

Futureproofing Canadian Film

Working Towards a Sustainable Feature Film Ecosystem

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Executive Summary

The following report has gone through several iterations over the past very volatile period for the film industry in Canada and around the world. The COVID-19 pandemic had significant overall impact (as noted in my previous study supported by Telefilm Canada, [Thanks COVID: 15 Lessons for Film Distribution from the First Wave](#)) and accelerated many changes across old and new models for the production and distribution of feature films. The ripple effects continue. Recent announcements from eOne about discontinuing theatrical distribution in Canada¹ and Apple and Google discontinuing their digital storefronts (iTunes and Google Play) for the purchase and rental of media and directing people to the [Apple TV+](#)² and [Google TV](#)³ apps have caused further disruptions in both the theatrical and TVOD (Transactional-Video-On-Demand) spaces. These ongoing changes have especially big implications for smaller budget feature films (under \$10 million) made outside of the Hollywood studio system. It has been difficult to futureproof this report, let alone figure out how to futureproof the Canadian feature film ecosystem.

During this research, which included a review of multiple reports, articles and studies from 2020 to 2022 on the state and future of the film industry and [conversations with 25 experts](#) from around the world, some patterns have emerged. There are significant challenges, potential opportunities, and foundational best practices to better support Canadian film in the world. The way to create a more sustainable independent feature film ecosystem in Canada can be guided by an understanding of the following:

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¹ "Entertainment One ending theatrical distribution in Canada and Spain," Playback Magazine, <https://playbackonline.ca/2022/06/29/entertainment-one-ending-theatrical-distribution-in-canada-and-spain/>

² "Update on Bite Me TVOD release in Spring 2022! Results!," Bite Me YouTube channel, <https://www.youtube.com/watch?v=QiapKVKQKwC&t=1049s>

³ "Google won't let you buy movies and TV shows from the Play app starting in May," The Verge, <https://www.theverge.com/2022/3/23/22993235/google-play-tv-app-movies-play-store>



Challenges

Challenge #1: A more volatile studio/streamer-centric film ecosystem

All parts of the established film industry feel in flux these days, and it is unclear what will remain when the dust settles. However, the **studio/Hollywood system** has demonstrated staying power. It has been the centre of the film universe since its commercial beginnings. For most of the modern film industry these entities have had significant control of every part of the feature film value chain from development through to distribution, with mergers and acquisitions consolidating the field of gatekeepers and creating significant obstacles for those outside the “studio system.”⁴ Technology, from television to home video to the internet, has disrupted that model repeatedly, but the studios have survived in one form or another. The pandemic set this ecosystem seriously back on its shared heels perhaps for the first time. But studio-created blockbusters had the deeply entrenched money and resources that allowed them in some cases to launch their own streaming platforms (like Disney+⁵ and Paramount+⁶) and in others to wait out theatre closures and other disruptions and come back more robustly (at least initially) than their non-Hollywood counterparts. The top-grossing films of the US/Canada box office in the first half of 2022 demonstrate this: *Top Gun: Maverick*, *Doctor Strange in the Multiverse of Madness*, *Jurassic World: Dominion*, *The Batman*, and *Minions: The Rise of Gru*.⁷

We must give very serious consideration to what's happening to our industrial ecosystem, that is tilting so heavily towards larger Hollywood kind of productions. And **make sure that we've got room inside it for our original creators**. They're so important, and they're being squeezed out.

- Pauline Couture, CEO & Co-Founder, Blockfilm (ON)

The **global streaming services** have also become even more powerful and firmly entrenched as people escaped their homes, isolation and lives in lockdown through screen media stories of all kinds on Netflix, Amazon Prime

⁴ “8.2 The History of Movies,” Understanding Media & Culture, University of Minnesota Libraries, <https://open.lib.umn.edu/mediaandculture/chapter/8-2-the-history-of-movies/>

⁵ “Disney says its ‘primary focus’ for entertainment is streaming — announces a major reorg,” CNBC, <https://www.cnbc.com/2020/10/12/disney-reorganizes-to-focus-on-streaming-direct-to-consumer.html>

⁶ “Everything to know about Paramount Plus, ViacomCBS’s new version of CBS All Access,” <https://www.theverge.com/2021/2/24/22299615/paramount-plus-launch-date-price-cbs-all-access-shows-movies>

⁷ “North America (US and Canada) Domestic Movie Chart for 2022,” The Numbers, <https://www.the-numbers.com/market/2022/top-grossing-movies>

Video, Disney+/Hulu, Apple TV+, YouTube/Google TV, HBO Max and more. One report notes that streaming was responsible for 72% of the combined theatrical and home/mobile entertainment market in 2021.⁸ The spending power of these multinational (but fundamentally American) giant tech and entertainment companies continues to shape how and what film and television gets made and distributed, often outside the old model and public funding systems.⁹ While this streaming content production boom is likely to continue for the next couple of years, there are early warning signs it is unsustainable (i.e. Netflix lost 1.2 million subscribers in the first two quarters of 2022 with an additional 25% indicating they plan to leave the platform before the end of the year¹⁰).

Neither of these trends bode well for independent cinema in the future. And it is especially challenging when everything still feels quite unpredictable. However, it is clear their impact and power need to be acknowledged and strategic supports from the non-American, non-studio, non-streamer parts of the industry need to evolve to provide a counterbalance and create a healthier ecosystem for the Canadian feature film industry.

