the rights owner (producer, film maker). "On the basis of the number of screenings we project, we expect the franchisee to earn €150 per month. Some screenings will also be sponsored by advertisers and NGOs" explained Enrico Chiesa, adding that "There will be 5000-8000 screenings in a community in a year. We are going to test 10,000-15,000 screenings in a year which should generate around 50,000 euros a year for rights owners."

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## Opportunities and requests

### Call for African films and TV content and Call for extra funds

IDmage is about to provide a global paid VOD portal and a mobile cinema tour in Africa (see top story).

The company grants free digital distribution of African films globally for rights owners.

IDmage's director Enrico Chiesa calls for content owners (film makers, producers, local distributors) to contact the company in order to set up their catalogue on VOD and get extra revenues. See the two related stories in this newsletter.

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