

DISTRIBUTION IN FILM

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Distribution is the process of bringing the film to its target audience. It is a critical point in the revenue-generating stream of film production. **Booking** and **exhibition** are the major stages of this process. Booking means getting the venues and the most profitable playdates for film exhibition ahead of time. Exhibition is the actual showing or presentation of the film to its audience. The theater owner, operator, or manager is also called the **exhibitor** of the film.

Films were first exhibited in Manila during the last years of Spanish colonial rule in the Philippines. The earliest account was in a Spanish-language newspaper, announcing an exhibition titled *Espectaculo Cientifico* (Science Show), comprising seven titles, and shown in a converted warehouse on Escolta, Manila. The event, probably the first clear indication of a local film screening, was held on the first day of 1897, a little over a year since the first public showing of Cinématographe films by the Lumière brothers in Paris.

Early accounts also point to a Frenchman named Rebarber who, with Eduardo Munarriz and Jose Hernandez as capitalists and Jose Martin as projectionist, took over an old warehouse at the back of Quiapo Church on Evangelista Street and converted it into a cinema, Cine Orpheum, in 1904. Another warehouse on Ongpin Street near Misericordia Street in Santa Cruz, Manila, was made into a movie house called Cine Cervantes. In 1907, a row of *acesoria* (apartments) along Legarda Street in Sampaloc, Manila, owned by Dr Valentin Guidote (whose daughter, Raymunda Guidote, later appeared in a silent film, *Fate or Consequence*, 1926), was transformed into Cine Moderno. The next year, 1908, saw the construction of Ideal Theater on Rizal Avenue.

The first Filipino feature films that were shown at the Grand Opera House and at the Empire and Majestic theaters were relatively short. Albert Yearsley's *El Fusilamiento de Dr. Jose Rizal* (The Execution of Dr Jose Rizal), 1912, had a screening time of only 20 minutes, while Edward Gross's *La Vida de Jose Rizal* (The Life of Jose Rizal), 1912, came as the standard four-reeler of approximately 5,000 feet with a screening time of almost one hour (one reel of film took about 12 minutes to run in the silent movie projector).

With the coming of talking pictures, feature films increased in length. The standard was one-and-a-half to two hours of screening time. Films came in 2,000-foot reels and were shuttled among nearby theaters during multiple first-run exhibitions in Metro Manila. The practice was called **lagare**—literally, “sawing.” This practice guaranteed the simultaneous exhibition of one film in several theaters using only one available print copy. While the lagare system was accepted in the city so as to cut on costs (producers found it too expensive to provide each theater with its own print copy), the unauthorized exhibition system in the provinces known as **bisikleta** (literally, “bicycle,” referring to the vehicle that was used for transporting the film to a venue not contracted by the producer) was condemned by film distributors and film producers alike. Film checkers who were caught conspiring with unscrupulous exhibitors in the bisikleta system were heavily penalized if not fired outright, while erring theaters were boycotted and their supply of films cut off for a certain period by both the producers’ associations (the Philippine Motion Picture Producers Association and the Integrated Movie Producers, Importers, and Distributors Association of the Philippines) and the exhibitors’ associations (the Greater Manila Theaters Association and the Metro Manila Theaters Association).

In the past, **block booking** required an exhibitor to take the full package of films or receive none of a studio’s offerings. In order to buy a studio’s products, the exhibitor was asked to purchase—sight unseen—a full year’s program of film features. This resulted in a kind of assembly-line production of films because producers were forced to provide films to the exhibitor on time at all costs. Block booking thrived only in a setup where there was an assured supply of films for a corresponding circuit or chain of exhibitors. This practice was prevalent in the 1950s



Odeon Theater at the corner of Avenida Rizal and Recto Avenue in Manila in 1968 (Cesar Hernando Collection)



Gerardo de Leon, left, Edna Luna, producer Manuel Vistan Jr, Carol Varga, and Jaime de la Rosa at the premiere screening of *Dyesebel*, 1953, at Dalisay Theatre (Cesar Hernando Collection)

when the Big Four studios (Sampaguita, LVN, Premiere, Lebran) were bound by block booking arrangements made with the exhibitors of Life and Dalisay theaters.

