

Master's thesis

Master's Degree programme in Service Design

2022

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# SERVICE INNOVATION FOR RURAL CINEMAS

From gathered insights to future concept



## MASTER'S THESIS | ABSTRACT

TURKU UNIVERSITY OF APPLIED SCIENCES

Master's Degree Programme in Service Design

2022 | 90 pages, 10 pages of appendices

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# SERVICE INNOVATION FOR RURAL CINEMAS

- From gathered insights to future concept

At the time of the present study in 2022, the future of cinema seemed uncertain. Movie theatres were recovering slowly from the shutdown caused by the corona pandemic and customers had become more accustomed to consuming movies through online streaming services. The thesis studies, the advantages and possibilities of small rural movie theatres and what kind of alternative futures could lie ahead for the cinema industry and how movie theatres, even the smaller ones, could remain relevant. The thesis was not commissioned by a single operator but serves all cinema entrepreneurs and organizations in rural municipalities.

The study utilizes the service innovation process framework. Desk research and qualitative research methods, as contextual interviews, observation and cultural probing were used to gather insights of the current situation of the rural cinemas and their audiences. The 120-year history of movie theatres was researched to explore how the industry has evolved in Finland. Experience economy was studied and The Elements of value was utilized as a method to understand the motivations and needs of the customers. The research results were analyzed and evaluated with The Service Ecology Map, PESTLE, Behavioural archetypes and Scenarios. Three alternative future scenarios for movie theatres were created based on the research findings and one preferred scenario was selected, for which The Service concept was crafted.

According to the research, rural audiences appreciate the smaller setting, closeness, cheaper ticket prices, atmosphere and personal service of their local movie theatres. More experiential film experiences, for example themed events, drive-in and outdoor screenings are good ways to expand the service beyond the regular target groups. Investment in the services and comfort of the lobbies could encourage discussion about the films, which in turn makes the film experience more meaningful to audiences. Based on scenario forecasting, the appreciation of films could increase as an art form and movie theatres could strengthen their role as art institutions in the future. In addition to providing just entertainment, cinemas could be more special places for audiences with a more therapeutic role in municipalities. The thesis proposes Cinema therapy as The Service concept for the movie theatres of the future. The spectators could utilize the calming environment of the movie halls and develop their mental health and skills of emotional intelligence with curated films. Cinema therapy could have a great social impact, as preventive mental health work would eventually increase the well-being of the municipalities.

### KEYWORDS:

Cinemas, Movie theatres, Rural municipalities, Concept, History, Future, Scenarios

# OPINNÄYTETYÖ (YAMK) | TIIVISTELMÄ

TURUN AMMATTIKORKEAKOULU

Johtaminen ja palvelumuotoilu

2022 | 90 sivua, 10 liitesivua

Jarkko Waari

## PALVELUINNOVAATIOTA MAASEUDUN ELOKUVATEATTEREILLE

- Kerätyistä tiedoista tulevaisuuden konseptiin

Opinnäytetyöprojektin aikaan vuonna 2022, elokuvan tulevaisuus vaikutti epävarmalta. Elokuvateatterit toipuivat hitaasti koronapandemian aiheuttamasta kävijäkadosta ja asiakkaat olivat tottuneet kuluttamaan elokuvia yhä enemmän verkon suoratoistopalvelujen kautta. Opinnäytetyössä tutkitaan, mitkä ovat pienten maaseutuelokuvateattereiden edut ja mahdollisuudet elokuvateatterikentällä, ja millaisia vaihtoehtoisia tulevaisuuksia elokuvateatterialalla voisi olla ja miten elokuvateatterit, myös pienemmät, voisivat säilyä merkityksellisinä. Projektilla ei ollut yksittäistä tilaajaa. Opinnäytetyö palvelee kaikkia maaseutukuntien elokuvateatteriyrittäjiä ja yhdistyksiä.