Streamers are absolutely the next generation of the business. But they also have this approach, which is, 'We don't need other windows, we don't need theaters, we don't need transactional, we don't need DVD, we don't need any of that. We just need subscribers.' ... And they pay you a license, and they want exclusivity so they can own all windows and own it period ... And eventually the [big streamers] of the world are gonna say, we don't need a distributor and we don't need a producer, we'll talk to [movie star X], cut a deal, and then we'll hire a producer. So then they will control everything. **Vertical integration is not just the death of the business, it's also the death of creativity.**

- Noah Segal, Co-President, Elevation Pictures (ON)

Challenge #2: Expenses increasing & revenues stagnating/declining

Films are one and done and because of this, films are expensive. If you look at everything from COVID increased costs ... to guild film rates that are still held at a premium above series and digital series, it takes a lot to make a movie in Canada... **There needs to be some kind of cost to end result analysis because there really is no major business to be had here** ... if the producer is lucky maybe they will recoup their investment, but they are never going to build a profitable career based only on infrequent features that can be financed, made and distributed in Canada.

- Sandy Hunter, Founder, Cazador (NB)

All over the world, studies have also been showing some **disturbing financial trends** with independent feature film: indie budgets are not growing at the same rate as studio/streamer backed blockbusters, revenue is showing signs of stagnation and decline, and the costs of producing and distributing features are escalating.¹¹ In many cases the boom in interest and investment from global streamers has been welcome. But this has also created serious competition for local independent production resulting in less availability of talent (on and off screen), shooting locations and other resources. This, combined with the increased costs of production (i.e. insurance, health and safety measures, etc) and marketing to an increasingly fractured and dispersed audience have made

⁸ 2021 Theatrical and Home Entertainment Market Environment (THEME) Report, Motion Picture Association, <https://www.motionpictures.org/wp-content/uploads/2022/03/MPA-2021-THEME-Report-FINAL.pdf>

⁹ Nostradamus Report 2022, Göteborg Film Festival, <https://goteborgfilmfestival.se/nostradamus/2022-nostradamus-report-imagining-a-sustainable-industry/>

¹⁰ "25% of Netflix subscribers planning to leave service, Apple TV+ ranked low on most-used streaming video list," 9 to 5 Mac, <https://9to5mac.com/2022/09/22/netflix-subscribers-planning-to-leave/>

¹¹ An Economic Review of UK Independent Film 2022, BFI, <https://www.bfi.org.uk/industry-data-insights/reports/economic-review-uk-independent-film> & Yearbook 2021/2022 Key Trends, European Audiovisual Observatory, <https://rm.coe.int/yearbook-key-trends-2021-2022-en/1680a5d46b>

it very difficult for independent filmmakers and the ecosystem that supports them to compete with studio/streamer backed productions.¹²

Margins are so thin, and the up and upfront administration costs are so high, and the bureaucracy involved with tax credits and grant reporting and auditing are so high that unless you have a massive team, you can barely pay three months rent after you're done your production. **And so you have a constant stop, start, rinse, repeat, and you're always crashed down to the bottom.**

- Andrew Scholotiuk, Co-Founder, Northern Gateway Films (AB)

There is also increasing evidence that independents everywhere in the world are **struggling to recoup** the costs of making their feature films. Early results from an ongoing US study suggests the *maximum* an indie film can expect to make is approximately \$80,000 USD, with a production and marketing budget significantly higher than that to enable it to generate this amount of revenue.¹³ And a recent sobering report from the UK also declared that:

*Revenues for the independent film sector ... have consistently declined through the previous decade, in large part driven by stagnating box office sales and a sharp decline in global sales of packaged media products ... [and while] independent film revenue from digital media has increased significantly ... these revenues have not been enough to reverse the wider trend of decline.*¹⁴

In terms of an economic model, this shows independent film in serious financial trouble if the current trends are not addressed.

Canada is in an incredible position worldwide. We think and talk like Americans, we have tastes like Americans, which means we can make stuff that fits the commercial market better than anybody can in Europe. But we're hamstrung by the methodology for accessing subsidies moving too slow. We need [the public funders] to be reactive to commercial, real-time concerns. 'I've got a movie, I've got distribution, I've got international distribution interested, I've got a movie star, but I need an answer in 45 days. Not six months.' ... **When you do get greenlit, if it takes six months to get your money that can kill you.**

- Noah Segal, Co-President, Elevation Pictures (ON)

¹² BFI response to An Economic Review of UK Independent Film, <https://www.bfi.org.uk/industry-data-insights/reports/economic-review-uk-independent-film>

¹³ "Update on Bite Me TVOD release in Spring 2022! Results!", Bite Me YouTube channel, <https://www.youtube.com/watch?v=QiapKVKQKWc&t=1049s> & indie filmmaker survey https://docs.google.com/forms/d/e/1FAIpQLSfW8uqWIEdTRnH1m2u5lnp99cNEj_Z3akepphDMGh6t5LKIw/viewform

¹⁴ An Economic Review of UK Independent Film 2022, BFI, <https://www.bfi.org.uk/industry-data-insights/reports/economic-review-uk-independent-film>

Challenge #3: Changes in audience that defy (new & old) business models

[Pandemic] habits are going to remain ... **people are wanting to be able to absorb story where they want, when they want, and according to their lifestyle, especially more at home.**

- Sue Biely, Executive Director, Story Money Impact (BC)

Audience movie watching behaviours were shifting long before the pandemic,¹⁵ but this unprecedented time has accelerated many changes. It has been proven scientifically to take 18 to 254 days to form a new habit,¹⁶ and we have collectively had almost 1,000 days to build new habits in how we watch and engage with feature films:¹⁷

