In Focus

Film and Television Production and Consumption in Times of the COVID-19 Pandemic – The Case of Germany

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ABSTRACT

The article discusses some developments in the audio-visual media industry in Germany that became apparent during the pandemic. Tendencies in the production, distribution and consumption of film, television and streaming are examined. While streaming platforms and linear television are becoming more important, cinemas are facing some problems.

INTRODUCTION

Since the beginning of the COVID-19 pandemic, which began in the western world in March 2020, the film and television industry has been in turmoil. Cinemas have been temporarily closed and the production of films and television shows has been stopped. Due to lockdowns and confinements, more and more people had to organize both their work and leisure time at home. The more people stay at home, the more domestic media consumption increases. To date it is unclear what lasting consequences the pandemic will have for the audio-visual industry in Germany. But some tendencies are already apparent. The importance of streaming providers and online media is on the rise. At the same time, linear television is also becoming more relevant again for young viewers. Cinemas are in trouble, because blockbuster movies were postponed to 2021, some even to 2022, and arthouse movies are delayed due to production shutdown. In fact, the pandemic only illustrates the problems and trends in the audio-visual industry that have been under the surface for some time.

VIDEO-ON-DEMAND AND STREAMING

Streaming services like Netflix and Amazon Prime Video are winners of the crisis. In the first two quarters of 2020, Netflix increased its worldwide subscriber base by 25 million to 192.95 million (Netflix 2020: 1). As many users had to stay at home during the pandemic leisure activities have also moved into their own homes. Cinemas and other facilities such as fitness centres were closed in Germany from March to July. Increased media consumption included not only computer games but also streaming activities. In a survey, 27 percent of people stated that they streamed more during the pandemic (Poleshova 2020). The use of streaming services increased by 9.8 percent from January to March 2020 for audiences in the 14 to 49 year-old age group (Niederauer-Kopf 2020: 11). Revenues from streaming services rose by five percent up to July (Janson 2020). Although Netflix was able to increase its subscriber base, in 2019 the platform still had a smaller market share in Germany than Amazon Prime Video (Birkel *et al.* 2020: 24). The launch of Disney+ at the end of March not only helped to increase streaming usage in Germany, but also shifted the market structure. Already in June 2020, Disney+ was behind Netflix and ahead of Amazon Prime Video with a market share of 21 percent (Demling 2020). This trend demonstrates that American companies are dominating the market and strengthening their market power. Besides Scandinavia, there are no regional streaming providers in the European countries – and in Germany providers like Joyn+ or TVNow – that will be able to compete with the major players from the US.

LINEAR TELEVISION

Linear television regained importance. In addition to fictional entertainment such as the streaming services offer, the news and information programmes especially those of Public Service Broadcasting have once again gained viewers. During March 2020, the reach of television in Germany increased to 75 % (70.9 % March 2019). At the same time watching television was intensified, with 18 minutes more than in March 2019. In March 2020, the AGF (Arbeitsgemeinschaft Fernsehforschung – Television Research Consortium) recorded the eleventh highest usage since the start of coverage measurement in 1988. Furthermore, young audiences which are well known for their migration to other media outlets returned to linear television during the crisis. In March 2020, the intensity of viewing increased by 15.2 percent in between one month (Niederauer-Kopf 2020: 9).

There is a type of television format which is responsible for the increase in the number of users of linear television: news. Seventy-five percent of young viewers from 14 to 19-years old searched for information via the established public and private news channels at fixed time schedules (*ibid.* 15). They were looking for reliable news on the pandemic. At the same time, audiences also search for distraction in entertainment shows. According to AGF shows such as cooking, shopping, dating, and traveling reached higher viewing numbers (*ibid.* 22ff.). In times of crisis, viewers look for reliable information. 67 percent of Germans attest that the information in German media is highly credible, compared to 61 percent in 2019 (Bartl 2020). Public Service Broadcasting is the most credible medium according to 81 percent of Germans (*ibid.*).

Another field in which there are consequences through COVID-19 is football on television. In the pandemic, football licensing rights for television had to be renegotiated in Germany. For the first time in recent years a lower price was achieved. This has consequences for football clubs, as they will receive less money from TV licences in the future. During the pandemic, Eurosport, as a licensee, had terminated its contract with the Deutsche Fußball Liga (German Football League – DFL) in order to avoid paying the licence fees because the football leagues were suspended, and no football match took place between Mid-March and Mid-May. In August, the termination was declared invalid by a sports arbitration court (Kästner 2020). The contract continues to exist even during the pandemic.

CINEMAS AND THE MOVIE INDUSTRY

While domestic activities such as streaming and television consumption increased, film and cinema faced other problems. In Germany, cinemas were closed from March onwards and - depending on the federal state - did not open again until July or August, but only with strict hygiene regulations. For example, at the beginning only every third seat in the cinema was allowed to be occupied. At the end of August and beginning of September, it was decided to ease the restrictions so that every second seat in the cinema could be used. Compared to the summer months of 2019, cinema admissions fell by 85 percent during the pandemic (N.N. 2020). The first cinemas had to file for insolvency. Another reason for the low number of cinemagoers is the lack of attractive films, as the production of films was also stopped during the pandemic.