Projektissa hyödynnettiin palveluinnovaatioprosessin viitekehystä. Kirjallisuustutkimuksella, haastattelulla, havainnoinnilla ja kulttuuritutkimuksella kerättiin tietoa maaseudun elokuvateattereista ja niiden yleisöistä. Elokuvateattereiden 120-vuotista historiaa ja toimialan kehittymistä Suomessa tutkittiin. Asiakkaiden motivaatioiden ja tarpeiden ymmärtämiseksi tutkittiin elämystaloutta ja metodina hyödynnettiin arvoelementtejä. Tutkimustuloksia analysoitiin palveluekologiakartan avulla, PESTLE-taulukolla, käyttäytymisen arkkityypeillä ja skenaario - menetelmillä. Tutkimustulosten perusteella luotiin kolme vaihtoehtoista elokuvateattereiden tulevaisuusskenaariota ja valittiin yksi suotuisin skenaario, jota varten laadittiin palvelukonsepti.

Tutkimuksen mukaan maaseutuyleisö arvostaa paikallisten elokuvateattereiden pienempiä puitteita, halvempia lippujen hintoja, läheisyyttä, tunnelmaa ja henkilökohtaista palvelua. Elämyksellisemmät elokuvaelämykset kuten teematapahtumat, drive-in- ja ulkoilmanäytökset ovat hyviä tapoja laajentaa palvelua tavallisten kohderyhmien ulkopuolelle. Panostaminen aulojen palveluihin ja viihtyisyyteen voisi houkuttaa asiakkaita keskustelemaan näkemästään elokuvasta, mikä puolestaan tekee elokuvakokemuksesta merkityksellisemmän. Skenaarioennusteiden perusteella elokuvien arvostus taidemuotona voisi kasvaa ja elokuvateatterit vahvistaa rooliaan taideinstituutioina. Pelkän viihteen tarjoamisen lisäksi elokuvateatterit voisivat olla erityisempiä paikkoja yleisölle, jos ne pystyisivät vastaamaan paremmin henkisen hyvinvoinnin tarpeisiin. Opinnäytetyössä ehdotetaan elokuvaterapiaa palvelukonseptiksi tulevaisuuden elokuvateattereihin. Katsojat voivat hyödyntää elokuvasalien rauhoittavaa ympäristöä mielenterveyden ja tunneällyn kehittämiseksi valikoitujen elokuvien parissa. Elokuvaterapialla voisi olla suuri yhteiskunnallinen vaikutus, sillä ennaltaehkäisevä mielenterveystyö lisäisi lopulta hyvinvointia kunnissa.

ASIASANAT:

Elokuvateatterit, Maaseutu, Konsepti, Historia, Tulevaisuus, Skenaariot

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## INTRODUCTION

Going to the cinemas and watching movies are one of the most popular cultural activities. Movie theatres are attracting more audiences than ever. Big cinema chains continually enhance their services and convert visitors to loyal customers efficiently with company tickets and series tickets. At the same time smaller movie theatres could feel old-fashioned, when audiences expect better experiences and more streamlined services. In sparsely populated areas small individually owned movie theatre can be the only one in it's vicinity.

On July 2022, CEO of Suomen Filmikamari ry, the central organization of film industry associations, Tero Koistinen counted that there were 180 movie theatres around Finland and they were divided into 131 localities. The average movie theatre in Finland had only one cinema hall, which means they are small independently or association owned theatres. Also, at least 18 municipalities owned a movie theatre. Koistinen described movie theatre network as vast, although bigger cinemas were dominating the field. Koistinen believed that rural movie theatres will survive in the future, if they can develop themselves. He highlighted the difference between city and rural cinemas, in watching domestic and foreign films. In the rural municipalities, the audience share of domestic films is clearly higher than in the cities. (Nouskoski 2022.) Based on cinema audiences research conducted by Parametra in 2016, over 86 % respondents considered, that it is very important for local municipalities to have their own movie theatres (Suomen elokuvaseätiö 2016).

The operating environment has changed significantly because of digitalisation: nowadays movies are distributed and presented in digital format. Smaller cinemas in rural areas don't have to wait to get the 35mm reel to arrive to the village, all scratched and torn apart. Movies can be downloaded from the server when they come available. This enables small movie theatres to show new movie releases at the same time with bigger cinema chains. Finnish Film Foundation has given financial support, so entrepreneurs have been modernizing their equipment and cinema halls (Länsi-Suomi 2018).