- **Audiences have never been more digitally savvy.** We are more comfortable watching films and other creative work online, with 1.3 billion streaming subscriptions recorded at the end of 2021.¹⁸ And we also have a better understanding of the digital film marketplace and are being more selective. People are more likely to subscribe to SVOD (Subscription-Video-On-Demand) services for shorter periods amounts of time,¹⁹ or are willing to wait for films to be available on SVOD rather than pay more to rent on TVOD or buy the DVD (both forms of movie consumption that have declined in the past year²⁰).
- **Audiences want an easy, frictionless user experience, that is as affordable as possible.** This often means the convenience of watching films at home rather than in theatres,²¹ and the growing appeal of AVOD (Ad-supported VOD) or FAST (Free-Ad-supported-Streaming-TV) platforms²² which are free or heavily discounted for the consumer. And, as can be seen above, part of the reason TVOD and DVDs are becoming less viable as a road to recoupment/revenue generation for indies. People are pinching their pennies.
- **Audiences need incentive to leave their homes.** Studio blockbuster premieres can generate enough FOMO (Fear-Of-Missing-Out) to get people into cinemas, even with the new much shorter theatrical windows, but smaller films rarely can incentivize people in the same way.²³ This can be a significant barrier to entry for this part of the traditional business model for indie films.
- **Audiences want more involvement with films and filmmakers.** Both blockbusters and indies are seeing the benefits of outreach and engagement with certain segments of their audiences.²⁴ This can be seen in the growth in NFTs (Non-Fungible-Tokens) as tickets to franchise storyworlds and extra experiences²⁵ and the success of behind-the-scenes engagement during production and distribution, as with the vampire rom-com *Bite Me's* Joyful Vampire Tour and social media engagement.²⁶

¹⁵ Study on the audiovisual content viewing habits of Canadians in 2014, Telefilm Canada, <https://telefilm.ca/wp-content/uploads/audiovisual-content-viewing-habits-canadian-2014-06.pdf>

¹⁶ "How Long Does it Actually Take to Form a New Habit? (Backed by Science)," James Clear, <https://jamesclear.com/new-habit>

¹⁷ "Exclusive: 4 in 5 Consumers' at-Home Viewing Habits Exceed or Remain at Height-of-Pandemic Levels," Morning Consult, <https://morningconsult.com/2021/08/04/hub-research-streaming-habits/>

¹⁸ 2021 Theatrical and Home Entertainment Market Environment (THEME) Report, Motion Picture Association, <https://www.motionpictures.org/wp-content/uploads/2022/03/MPA-2021-THEME-Report-FINAL.pdf>

¹⁹ "Streaming growth in the US has stalled. The fight is on to retain subscribers." Kantar, <https://www.kantar.com/inspiration/technology/streaming-growth-in-us-has-stalled-and-the-fight-now-is-to-retain-subscribers> & "As the world churns: The streaming wars go global," Deloitte Insights, <https://www2.deloitte.com/xe/en/insights/industry/technology/technology-media-and-telecom-predictions/2022/streaming-video-churn-svod.html>

²⁰ 2021 Theatrical and Home Entertainment Market Environment (THEME) Report, Motion Picture Association, <https://www.motionpictures.org/wp-content/uploads/2022/03/MPA-2021-THEME-Report-FINAL.pdf>

²¹ "Cinemas were due a post-pandemic rebound – but this summer, there's simply nothing on", <https://www.theguardian.com/culture/2022/sep/02/the-guide-summer-cinema-box-office>

²² Nostradamus Report 2022, Göteborg Film Festival, <https://goteborgfilmfestival.se/nostradamus/2022-nostradamus-report-imagining-a-sustainable-industry/>

²³ Yearbook 2021/2022 Key Trends, European Audiovisual Observatory, <https://rm.coe.int/yearbook-key-trends-2021-2022-en/1680a5d46b>

²⁴ Future of Film Report (2021), <https://www.futureoffilm.live/page/report>

²⁵ Interview with Caitlin Burns, Director of Story, Palm NFT Studio

²⁶ Joyful Vampire Tour web series, https://www.youtube.com/watch?v=kelisDY8eoo&list=PLY9jvQv8JzwLyxI_WG_JOdIgdHmlUcAAm & interview with Naomi Campbell-Jones, Storyteller & Changemaker

The movie business depends on the audience, and we have to work on the renewal of our clientele ... [Cineplex/Landmark] control 85% of the [Canadian theatrical] market. And because the largest chunk of their money comes from the blockbusters from the major US studios, they just open the door and customers are flowing in. But to build an audience for those small Canadian and independent and foreign films, you have to make some effort, you have to build your clientele, you have to keep feeding it.

- Mario Fortin, Président de Direction, Directeur Général, Cinémas Beaubien, du Parc et du Musée (QC)



Opportunities

Opportunity #1: The continued economic & cultural importance of indie film

The good news is that feature films remain **relevant to the overall economic and cultural ecosystem** of Canada. As an economic driver, “the screen sector value chain in Canada generate[d] an estimated 303,110 jobs, \$14.17 billion in labour income and \$20.49 billion in GDP for the Canadian economy (both direct and spin-off impacts)” in 2020/2021.²⁷ While Canadian feature films make up a small part of this overall financial picture, they are foundational to its success. Smaller budget feature films are an **important training ground** for the talent we need to participate in the wider audiovisual industries. They are where our actors, technicians and creatives gain the experience they need to work on bigger budget series or films.

Canadian movies and the public funding that supports them are also capturing **a broader picture of the Canadian story than ever before**, especially with the creation of the [Indigenous Screen Office](#), the [Black Screen Office](#), Telefilm Canada’s [Talent to Watch program](#) and other [equity, diversity and inclusion \(EDI\) initiatives](#). The stories our films tell inform and inspire us and include more of our country’s complex and countless perspectives than ever before and present opportunities to reach even further into the world.

Audience can be found anywhere. Appreciate that **there may be others who want to hear your story, who may reside in places far beyond the Canadian border...** And the breaking down of these barriers and borders is what I would identify as a major opportunity and trend. And now is an incredible time to really address that.

– Joy Loewen, CEO, National Screen Institute - Canada (NSI) (MB)

Because of all these issues, continued support and opportunities for this cultural product and the people involved in its production and dissemination are smart investments for the country long term. The value of feature films are recognized even in the corporate and private sector.