Mayor Antonio Villegas, the acknowledged father of local film festivals, contributed to the breakthrough of Tagalog movies into the “English theaters” in downtown Manila, particularly Avenida Rizal. At that time, the only movie houses showing Tagalog films on a regular first-run basis were Life and Dalisay theaters and, occasionally, Center Theater in Quiapo. All other first-run theaters were then tied up to the exhibition of American films: the Ideal Theater for MGM, Universal for Udia Films, Avenue for Warner Bros., Ever for 20th Century Fox, State for Columbia Pictures, and so on. Mayor Villegas initiated the annual Manila Film Festival in 1966 and this festival popularized Tagalog films, thus convincing theater owners that these were marketable and profitable. In 1975, the filmfest was expanded to include theaters and areas outside Manila and was renamed Metropolitan Film Festival, which became Metro Manila Film Festival in 1977.

When Tagalog movies were able to penetrate the movie houses showing only films in English, producers who made only a few good pictures a year made the best of the situation through **lockout booking**. Under this system, a producer books a film for a certain period. For a motion picture with famous stars, a producer would be assured two weeks of continuous booking while

an ordinary movie was given only one week or less. Regardless of how the movie fared at the **box office** (an exhibition term derived from the box-shaped booth where moviegoers paid to get their tickets), the exhibition went on uninterrupted.

The **holdover system**, on the other hand, did not guarantee producers a definite period of showing for their films. Continued showing of a film was guaranteed only for as long as the film reached the holdover figure. This was the minimum amount of daily gross receipts set by the exhibitor as a “break-even” point. When the receipts fell below this figure, the film was withdrawn from exhibition.

Gross receipts at the box office were shared by exhibitor and producer after taxes were paid to the government. There were two ways of sharing the proceeds: through the **sliding scale system** or the **fixed percentage system**. In the sliding scale system, a producer shared, net of tax, between 40 percent and 65 percent of the gross depending on the income at the box office—the bigger the receipts, the higher the rate for the producer. Under the fixed percentage system, theater owners and producers agreed on a fixed ratio (50:50, 55:45, or 60:40) regardless of the amount received from the box office. A daily box-office report on the hourly income from ticket sales was filled out and signed by the film checker or the representative of the film producer, and confirmed by the theater management. This report indicated how income was to be

shared between the film owner and the exhibitor, as well as the amount of taxes to be paid to the government.

Film exhibition in the Philippines follows a course, a series of events designed to draw the full patronage of particular groups of moviegoers. The exhibition of a good film usually starts with a good press preview, which has the twofold purpose of marketing the film as well as testing the response of critics, evaluators, movie journalists, and other influential persons who are in a position to spread the good word about the film. Next is the premiere night, when the film officially debuts to a prominent paying public, usually at higher prices. Sometimes this is sponsored by entities, such as the Red Cross or the Catholic Women's League, which are themselves the beneficiaries of tax proceeds from the film. This is followed by the first-run exhibition of the film, still at premium theaters, though not as large and elegant as the "film palaces" reserved for premieres. Tickets for regular first-run screenings are more affordable than premiere tickets. In recent years, the trend for first-run exhibition has shifted from the big theaters or movie houses to the multicinema complexes in supermarket centers and shopping malls like the Ayala Malls Cinemas and the SM Cinemas in Metro Manila. After some time has elapsed, the film is exhibited on its second-run engagement, this time in a larger number of theaters, accompanied by another picture as a double feature. Lastly, there are the provincial screenings, with the film prints circulating all over the country, from the cities to the towns and municipalities. Some of these provincial exhibitions are held simultaneously on a first-run basis with theater openings in Metro Manila. Occasionally, there are "roadshow" engagements, which precede the first-run regular showings at prices higher than first-run.

Other more specialized forms of exhibition are the open-air screenings occasionally held at the Rizal Park in Manila and which in rural areas without theaters are usually done in line with product promotions or political campaigns; campus previews in university auditoriums, which during the 1970s succeeded in promoting mainstream films regarded as artistic but "uncommercial"; the free-admission screenings of retrospectives, embassy films, and alternative (independent) cinema at the Cultural Center of the Philippines; the school-based alternative and experimental film screenings at the UP Film Center, De La Salle University, and other venues, which expose students and faculty to other possibilities in film expression and messages; the screenings at the Manila Film Center, formerly run by the defunct Experimental Cinema of the Philippines, which in the 1980s sparked controversy because it was exempted from censorship and taxation; and the occasional carnival sideshows, featuring novelty presentations such as the 180-degree widescreen shows.

Up to the 1990s, the distribution of movies was simple and straightforward as it was only the movie theaters that were involved in the booking and exhibition of the finished film. There were only two distribution circuits that wielded tremendous powers on the booking and distribution of films: the Metro Manila Theaters Association and the Greater Manila Theaters Association. After the 1990s, major changes in the distribution practices began when many venues, other than the stand-alone movie theater, were opened for the screening of films. All these vehicles became possible sources of revenue for the producers.