### **Touring cinemas and film festivals**

In addition to movie theatres, there are other organizations screening films in rural areas. Touring cinemas have had the important role of spreading films to municipalities and sparsely populated areas, starting from the early days of Finnish cinema history. Touring movie theatres are operating today with the same ideology: to bring movies to municipalities that do not have their own cinema. Touring theatre promotes equal opportunities and participation in cultural activities in all sections of the population. (Hokkanen 2020.)

Compared to regular movie screenings in movie theatres, film festivals are collective and social events that occur temporarily at regular intervals (Kainulainen 2005, 66). Usually a small dedicated team of film fanatics is behind the events and the participation of local people in building the events is crucial. Festivals could increase the cultural atmosphere and communal spirit of the area, and for example in the case of Midnight Sun Film Festival, the long-term event has rooted deep to the brand of Sodankylä area. Event mixes Lapland's exotic nature and international culture event in a unique and peculiar way (Kainulainen 2005, 405–406).

### **Covid-19 and online Video On Demand**

Movie theatre industry was well on its way to a new high peak when covid-19 became a worldwide pandemic in 2019. During the time of covid-19 there had been strict regulations on cinemas from Regional State Administrative Agency AVI. During pandemic, movie theatres were forced to sell only half of the total number of seats or even close their doors completely. Finland was the only country in Europe, where the operation of cinemas was prohibited when situation of the pandemic was critical. (Filmikamari 2022.) Some event organizers could arrange their film festivals with outdoor screenings or switching to online platforms, but majority of festivals were forced to re-schedule their events and movie tours were cancelled. In February 2022, movie theatres could continue their business, but the future was very uncertain.

Covid-19 closed people indoors, where they spend more leisure time. Although watching movies from television has decreased in all age groups compared to 1990's (Ekholm 2019), the increase of Video On Demand and movie streaming services at homes is a strong competitor to movie theatres. People can decide what to watch whenever they want, and television screen sizes are getting bigger and resolution better. Why to leave home at all, when the experience of the movies can be achieved at the comfort of home?

Disney chairman Bob Iger has said in 2021 that people will probably still like to go out to see movies in the future, but the price of a movie ticket is a risk in relation to the value of streaming subscription (Rosenbaum 2021). On the other hand, based on the research results by CivicScience, instead of going to the cinema to see the new movies, the majority of the Americans watched them at their homes (Vorel 2021).

It is interesting to see where movie theatres will go from here. Streaming media content is changing the way audiences consume film content and small screen storytelling, Youtube and On Demand series, are altering the nature of narrative (Rosenbaum 2021). Movie itself is not necessarily enough to lure audiences to theatres in the future, the whole experience has to be faultless, unique and trigger positive and even unexpected feelings in the mind of the customer.

### 1.1 Theoretical framework

When the future is envisioned it is important to learn from the past. The history of movie screenings in Finland will be studied in the thesis as part of Theoretical framework to gain understanding of how movie theatre industry has developed in over 120 years. Thesis explores how social changes, technological advancements and trends have affected to the movie theatres and audience's behavior. *Early screenings* covers the final years of 19th century, when Lumiere brothers "moving pictures" were modestly presented, *The rise of the movie theatres* covers the time from the era of spectacular cinema palaces, invention of sound, to the golden age of Finnish cinema in 1940s. *The time of the declining popularity* covers the era that began from the transformation of the consumer society in 50s, with audiences gathering in their living rooms around televisions in the 60s, into the 80s and 90s when videos challenged movie theatres in a competition for the audiences. In the 2010s, *the era of digitalization* saved smaller movie theatres from extinction and allowed different concepts, for example combinations of restaurants and movie theatres, and outdoor screenings. (Hilapieli 2021, 10-11.) Digitalization has also introduced a new competitor: online Video On Demand services, such as Netflix, Disney+, Hulu and Amazon Prime. This competitor has already reduced the dvd rental business to non-existent level and physical formats of films are left only on the shelves of film collectors and flea markets.

