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## Cinemas Embrace Satellites

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Digital deployment has been examined in exhaustive detail over the last 10 years, but the next logical step, that of satellite transmission for all content, would appear to be something of a dark horse in exhibition so far. There are a number of reasons for this: timing, technology, market forces, to name but a few.

Unlike digital cinema however, whose early growth was positively glacial, this time the world is ready for the revolution, and it's grabbing it with both hands.

The concept and technology has been around since the early 2000s, when among others, Kevin Cummins' Avica first announced their intention to equip every Irish cinema with a satellite dish, and thus receive all their content in this way in the future. A brave new world considering the VPF was in its absolute infancy at this stage, and there were hardly any digital screens in Europe anyway. Of course Smartjog, Datasat and Arqiva have been using satellite technology for live events and post-production data transfer for a decade or so, but satellite delivery for exhibition itself has been a relatively slow burn.

Live transmissions via satellite are becoming commonplace among cinemas, with the Met, the Royal Opera House and the National Theatre leading the way, and live 3D sporting events and rock concerts becoming more polished and experimental all the time. Arguably the success of live alternative content, still very relative compared to studio output, has been the driving force behind exhibition being in such a hurry to get equipped, an outcome no one would have predicted even three years ago.

It's the regular delivery of Hollywood studio content into cinemas direct from source that's the ambition of Nicolas Dussert, European sales director for SmartJog, one fast becoming a reality. In France alone Smartjog has installed more than 300 satellite systems in cinemas and is rolling out similar networks all over Western Europe.

One might think yet another upgrade in equipment might draw exasperated groans from beleaguered exhibitors the world over, but having seen the potential of increased admissions, the variety of content now available and the plethora of revenue streams available via live and recorded alternative content, it's no exaggeration at all to say that exhibition is upbeat. Drew Kaza, executive vice president of digital development at Odeon Cinemas summed up the excitable mood. "The future of exhibition has never been brighter," he says. "Great films being shown in the best possible conditions... what's not to like? No wonder cinema is recession proof!"



Opinions from content providers, exhibitors and data transfer companies alike all point in the same way: undeniably positive. Sure there are some issues to iron out, contractual and financial in the main, but unlike the conversion to digital, while there is new kit to install, critically, there is no mindset to overcome, which was one of the most difficult hurdles in the fond old days of 35mm. We're already there with digital cinema – this is just another phase in its development. Film was a highly emotive issue; the medium was intrinsically linked to the film as an art form and any movement away from this was seen by some as an attack on the art form and a deviation from tradition and heritage. However, fast forward even five years (thank you George Lucas, James Cameron) and how different things are today.

Indeed, in emerging markets, those historically slower to embrace deployment for economic reasons and entrenched in a used print market, it seems reasonable to suggest that within three years, exhibitors will be leapfrogging the move to DCP delivery and taking on satellite transmission rather than make two costly upgrades. George Eyles, sales director for Arqiva explained that the main obstacle currently is simply that all providers are struggling to meet the demand and can't produce and install the equipment fast enough – a marked difference from the digital roll out a few years ago.

Satellite delivery completely removes the issue of lost or broken drives, which is still one of the leading causes for the rare missed exhibition, and probably its unique selling point, according to Odeon's Kaza. Undeniably a more environmentally friendly form of delivery, it does sadly threaten logistics firms the world over, dependent on the physical element for their livelihoods.

Companies like Midnite Express are busy diversifying into new industries to prepare for this eventuality. Brand new satellite providers like LightSquared (based in the US) are springing up all over the world to accommodate the massive amount of data requiring transfer, as data-heavy smart phones, iPads and laptops saturate the market. New satellites are being launched all the time in new territories and emerging markets. What's happening in cinema is reflective of all new media, and cinema is only a tiny fraction of what is whizzing over our heads as you're reading this.

From a content-provider's perspective, satellite delivery can only mean good news. "DCP's saved us money but this will really cut costs," says one ex-Disney executive. Although in actual fact, most majors are only really at the testing stage and no one I talked to at the studios was willing to say when the leap would be made into satellite transmission. This evokes memories of the early days of digital cinema, where no one was willing to go on record about much at all for a long time, so busy were they looking over their shoulder at what everyone else was doing. "We're a long way from 100 percent satellite," was all that one studio insider was prepared to say at this point, and historically decisions get made very slowly within the studio environment, especially where financial outlay is concerned. Although once it gets established, my gut feeling is that it will snowball very quickly.

One certainty is that security issues surrounding physical elements are completely removed with satellite, a fact not lost on Smartjog's Dussert, who told me, "With DCPs, because the drive isn't secure as a physical element, there are always issues. Electronic distribution is direct and encrypted. There's no middleman who can access the encrypted material and the KDM [Key Delivery Mechanism], and the two are never transferred at the same time. We have a history of doing this; it's tried and tested."

He added, "Security is key in our business and it's a critical asset, and SmartJog has a history of doing this well."

Historically, satellite content hasn't been encrypted due to costs and fact that the content isn't release-date sensitive, but this isn't likely to last forever. Indeed, Odeon's Kaza predicted that, "We expect that eventually close to 100 percent of cinema events will be scrambled." Cautious studios will insist on encrypting their content, which will incur another layer of administration internally and externally to manage the flow of KDM information, but this is about the only ongoing outlay once the hardware has been paid off, and it's small fry compared to the infrastructure required with DCPs, especially at studio level.

Satellite delivery for mainstream cinema content therefore looks here to stay, and the shift appears to be win-win all round. The studios like it, the exhibitors love it, green campaigners are championing it and the providers of the kit are laughing all the way to the bank.

The net effect of these innovations is to make the world a smaller place and this is the crux of the matter; no more security breaches and unpredictable logistics, for example. In communications term we are moving from horse and cart to bullet train, and almost everyone involved is delighted.

Ultimately, satellite delivery spells the end of the physical element, rendering the DCP as another dead format along with the mini-disc, the CD, vinyl, tape and who could forget the laser disc? We're still years away from this, but it's no exaggeration to say that satellite delivery is the final closing of the circle where ownership of a physical piece of media is so last century.

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