²⁷ “Profile 2021 – Economic Report on the screen-based media production industry in Canada,” Telefilm Canada, <https://telefilm.ca/en/studies/profile-2021-economic-report-on-the-screen-based-media-production-industry-in-canada>

We have always found ways to bring money from sponsors and brands into our own original work with no strings attached ... usually the brand leads or the marketing department of these companies are just super excited to hear from filmmakers, because it's their job to get their brand connected to certain things ... that is part of my entrepreneurial approach ... although I will say it's hard to bring in private money or sponsored money [to finance a film]. It's easier to bring my personal money to your film, than my company's money. And that's silly.

- Greg Hemmings, Chief Storyteller, Hemmings House & Hemmings Films (NB)

Opportunity #2: New pathways to success

If both the economic and cultural metrics mentioned above are important to envision new ways of defining what it means to have a sustainable feature film ecosystem in Canada, then there needs to be room for more commercially viable films as well as those that have different goals. In the interviews for this report, the Canadian experts agreed our system does not currently support either well and to make your first or even second film will take everything you have and then some. This is evidenced in some of the [financial challenges](#) articulated at the beginning of this report.

This means the whole Canadian feature film ecosystem needs to reimagine how each part of the journey of a film is supported, while also making room for completely new ways of doing business outside traditional public funding sources, content creation and distribution paths: there are filmmakers and cinemas exploring **non-profit models**, and others reframing **corporate brand involvement** and **private equity** in financing, as well as **exploring blockchain and other technology** to streamline and improve all parts of a film's lifecycle. There are so many potential pathways to success of one kind or another.

There are so many options when it comes to a film and its strategy. There are many cases where people choose to release online first and then back into TVOD, SVOD, AVOD, etc. And depending on the type of film it can work extraordinarily well. **[A film's pathway to success] should be really thought about and specific ...** if you have a type of film where impact is your goal, or wide audience reach, or you have a strong community following, then going wide as fast as possible is your better strategy. And then from that you can find the other windows are coming to you because your film is doing well on YouTube and other AVODs. And they're going, "Hey, this must be interesting, we'd like it for our premium pay in Brazil." So it's really about thinking about the audience and the strategy and the nature and genre of the film ... But if the funding rules or regulations are too narrow, then you have no flexibility to adapt to the type of film and the type of market.

- Wendy Bernfeld, Founder, Rights Stuff BV (EU)

New pathways to success also mean embracing the **opportunities represented by previously marginalized filmmakers** and of seeing the lived experience of their stories on the screen. Report²⁸ after report²⁹ after report³⁰ demonstrate the power of these kinds of filmmakers to make revenue and change lives just through better representation in front of and behind the camera. The data doesn't lie. This is a significant part of the business model for the industry moving forward.

²⁸ On Screen report, Women in View, <https://womeninview.ca/wp-content/uploads/WIVOS-2021-FULL-FINAL-May-28-2021.pdf>

²⁹ Geena Davis Institute on Gender in the Media reports, <https://seejane.org/research-informs-empowers/>

³⁰ Annenberg Inclusion Initiative reports, <https://annenberg.usc.edu/research/aii>

Data collection is an incredibly important step towards dismantling systemic racism in the Canadian audio-visual sector. With organizations such as the [REMC](#) leading the charge in race-based data collection, there are no longer any excuses when there is a call to action from marginalized communities facing barriers to entry. Other equity seeking organizations such as [BIPOC TV and Film](#), the [BSO](#), the [RESO](#) and [I.M.P.A.C.T.](#) continue to conduct the crucial research to support data collection and build a more equitable country. **Canada can only get stronger by better supporting marginalized communities with lasting and meaningful change.**

- Samantha Kaine, Founder, I.M.P.A.C.T. - Independent Media Producers Association of Creative Talent (QC)

Opportunity #3: Meeting audiences where they are

[Throughout film history], if you owned your own audience [as a filmmaker], you had leverage ... and in 2022, you still have to own your own audience to have leverage. It is a totally futureproof way to ensure that you can have a career regardless of how the industry shifts. And doing it for the benefit of just one project, that's fine. But doing it so you're building a lasting relationship with an audience that you can monetize for the rest of your life? Way better.

- Emily Best, CEO & Co-Founder, Seed & Spark (US)

If it has not been apparent before, it certainly is now: **the film consumer is very powerful.** They have never had more choice or control and have never been more savvy about how to find and watch movies. They also, in this time of creative abundance, have the only commodity that is in limited supply: their "free" time and attention. Where they choose to spend it is where the business model for all entertainment lies, including feature film. They are ultimately in control of the future of the industry through their preferences and choices.

The next generation, there's no expectation that they're going to go and see a small Canadian film or, for that matter, an international arthouse film or drama in a theatre. So to find a home for Canadian film that makes sense, a partnership with these streamers is essential, because **[Canadian film] is not going to exist in a world where the audience can't find these movies.**

- Sandy Hunter, Founder, Cazador (NB)

The good news is that it has also never been easier to **figure out who are the people who could be interested in your film** and where they are spending their time and attention (especially in a digital context). To understand who your audience is, think about the specific interests, lived experiences and so on that will connect them to your story, especially from a global perspective.

Go global, as much as you can ... With the way the world is now, especially with the pandemic, you can access so much more, because so much is digital ... And we have to get out of this mindset that we have to hold on to this Canadian identity... **because we're so focused on the Canadian audience, we don't talk about actual broader audiences** ... Telling a story means you have a sense of who you're talking to, even if that ends up changing ... But there is something to, as a filmmaker, as a writer, as a director, saying, "I'm making a film for these [specific] people."

- Melissa D'Agostino, Filmmaker, Co-Founder & Director of Development, Highball TV (ON)

Understanding who your audience is will lead you to **where they are**, online and otherwise. Meet your audience in these places, lead where they follow. This creates a huge opportunity for Canadian filmmakers to build an important asset: proof of audience interest and engagement.