## **Experience economy**

During the last decades, products, services, events and culture overall, have become more experiential. People's expectations have increased because the experientialism has become common. Instead of offering just products and services, companies and organizations offer and market special and unique experiences to lure customers and to stand out from the competitors (Karkulehto et al 2016, 9). The credible and unique culture content could gather enthusiastic audience even further. The public decides what is valuable and what is not (Raatikainen 2020). Experience seldomly is a package that can be sold and duplicated, because experience and perception of quality occurs in the mind of the spectator, who has an active role in the creation of experience (Karkulehto et al 2016, 9).

How could cinema experiences be more engaging and provide more value to audiences? Experience economy will be studied in the Theoretical framework and The Elements of value is utilized as a method in the project to understand the principles that govern spectators behaviour, and search the answers how cinema services could be more experience-driven.

### **1.2 Thesis project**

The project studies various parties that present films in rural areas and smaller municipalities, such as small cinemas, touring theatres, film festivals and movie clubs, and discovers what are the challenges and opportunities of cinema entrepreneurs and organizations in rural areas and what kind of experiences they are providing to their customers. Customer and business understanding is gathered with interviews and different ethnographic observation methods.

There is no single commissioner for the project. The project target is to serve all cinema entrepreneurs and organizations in rural areas by producing analysed insights, participating different stakeholders and creating a concept that presents what kind of experiential cinema service could be implemented in the business of movie theatres in rural areas in the future.

## **Research questions**

The research will focus to answer on two main research questions:

- What are the advantages and possibilities of a small rural movie theatre?
- What kind of alternative futures lies ahead in movie theatre industry and how movie theatres could remain relevant in the future?

### Frame of reference

Frame of reference, Figure 1, visualizes the context of the thesis and how different aspects are connected. The figure presents three main points: Movie Theatres Today and Yesterday, Customer Experience and Motivation and The Alternative Futures of Movie Theatres. Smaller topics describe theory base of the thesis and are color coded to match the main topics. Movie Theatres Today and Yesterday utilized different qualitative research methods to discover insights of movie theatre industry and the current situation of rural movie theatres in Finland. Cinema history in Finland was researched through literature. The goal of Customer Experience and Motivation was to understand the values and needs of the rural audiences and their attitudes towards movie theatres. The theory of Experience economy was researched to understand, how more meaningful services can lead to better service experiences. The third main point, The Alternative Futures of movie theatres utilized Scenario method to map out possible futures. In the end, based on the insights discovered in the project, the Service concept was drafted for rural cinemas.

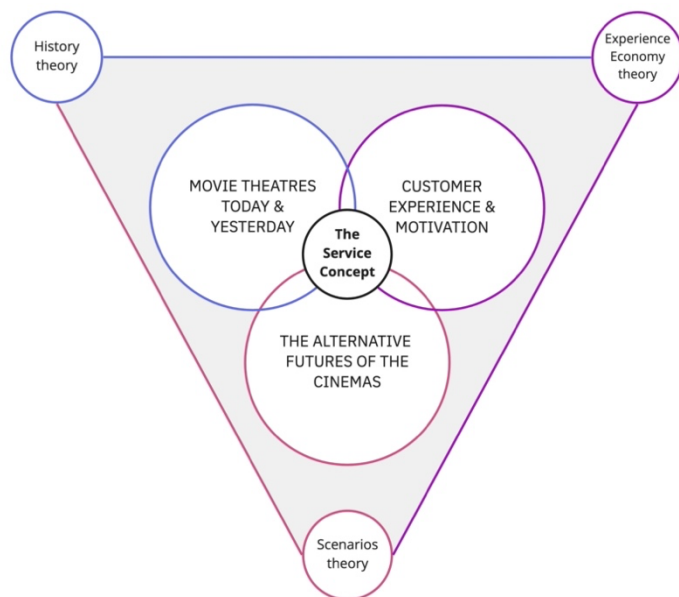


Figure 1: Frame of reference

### 1.3 Service innovation process

The service innovation process framework is utilized as the design process of the project, Figure 2. The process has four phases: Map and understand, Forecast and Ideate, Model and Evaluate, and Conceptualize and Influence. Process is not usually linear and the phases can overlap (Ojasalo et al. 2015, 198–200).