The advent of the shopping mall in the 1970s and 1980s created the venue where majority of the film audience congregate. The comfort of air-conditioned and



The lobby of Shang Cineplex at EDSA and Shaw Blvd in Mandaluyong City (Mario A. Hernando Collection)

easily accessible malls provided the public with a one-stop place for shopping, entertainment, and commercial and personal services. The construction of malls in every major city and town saw the mushrooming of the **cineplex**. A cineplex may have anywhere from 4 to 12 theaters. The current listing of theaters shows 706 theaters or screens that are located in cineplexes inside malls and supermalls. The Ayala Group Corporation has 67 theaters in its malls and accounts for 9.5 percent of all theaters. The Cinema 2000 Theater Group has 111 theaters and accounts for 15.7 percent of all theaters. Robinsons has 127 theaters and accounts for 18 percent of all theaters. The SM Group has 296 theaters and accounts for 42 percent of all theaters. There are 105 more screens under different companies and groups that account for 14.8 percent of all theaters. Stand-alone theaters or movie houses that are separate and unique structures are a thing of the past. Only a few exist now and are insignificant in terms of distribution statistics.

A major motion picture often plays at these commercial theaters. After the theatrical release, films are shown on TV and eventually released in the home video consumption market via DVD, Blu-ray and online streaming. Nowadays, the theater-to-home window has been shortened to maximize profit potential in the quickest time possible. There is also **video on demand** or VOD, which may show a film to the home market concurrently with a theatrical release.

A major factor that influences the distribution system is the proliferation of independently produced movies made outside the major film studios beginning in the 2000s. In no other period in Philippine cinema has there been such an explosion of works with varied visions, styles, and social functions as the one brought about by independent or indie filmmakers. The ascendance of independent films with low budgets brought about new and different ways of distributing and exhibiting films. Self-produced, crowd-funded, or micro-budget films may vary in the ways that the product is shown to the public. Some indie films travel the festival circuit for a couple of years to gain attention and, possibly, to attract a major studio or even a worldwide distribution company. There are foreign distribution agents who will represent a filmmaker and his/her company to broker the film to foreign film distribution outlets, often for a percentage of the sale price plus expenses and fees. Depending on these agents' connections and the overall budget of the film being represented, this may or may not be an option for the filmmaker. Sometimes, services like Netflix or iTunes will not accept a submission without the provision of representation. It should be noted that there are platforms online that allow filmmakers to sell virtual tickets to

screen their films and keep a certain percentage of the "ticket price." So, distribution can range from the more traditional route like commercial theaters to the current online platforms like YouTube and Vimeo.

Whether a film is produced by a major studio or is independently produced outside the mainstream of the industry, the following sources of revenue continue to be relevant. First are **theater ticket sales**. The primary way that movies, particularly mainstream movies, make money is through theater ticket sales. While there are exceptions (such as movies that are transferred directly to DVD after a failure to attract a commercial theater exhibition), the average movie is going to make its income from ticket sales in the local movie cineplexes. A second source of revenue is **DVD sales**. While a movie studio might only make a few pesos from each DVD sale, the number quickly adds up with the sale of hundreds or thousands of DVDs. Third is **free television and cable**. When a movie is negotiated for showing on free television or cable, the movie company can either sell the rights to the movie for a number of years or even for perpetuity, or get a flat fee for a specified number of screenings of the movie per year, or get a percentage of the commercials. Many consider television the best kind of residual payout for a movie. Fourth source of income is video on demand. When a movie is ordered on the Internet or other means via VOD, the movie company either takes a percentage of the sale or may have already been paid a flat fee for distribution via VOD. Fifth, income is generated from **school tours** and **special screenings**. What is possibly saving many independent film producers today are the residual revenues provided by school screenings made in cooperation with the different school organizations. Students are usually required to watch a particular movie as part of the school requirement for a particular subject. Special screenings by civic and private groups and sponsors add to the revenue of an independently produced movie.

The problem of film distribution finally has to do with earnings and revenues. Producers and exhibitors alike bewail the fact that a large percentage of box-office receipts go to the government as taxes. Government support in terms of less taxation and more incentives, they maintain, can have a great effect in sustaining the movie industry. The advance or simultaneous release of unauthorized or pirated videos of Filipino films on the black market has greatly reduced the local film audience. To counter the practice, the Anti-Film Piracy Board was established by exhibitors and producers in 1984. Currently, the piracy board is one of the boards and councils that assist the Optical Media Board, established in 2004. 🌟