[Digital distributor and aggregator Under the Milky Way] said, 'Honestly, you should build an audience before you go to a distributor period ... Because **when you come with an audience, it means a) there's going to be a reason for me to put my time and resources into you, and b) that there is an audience out there, and I don't have to question it.**' So, having some audience before you show up somewhere is a very good idea.

- Rachel Gordon, Author, *The Documentary Distribution Tool Kit* (ON)



Best Futureproofing Practices

Based on the identified challenges and opportunities, current research and reporting, and the interviews with 25 experts from all parts of the feature film and screen media industry, we have identified the following foundational best practices to help futureproof (as much as this is possible) the Canadian feature film ecosystem.

Best Practice #1: Increase flexibility, diversification & transparency

There are ways to make movies where you don't need a sale. That's a revolutionary concept, and we have to start embracing that.

- Melissa D'Agostino, Filmmaker, Co-founder & Director of Acquisitions, Highball TV (ON)

In a highly volatile and unstable space, embracing **more risk and flexibility** can seem counterintuitive. But one of the biggest themes from this research was the need to be more open to change, variation and experimentation in how film business can be done. We need to come up with alternatives to the existing system (as demonstrated by the current trends in [increasing expenses and decreasing revenue](#)). The established industry and its entire value chain has been resistant to this, but when COVID-19 forced us to uproot the traditional model, we rose to the challenge. "Pivot" might have become a hated word, but it was done repeatedly: theatrical releases pivoted to digital platforms, drive-in movie venues, and unique, hybrid distribution; film festivals and markets pivoted from in-person to online events and screenings; funding institutions, distributors, producers and other gatekeepers pivoted to these new models and demonstrated previously unseen flexibility.

My favorite thing that happened is, despite the fact that nobody really wanted to admit it, we got to see that **all of our rules around premieres and distribution and windowing are totally made up, and we can just change them if we decide to ...** [The pandemic] disrupted some of the pathological optimism and old guard thinking.

- Emily Best, CEO & Co-Founder, Seed & Spark (US)

This kind of flexibility and experimentation naturally leads to **diversification** in the feature film ecosystem which will help filmmakers take advantage of [new pathways to success](#). We have seen some movement in this direction, and the experts interviewed for this report were clear we need to do more. We must further diversify:

- The gatekeepers, decision makers and hiring practices at every stage of a film's lifecycle in terms of both the private and public parts of the value chain,
- The choices made about who and what gets public, government support,
- And even what success means in this industry.

This diversification comes with risk and means welcoming failure, but this is necessary to the evolution of any kind including that of the Canadian feature film ecosystem.

Let's talk about failures. Let's encourage ... reporting on not just everything that went well, but what went poorly, and recognizing **if we don't celebrate and acknowledge failures, we're not doing it right.**

- Andrew Scholotiuk, Co-Founder, Northern Gateway Films (AB)

To maximize this experimentation and diversification means developing a culture of **public transparency** around how each film is produced, distributed, and consumed (both the successes and the failures) through surveys, case studies and every means possible. It is not easy to get private entities (like distribution and production companies and the streamers themselves) to disclose such data, but it is critically important to do so. For example, there are great examples of this in the ongoing data analysis by UK filmmaker and analyst [Stephen Follows](#), and in the [Joyful Vampire Tour web series](#) by American filmmaker Naomi McDougall-Jones who not only fully shared the data from her DIY tour of the US with her film *Bite Me*, but also attracted others to do so in interviews that are part of the series (check out [episode 7](#) for some eye-opening revelations). She is also now collecting [self-reported data from filmmakers around the world](#) in an ongoing survey that "is attempting to get to the bottom of how much money independent films are making, [based on the] suspicion/working hypothesis that almost nobody is making any money and that most everyone is afraid to admit this." There are also intermittent case studies provided by organizations like the [Sundance Institute](#), the [Film Collaborative](#) and the [Film Independent](#) in the US and, of course, [Telefilm](#) here in Canada. But there is still not enough current information that is easily accessible and discoverable.

And the reality is that without this collective knowledge about how other films and the industry is doing overall, time, money, and talent is wasted in repeatedly making the same mistakes and relearning the same lessons. Comparative, honest and complete data is possible, and it needs to be gathered, analyzed and shared to help each decision maker, including the filmmakers, be as strategic as possible.

Nobody has the answers right now. So we have to keep experimenting and transparently sharing information with each other...The reason you can't do it without each other is that **no one filmmaker can make it, can do this often enough, or iterate fast enough to get anywhere...out of collective innovation and learning we actually stand a chance of building something new.**

- Naomi McDougall-Jones, Storyteller & Changemaker (US)

Best Practice #2: Embrace useful technology

It's not about making technology for technology's sake but about making technology that real producers and filmmakers can use ... but the industry is so entrenched at times, and for me, coming as an outsider to the industry, [I can bring a fresh perspective] to find some new solutions to existing problems.

- Irina Albita, Co-Founder & Co-CEO, FilmChain (UK)

Technology has disrupted the feature film industry many times in the past and creates challenges and opportunities each and every time, especially in regard to [changes in audience behaviour](#). Today is no different. We live in an age of **technology abundance**. For filmmakers, there are tools to create moments of discovery (i.e. search engines and recommendation algorithms), to help reach and engage audience directly (i.e. social media), to create pathways for revenue and monetization (i.e. crowdfunding and merchandise on demand), to self distribute (i.e. YouTube, Vimeo, etc), and more. These are tools that are often already being used by the audience and so filmmakers must embrace them to [meet the audiences where they are spending their time and attention](#).

There are amazing creators finding their feet and finding their audiences through this new technology. We see it again and again, when new technologies hit the market in a global ecosystem...Which is not to say it's not work, which is not to say it's not difficult, but it is something that people are seeking out, they want to find work that is new and novel, and there's less national allegiance to specific projects than existed in the past when our distribution mechanisms were more local.