In Germany, only two American films, “After The Truth” and “Tenet”, were able to reach large audiences after the reopening of the cinemas. The pandemic more than highlights the crisis in cinemas and European films. There are two important reasons. First, the major American distributors have launched a discussion on windowing, with the desire to offer more films as premium video on demand. Disney has implemented this directly with its production “Mulan” and released the film directly on Disney+. Subscribers could only view the film for an additional fee. Second, there is an overproduction of arthouse films in Europe. Agnieszka Moody of

Creative Europe Scotland already pointed this out at the European Screen Conference in York in 2016. In 2017, 2200 feature films and 731 documentaries were released in Europe (EAO 2019: 10). While the number of films produced in Germany has increased in recent years, the number of cinema admissions has declined. The number of German feature films and documentaries (including co-productions) in German cinemas increased from 193 in 2010 to 265 in 2019 (Spio 2020a). During the same period the number of cinemagoers decreased from 127 million in 2010 to 119 million in 2019 (Spio 2020b). This number of films leads to a fragmentation of the offer, as films in cinemas cannibalise each other. More and more German and European films have fewer and fewer viewers and are shown for shorter and shorter periods on the big screen in movie theatres.

Nevertheless, the German State Minister of Culture and Media has launched a €250 million rescue package for the culture and media industry, of which around €100 million will be provided through direct support and a default fund of increased production costs through COVID-19 for cinema and movie theatres (Bundesregierung 2020). In addition to support measures for the cinema, a default fund for production companies which produce made-for- TV movies and drama series for linear television and streaming services was also discussed. While Amazon Prime Video agreed to contribute to the fund, the broadcasters have so far refused to contribute (Hanfeld 2020). But they continue to finance the productions they have already commissioned.

PRODUCTION AND CONSUMPTION LANDSCAPE

The pandemic will change the production landscape for film and television in Germany as well as consumption. The film and television business is hardly industrialised. Most films are financed with the support of regional and central state film funding and the support of Public Service Television. Although there are some large production companies, the majority of companies are small and depend on commissions from television. Although the broadcasters have promised to continue to commission shows during the pandemic, some of the small companies and many freelancers will not survive financially.

The overproduction of films in Germany and Europe will be reduced to a modest level. But this also means that public film funding systems in European countries will have to undergo a significant change. Otherwise the fragmentation of the already niche market of arthouse films will continue. They will cannibalise each other and will hardly reach an audience. On the other hand, the American studios and distributors in particular, will insist on an adjustment of the release windows. In more cases blockbusters will have their premiere on streaming platforms.

The popularity of online consumption has increased during the pandemic. As Manuel Jose Damasio (2020) put it in a blog for Critical Studies in Television: “The rule is very simple. As the fear of the pandemic grows the online is worth more and the offline is worth less and less.” His pessimistic view, that “locally produced content is losing ground every day” (*ibid.*), needs to be rebalanced. It may be true that no relevant European streaming provider is in sight on the horizon and that the American platforms dominate the European market. But Amazon Prime Video and Netflix localise their content. They hire production companies in the European countries and commission content with local production companies – admittedly not in all of them. For the production industry it makes no difference whether they produce for streaming providers, Public Service Broadcasters or commercial television. In Germany, both the RTL group and the Public Service Broadcaster ARD have launched a production initiative for drama series, which are first made available in the online outlets. “Online first” is therefore also increasingly applicable to television. As long, as there is a demand for local content in the European countries the production industry will survive.

CONCLUDING REMARKS

It can be observed that, during the pandemic, young audiences have returned to Public Service Television, mainly because they find reliable news there. Nevertheless, streaming services are increasing their subscription numbers. The times following the pandemic will show how sustainable these developments may be. Just as there will be a realignment of film production and a consolidation of TV production, the consumption of films and television programmes will change significantly. Almost all film festivals went online during the pandemic, but some of them reached reduced audiences. Also, in October the international television content market MIPCOM in Cannes will take place entirely online as MIPCOM ONLINE+.

Even more affected by the pandemic was the entire event business. Broadcasters will have to renegotiate the balance between online and offline activities in the future. Furthermore, the discussions about less and more sustainable production and consumption will eventually reach the film and television industry, not only in the context of green film and television shooting, but also in the context of streaming and online consumption, because “streaming media has a massive carbon footprint” (Marks 2020: 46). According to BBC news “terrestrial broadcast TV is a lot more efficient than current streaming technologies for TV channels that are watched by a large number of people” (BBC 2018). The carbon footprint of streaming media will increase as the shift from offline to online activities continues. The pandemic will accelerate some of the developments described above in the production, distribution, and consumption of audio-visual media, and not only in Germany.

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