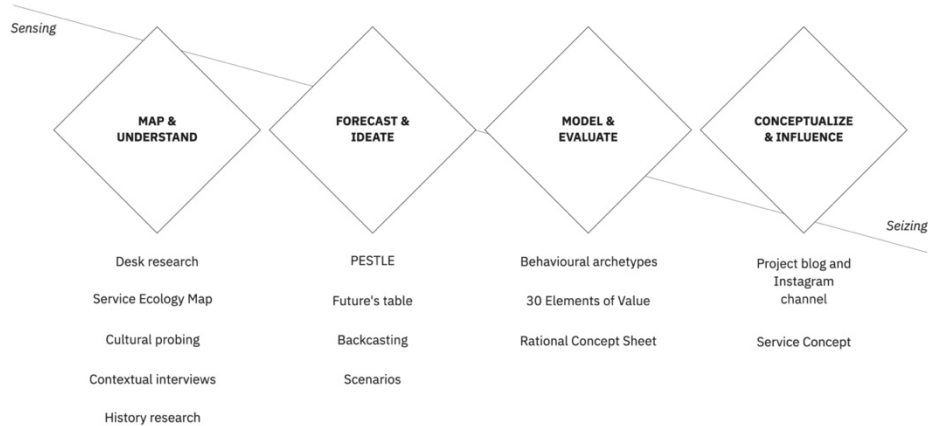


Figure 2: The service innovation process utilized in the project

Futures thinking and Design thinking are unified in the service innovation process. They both are about sensing and seizing new opportunities for service innovation and offer concrete methods for gathering insights and ideating new concepts. Futures thinking allows to be more innovative by envisioning alternative futures in business context. Careful analysis of economic, technological, social, political and ecological changes and sensing weak signals allows to innovate in uncertain environments. Design thinking is a holistic and user-centered approach that uses intrinsic abilities as empathy and multidisciplinary co-creation methods to create a viable solution to a design problem. It is a design process based on experimentation and collaboration. (Ojasalo et al. 2015, 198–200.)

This project utilizes a combination of methods from Futures thinking and Design thinking, that are most essential for the Service concept. The goal is to explore the possibilities of what movie theatres could offer and concept desired outcomes that would benefit the end user and cinema businesses. The following describes the methods that are utilized in the project.



## **Desk research**

Desk research was used as the starting point of the research process and prepared for the research topic. Method was used to collect information about the history and the current situation of the industry, businesses, competitors and environment. Research helped to form the research questions and to check were there any existing studies to avoid the reinvention of the wheel. (Stickdorn et al. 2018, 118.) Finnish Film Foundation and Parametra conducted an extensive research about the film theatre audiences in 2016 (Suomen elokuvasäätiö 2016). The results from the Parametra survey were used as a basic data to understand the behavior of the audiences. Statements that were presented in the survey were discussed further in interviews.

## **Interviews**

To understand the current situation of different film screening organizers in rural areas, there were several semi-structured contextual and in-depth interviews of movie theatre owners, touring movie theatre personnel, film club organizer and film festival organiser. Contextual interviews were conducted in the situation that was relevant to research question. This helped to create more intimate atmosphere and observe the environment at the same time. (Stickdorn et al. 2018, 121-122.) In-depth interviews were organized online when an interview could not be conducted on location.

## **Ethnographic observation**

With autoethnographic observation, the services and environment are observed and the experience is documented with field notes, audio recordings, videos and photographs (Stickdorn et al. 2018, 119). The experience was explored by immersing within real situational context as an observer and a customer during several months in different movie theatres and touring cinemas. Three customers were recruited to conduct Cultural probing to record certain feelings and experiences with photographs and notes when they visited different movie theatres, with the idea of bringing diverse perspectives into observation without having a researcher present (Stickdorn et al. 2018, 124).