- Caitlin Burns, Director of Story, Palm NFT Studio

There are **exciting new technologies** being developed that can further empower and futureproof storytellers and the ecosystem as a whole. They make it easier to take advantage of opportunities to better exploit the [economic and cultural impact of indie film](#), to help forge [new pathways to success](#) more efficiently, and to follow where audiences lead. Some examples of these technologies include:

- [Filmchain](#) is a tool that automates and simplifies the payout of royalties in film and television, acting as a collection account management (CAM) tool for independents and a royalties management solution for enterprises,
- [Blockfilm](#) is a platform that leverages blockchain and NFT technology to facilitate collective investment by private individuals in social issue film and television projects,
- [Letterboxd](#), a social network for film lovers which dramatically increased membership during the time of the pandemic and has been a great tool for fans to make amazing things happen for the movies they love,
- **NFTs (non-fungible tokens)** are unique digital assets being used in an array of different ways to more deeply involve existing and new fans with creative work, including creating new revenue streams. This technology is being used by some indie filmmakers and also by big franchises, such as can be seen at [Palm NFT Studio](#) and here in Canada with the [Fuzerly.com](#) platform,
- **FAST channels** are free ad supported streaming television creating new opportunities for audiences and content creators beyond the current challenges of SVOD and TVOD for indie filmmakers,
- Using **virtual reality (VR)** for interactive storytelling and also for the **virtual production** of conventional television or film projects (a technology which "accelerated at a rapid rate [during 2020/2021],

boosted by the affordance of safe and stable shooting environments during the pandemic that significantly limit the need for travel.”³¹)

If you look at the history of film, we go through these cycles periodically where some new technology comes in and disrupts everything ... It was like theaters and then television and then VHS tapes and then DVDs and then streaming and so on. We have to be nearing the end of this current cycle because even Netflix is cratering. So **the good news is that everything is about to fundamentally shift again. We don't know how ... but the point is as independent filmmakers we need to be on the cutting edge of that so that as the new thing comes up, we can be the ones to ride it up.**

- Naomi McDougall-Jones, Storyteller & Changemaker (US)

Best Practice #3: Create, own & track our own stories

If you're going to be weird, just lean into being weird. That's where, as Canadians, we can set ourselves apart because nobody else is doing that. **The studio system's already set up to be safe. So they're looking outside of their comfort zone to see who can they bring in that's not safe, who will give them an edge to what they're doing.** Not the other way around. They're already doing safe. They're not picking us to do that.

- Karen Lam, Filmmaker (BC)

One of the critical pieces of the Canadian feature film ecosystem is, of course, our stories, weird, wonderful and otherwise unique. Often reframed as “**Intellectual Property**” or IP, ownership of stories is at the heart of the film business no matter which path you take to find success. Without stories, we have no future to proof.

A challenge that we have is nurturing our own IP, and that is a key focus for us, is how can we not only get the stories made, but understand what the business is to be able to reap the rewards.

- Angela Heck, Executive Director, Whistler International Film Festival (BC)

One of the major challenges in the [studio/streamer-centric ecosystem](#) is that if these major players come in as an investor, they often want to **own all rights to that IP** and any of its spinoffs, everywhere in the world, forever. The filmmaker may get a decent financial investment (usually structured as the cost of production plus a percentage) but they lose all additional earning potential and rights to any future success, even if this may be a challenging or unlikely future scenario. Giving away all rights to a story may work for some filmmakers, but not for all.

In a world where good content is king... **we need more flexibility from the streamers in dealmaking so the ownership is retained by Canadians** who can see a legitimate ownership stake back. ... [the major streamers] should be in our system, and but we should say, ‘okay, we'll do a deal with you, but you have to make sure that a Canadian producer, a true Canadian producer owns those rights forever.’

- Noah Segal, Co-President, Elevation Pictures (ON)

³¹ Future of Film Report (2021), <https://www.futureoffilm.live/page/report>

Take the unique case of the crowdfunded Canadian film *Code 8* which Netflix was only able to license and not fully acquire. When it became a breakout hit on the platform,³² Netflix had to go back to the filmmakers to make the sequel. Although Netflix acquired global rights to *Code 8: Part II*,³³ future exploitation rights of that IP still lie with the Canadian filmmakers to do with as they will.³⁴ If they had sold their entire ownership of the original IP, none of this future potential would necessarily have returned to the filmmakers. Keeping IP ownership in the hands of creators can be an important part of having a sustainable career in this industry.

Another key part of building indie film career longevity is to have as much information as possible. In deals with any gatekeeper but especially the streamers, there is almost zero **data transparency** about how your film is performing. This means you cannot leverage that information to create opportunities for other work or make well-informed strategic decisions. The above example of the success of *Code 8* on Netflix only became clear when the film started to appear in the top 10 list on the Netflix US front page.³⁵ While the filmmakers already had a lot of visible data to demonstrate the popularity of their film from their Indiegogo campaign,³⁶ this further validation and evidence of their success gave them the leverage to negotiate better deals and create future opportunities. This, however, is an extremely rare exception to the data visibility on these platforms for indie films. If anything, *Code 8* demonstrates that the best way to ensure a healthier future for any Canadian film when dealing with streamers and other gatekeepers is to both ensure IP ownership stays with creators and that they also get at least some kind data on viewership (that could be shared as part of the [best practice of increasing flexibility, diversification and transparency](#)).

We see **the industry is hungry for more access to data and...in a more real time fashion**. Right now we all have access to our online bank accounts straight from our mobile phones. So a lot of the producers, a lot of the financiers in the industry are wondering, "why can't we have access to that for our film titles?"... But there are still players in the industry whose whole business model is structured around not sharing data... The technology and solutions are there. This is not a technology challenge... There needs to be a mix of regulations, pressure from [powerful] talent... Public [stakeholders and] financiers are the ones that could really push this forward to make sure that the need to report to rights owners is enforced and done regularly in a fair way.

- Irina Albita, Co-Founder & Co-CEO, FilmChain (UK)

Best Practice #4: Build (hyperlocal & global) community around Canadian film

Another critical piece in a healthy Canadian feature film ecosystem is the audience. The audience represents both [challenges](#) and [opportunities](#) that have been identified repeatedly in this research, and is essential to build an invested community around Canadian film. There is no denying the global power and appeal of story. It can change hearts and minds. It can offer distraction and escape. It can make lives better. But the power of **story in community** is mind blowing, especially when that community can come from anywhere in the world, including from right down the street.

Starting at a hyperlocal level means considering support for cinemas and theatres and other **neighbourhood places and organizations** where people can get together physically in community around film. We can see examples of this in Canada with [Cinéma Public](#) and the social impact work of an organization like [Story Money Impact](#), and in the US with the [Alamo Drafthouse](#) theatres.

³² "Everyone Is Watching Code 8 on Netflix—and That's a Big Deal," Wired, <https://www.wired.com/story/code-8-netflix-streaming/>

³³ "Netflix Acquires Global Rights To Canadian Sci-fi Sequel 'Code 8: Part II,'" <https://about.netflix.com/en/news/netflix-acquires-global-rights-to-canadian-sci-fi-sequel-code-8-part-ii>

³⁴ Interview with Noah Segal, Co-President, Elevation Pictures

³⁵ "Everyone Is Watching Code 8 on Netflix—and That's a Big Deal," Wired, <https://www.wired.com/story/code-8-netflix-streaming/>

³⁶ <https://www.indiegogo.com/projects/code-8-a-film-from-robbie-stephen-amell/#/>

The close relation with [Cinéma Public's] community is the main basis of our success. This needs to be built. And this doesn't happen in a year... **We would like the cinema to become this place that creates bonds between the public with not just the directors, but also other people working on films and each other.** To really create this kind of mediation and cultural exchange around films... to make cinema more accessible. We are also building future movie goers and audience.

- Aude Renaud-Lorrain, Codirectrice, Cinéma Public (QC)

There are Canadian films that are change films, that work deeply in community, ...that inspire and facilitate positive change. It's a way to make taxpayers feel really committed as to why it's important to have Canadian content and that as a community of people who share this Turtle Island, we can understand each other better and care for each other better and for the planet itself. I would love to see investment in this kind of talent and work... **Not to invite community in to come watch our film at this place on this night, but rather the film goes into community really, really carefully, respectfully, and hosts people to be there to experience this important work.**

- Sue Biely, Executive Director, Story Money Impact (BC)

We know our communities. [Alamo] does not program each theater the same...It depends upon what we know the unique community likes and wants. We also have created community around theaters with Terror Tuesdays and Weird Wednesdays with crazy programming of films that most people will never seek out ... but we encourage our team members to create this kind of programming and create momentum around it ... One of the largest pleas from our communities was, please bring these back [when theaters started re-opening]. We miss our regular Tuesday coming to the Alamo and hanging out. There tends to be a core group and they become friends.

- Shelli Taylor, CEO, Alamo Drafthouse Cinema (US)

The ability of film to build connections between people is not limited to your local neighbourhood. We can **reach the world** via digital tools and spaces, as the [pandemic has taught both us and the audience](#). It is what needs to happen as we follow and [meet the audience where they spend their time and attention online](#). One of the best examples of this is [Letterboxd](#), the social network for cinephiles.

Letterboxd provides a platform for people who love films ... And it is sort of flipping the old generalized system of marketing on its head, where you throw up some basic demographics and then base a...campaign around that, and hope people will come in the cinema doors...The power of regionalism is significant on the platform. **Our regional Letterboxd communities have had a huge impact on the international fate or profile of hyperlocal films.** Filipino Letterboxd, Brazilian Letterboxd, Indonesian Letterboxd were so online during the pandemic, and so diligent about logging and reviewing and sharing certain films that...for example, the highest rated film ... was a Filipino film called *Cleaners*, which was unreleased ... That film got VOD distribution as a result of notice on Letterboxd outside of the Philippines.

- Gemma Gracewood, Editor-in-Chief, Letterboxd (NZ)

Community, whether hyperlocal or global, is key to the futureproofing of any indie film or filmmaker's career. Community is more than just the audience that watches the movie. It can include filmmakers, collaborators, investors and others who have emotional and financial connections around this creative work. These connections create space for experimentation and learning, allowing us to protect and own our own stories as we create new flexible pathways to success of all kinds.