## **Service ecology mapping**

Experience builds from many different factors. The service network is a vast ecosystem, where role of each factor is of great importance. If something does not work, the experience is lacking (Raatikainen 2020). The service ecosystem was mapped with Service ecology map, placing all the different stakeholders and the relationships between

them on a service ecology diagram. The diagram displays the whole service ecology in a systematic way and helps to understand the bigger picture in the early phase of the service design project. (Polaine 2013.)

### **PESTLE analysis**

PESTLE analysis examines external forces the organization is facing and identifies drivers of change. PESTLE stands for Political, Economic, Social, Technological, Legal and Environmental. (Gasparini et al. 2020.) These different dimensions of the external factors were explored in the analysis.

### **Scenarios**

Scenarios describe how the future environment might be for the organizations, societies, and even the world. Scenarios are not predictions, but rather probable descriptions what could occur (Will Allen & Associates 2020). Based on drivers, events and trends uncovered from the PESTLE analysis and desk research, three alternative scenarios were constructed to describe how the society and film culture could have been developed and how cinema services could be experienced in the future. A systematic method, called The Futures table was utilized to describe alternative future images.

### **Backcasting**

Backcasting explores scenario's feasibility and implications. Backcasting describes the path from the future to current day and helps to create a roadmap to desirable future (Becque 2015). Backcasting method was used to describe, what steps and actions are needed to achieve the preferred scenario's vision.

### **Customer segmentation**

With customer segmentation, customers were divided into groups based on certain shared characteristics. Customers have a common need for the service but they have distinct demographic, socio-economic, lifestyle and behavioral differences (Formation 2021). Behavioural archetypes were used in target group segmentation. Archetypes were based on research findings and they showcase typical customer behavior or motivation which describes the character traits for a group of people (Doneva 2017).

### **The Elements of value**

30 Elements of value focus on consumer behavior around products and services. Value elements that were connected with cinema services were identified based on the insights from the desk research, cultural probing and interviews. The more value elements companies can provide, the stronger customer loyalty and the higher sustained revenue growth. (Almquist et al. 2016.)

### **Rational Concept Sheet**

The Service concept was drafted with Rational Concept Sheet. Canvas is part of Futurice's Lean Service Creation canvases, which are curated canvases to develop services, bringing more value and increasing likelihood of success (Futurice 2022).

### **Project schedule**

The first three phases of the service innovation process, Map & Understand, Forecast & Ideate and Model & Evaluate were carried out during the Spring and Fall of 2022, Figure 3. The project started with Desk research, Interviews, Observations and Cultural probing, and continued with results analysis, Service ecology mapping and Target group segmentation. Early on, a public blog was created to delve into the topic more broadly and Instagram social media channel was established to network with movie theatres and parties that were interested about the subject of the project. The blog and Instagram account were not part of the research and functioned on background. When major part of the interviews were completed, Forecast & Ideate phase began with PESTLE analysis and Scenarios work. Experience economy was studied to introduce 30 Elements of value for the project. One desirable scenario was selected based on research findings and then Backcasting was utilized to build a roadmap for that scenario. The Service concept was created during Fall 2022.