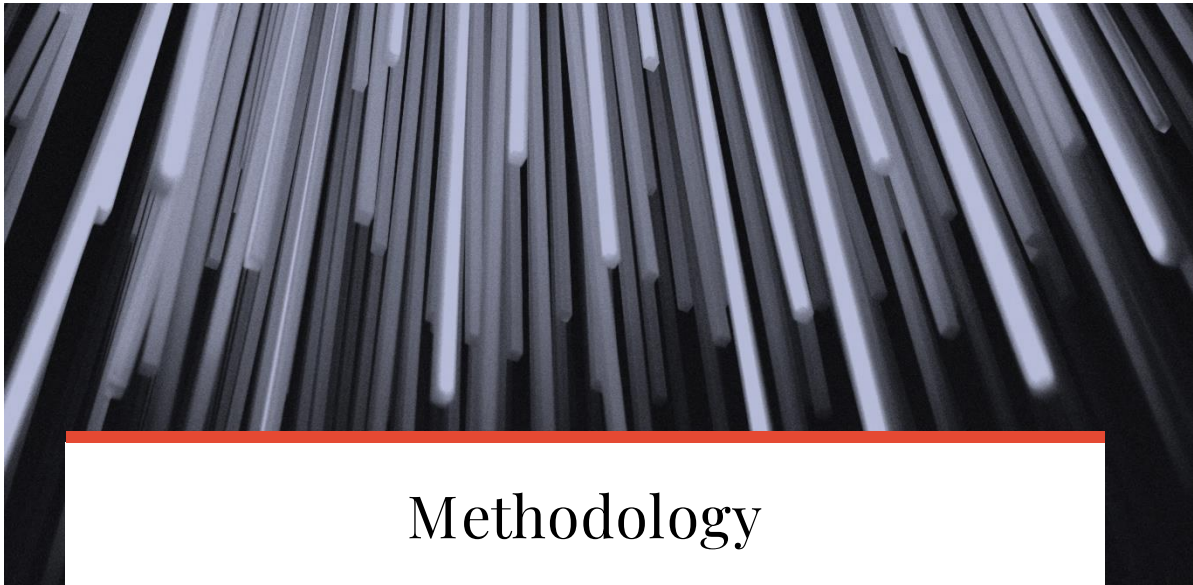
Conclusion

Being an independent filmmaker has always been challenging, and never more so than when everything in the world feels so unsettled. Futureproofing Canadian film means embracing this chaos to some extent. We must accept how challenging the landscape for making movies here is, financially and otherwise, and how important and empowered the audience has become. New and often unexpected pathways to success are out there, as well those that are more commercially driven. But to take advantage of them requires the entire Canadian film ecosystem to become much more flexible, responsive, and open to experimentation, risk, and the sharing of our successes, failures, and everything in between. From technology that facilitates financing, production, and distribution to the data we can use to find, engage, and develop our audiences to the larger stakeholders who can help negotiate collective deals and get concessions from multinational organizations to our dizzying array of diverse filmmakers, Canada has everything it needs to navigate these troubled times and find success of one kind or another. The future of Canadian film ultimately lies in believing in the power of our stories, the audiences they can bring to the table and giving each film the space, resources, and data it needs to create its own strategic and unique path forward.



Each film has its own life and its own purpose, and what I would hope for is that films were given what they truly deserve and be allowed to be, and for the audience to experience them in the way that they should, and quite frankly, monetized to the best ability, so that we have more great films coming. ...[As we come out of the pandemic] there's an opportunity to think differently.

- Shelli Taylor, CEO, Alamo Drafthouse Cinema (US)



Methodology

This study included a review of hundreds of relevant reports and news articles between January 2021 and September 2022 about the future of the film industry from many different perspectives around the world. Some of this research has been included in the footnotes throughout this document.

This survey of research was supplemented by interviews with the following 25 individuals representing different perspectives from within the industry in Canada and elsewhere in the world.

From Canada

Andrew Scholotiuk, Co-Founder, Northern Gateway Films (AB)
Angela Heck, Executive Director, Whistler International Film Festival (BC)
Aude Renaud-Lorrain, Codirectrice, Cinéma Public (QC)
Eric La Pointe, President, International Sales & Development, And Now Global (BC)
Greg Hemmings, Chief Storyteller, Hemmings House & Hemmings Films (NB)
Joy Loewen, CEO, National Screen Institute - Canada (NSI) (MB)
Karen Lam, Filmmaker (BC)
Mario Fortin, Président de Direction, Directeur Général, Cinémas Beaubien, du Parc et du Musée (QC)
Melissa D'Agostino, Filmmaker, Co-Founder & Director of Development, Highball TV (ON)
Noah Segal, Co-President, Elevation Pictures (ON)
Pauline Couture, CEO & Co-Founder, Blockfilm (ON)
Rachel Gordon, Author, *The Documentary Distribution Tool Kit* (ON)
Samantha Kaine, Founder, I.M.P.A.C.T. - Independent Media Producers Association of Creative Talent (QC)
Sandy Hunter, Founder, Cazador (NB)
Sue Biely, Executive Director, Story Money Impact (BC)

From the US

Caitlin Burns, Director of Story, Palm NFT Studio
Emily Best, CEO & Co-Founder, Seed & Spark
Julie Keck, Filmmaker, Co-Founder & Chief Business Development Officer, OTV Studio
Naomi McDougall-Jones, Storyteller & Changemaker
Shelli Taylor, CEO, Alamo Drafthouse Cinema

From Elsewhere

Gemma Gracewood, Editor-in-Chief, Letterboxd (NZ)

Irina Albita, Co-Founder & Co-CEO, FilmChain (UK)

Liz Rosenthal, Curator, Venice Virtual Reality & Red Sea Immersive, Executive Producer, Creative XR (UK)

Matthew Buchanan, Co-Founder, Letterboxd (NZ)

Wendy Bernfeld, Founder, Rights Stuff BV (EU)

Much gratitude to all interviewees. All conversations informed this research and its analysis but not all are included in the final version of the report and included quotes have been edited for clarity and conciseness.

About the researcher

Annelise Larson, Digital Strategist & Mentor, [Veria.ca](https://veria.ca) & [StorypreneursUnite.com](https://storypreneursunite.com)



Annelise comes from a background as an independent film producer, with training at such prestigious institutions as UBC Film, the Canadian Film Centre and Banff Centre for the Arts. Since 1995 she has been working in the field of online marketing and is an avid gamer and consumer of digital content. She works extensively with government organizations, educational institutions, creative industry associations and media production companies in North America & Europe. Her focus is helping creatives and storytellers use the digital opportunity to define, find, attract and engage their audiences and work toward strategic and sustainable business models. Her podcast [STORY+AUDIENCE](#) with screenwriter Jill Golick can be found on all major podcasting platforms and she launched a new on demand “[Digital Marketing for Media](#)” webinar series in conjunction with the National Screen Institute – Canada (NSI) in 2021 to make her methodology for developing a digital strategy as accessible and affordable as possible. She also researched and wrote the previous research project funded by Telefilm Canada entitled [Thanks COVID! 15 Lessons in Film Distribution from the First Wave](#) that was released in early 2021 and can be found on the Telefilm website and elsewhere.



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