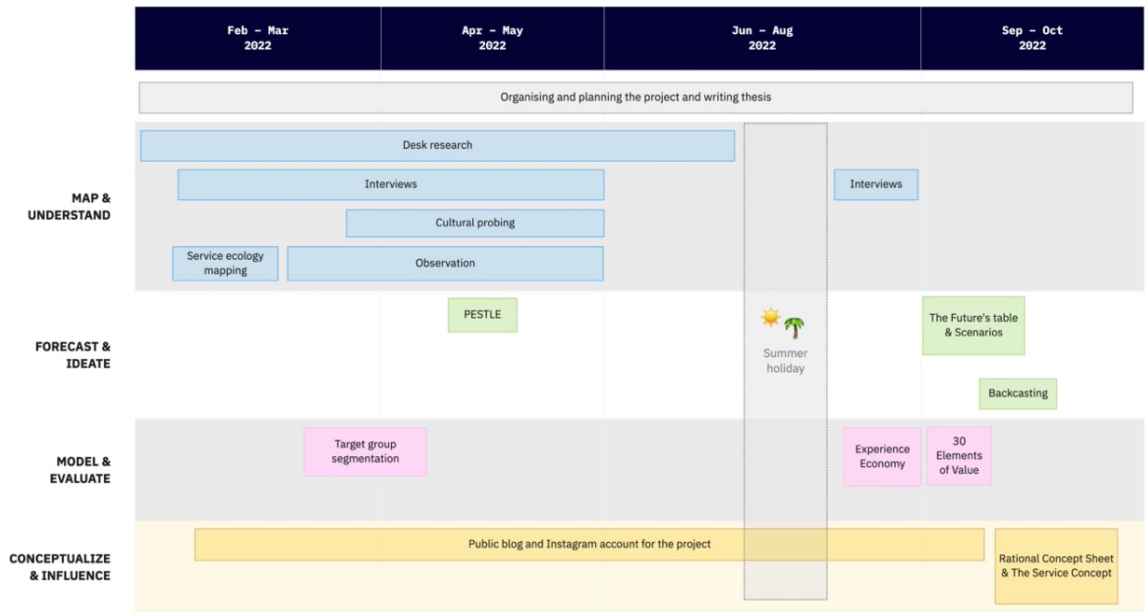


Figure 3: Project schedule

## 2 HISTORY OF MOVIE THEATRES IN FINLAND

### 2.1 Early screenings 1897 – 1908

Movie theatres were born in Finland in the same way as everywhere else in Western Europe – around a man and a movie projector. The first screenings needed just a white sheet and a couple of benches. The cinematograph of the Lumière brothers, which had its first public appearance in Paris 28<sup>th</sup> of December 1895, quickly conquered the world. It is impossible for those born in the middle of the modern Western flood of images to understand the shock that the early film experiences produced for their virgin viewers. Famously, film of the arrival of the train at the Lyon station, caused the audience to panic and some ran away from the movie theatre in terror. (Heiskanen 2009, 17.) Six months after the Paris show, the cinematograph arrived to Helsinki. The first public performance was organized at the Hotel Seurahuone, in the current Helsinki City Hall, on June 28, 1896, with a great success. Due to the expensive entrance tickets, the admission was limited to the city's wealthiest. (Hilapieli 2021, 19.)

#### **Touring film culture in municipalities**

More entrepreneurs began to appear and touring film operators took the invention to rural municipalities. The most famous of the Finnish touring operators was Oskar Alonen, who started his own tour shows in the fall of 1897. The touring culture of live pictures experienced a real breakthrough in 1899, when operators moved swiftly from municipality to municipality, around Finland. (Hirn 1981, 139-146.) Screening venues varied from local fire houses to more modest tents, where the tickets were cheaper. The visits to different towns lasted a day, two or three, depending on the head count of the audience. The programme, that consisted of comical film clips and current news reels, were significant attractions. The film clips were short and between reel changes the audience was entertained with either mechanical or live music. Not all of the tent theatres were modest though. The lavish touring tent Pohjola, by J.A.W. Grönroos, had the large crystal chandeliers, the fan on the roof was cooling audiences when hot, and during cold periods, the tent was heated by huge fireplaces. (Heiskanen 2009, 22-23.)

### **First movie theatres**

Soon in cities, the projector was moved to back of the movie hall for a benefit of a larger picture and movie screenings were located permanently inside four walls, to movie theatres, where image was shot from separate projector room. Helsinki lived an era of strong growth: in 1900, the population had reached 93,000 inhabitants - ten years later, as many as 136,000 people. The low social class workers, who had migrated to city, were not considered salon-worthy and live pictures in movie theatres were therefore the most welcome response to a large social demand. (Heiskanen 2009, 26.) In 1904 K.E. Ståhlberg, who brought the first kinograph to Finland in 1897, opened the movie theatre Maailman Ympäri, with 100 seats and a two-meter screen, it had 4 screenings per day, twice as many on Sundays. Ståhlberg's example inspired entrepreneurs in municipalities all over Finland. During 1905, permanent movie theatres were opened in Tampere, Turku, Oulu and Vyborg. (Hirn 1981, 281.) The programme shifted towards exoticism, foreign countries and cultures. At a time when few had the opportunity to travel, vivid images opened windows to distant destinations. The film's foreign language did not bother the audience, because usually there was a theatre narrator, who explained the audience what was happening on the screen at any given time. (Heiskanen 2009, 12.)

### **Elsewhere in the world**

The first movie theatres were born right at the turn of the 20th century in the United States and France. So called nickelodeon theatres that started in Pittsburgh, made the moving pictures extremely popular in America. The customer entered, dropped a coin into the viewer to see a minute-long film clip through the peephole. The Central European film culture started in the same way as in Finland - with touring operators and temporary venues. Soon, the popularity of live pictures flourished on both the old and the new continent. By 1907, there were about 400 movie theatres in France, the following year it was estimated that there were no less than 10,000 nickelodeon theatres in the United States. When New York had 4.7 million inhabitants in 1911, as many as one and a half million of them went to the movies every week. Three years later, the total number of weekly viewers in the United States already reached forty million. (Heiskanen 2009, 29.)

## 2.2 Movie palaces and the golden age of cinema 1909 – 1950

The year 1908 was a watershed in Finnish cinema history. Whereas comic news clips and comic scenes had drawn the most people to the big screens up until now, drama films began to gain an even firmer grip on the programme of movie theatre. The 1910s and 1920s were largely the time of exciting serial films. The episodes of the serial films, which lasted for many weeks, ended time after time in such dire situations that the viewer who was hooked once, could not miss the next part. (Heiskanen 2009, 47-50.)

During the first half-century, more and more luxurious movie temples were built. The first big Finnish movie theatre Olympia opened in Helsinki in February 1909. The 551-seat theatre was the largest in the country at the time. The hall was eight meters high, with the seats made of dark mahogany and golden molding circled the balcony. (Hirn 1991, 23-24.) Competing theatres quickly appeared, such as Scala, and Maxim, opened in 1911 in the inner courtyard of Pohjoisesplanadi, whose fifteen-meter-high hall offered seats for 789 people in floor and lofts and the interior, which caught the eye with its unprecedented majesty. (Heiskanen 2009, 58.) The staff was dressed to match the glamour and elegance of the venue. Especially the doormen with their handsome uniforms inspired respect among the youth. In addition, the movie theatres had ushers who instructed audiences to their seats with the help of flashlights. During the silent era, the sound was substituted with live music. An orchestra pit was usually built in the movie theatre premises, where a multi-piece orchestra could play music during film screenings. (Hilapieli 2021, 28-32.)

### **Time of revue theatres**

In the 1910s, Maxim also served as a popular revue theatre. During the intermissions the audience could watch show numbers where foreign snake charmers, magicians and jugglers took to the stage. Maxim was renamed as Kino-Palatsi when Suomi-Filmi Oy bought Maxim as its own flagship. (Heiskanen 2009, 62-63.) The festive setting of the shows began to attract more upscale people. More movie theatres tried to rise above the competition with the accompanying performance numbers. Towards the end of the 1910s, the attention of different public educator parties found the content of intermissions to be questionable and unsuitable for children. In 1920, the government banned all cabaret and variety programs shown in connection with film screenings. (Heiskanen 2009, 63.)

### **Movie palaces in municipalities**

Wilhelm Willberg who had opened first movie theatre in Turku 1905, built the bright and spacious 300-seat Biografi Theatre in 1906. It was something completely different than vague conditions of touring cinema. Tampere had its first major movie theatre building constructed in 1911, when Petit with 373 seats started operations. Cozy Petit stood out with its elegant arched gates, colorful electric lamps decorating the entrance. The handsome Scala theatre in Tampere in January 1912 had 468-seat hall and was the largest in the city at the time of its completion. Vyborg was known as a lively cinema city in the 1920s and 1930s. The Maxim which even had a small fountain in the lobby, was considered a first-class theatre, just like the Palatsi and Kinolinna. (Heiskanen 2009, 82-85.) In Kuopio, touring cinemas usually bypassed market once or twice a year, but permanent screenings started in 1906 with "Kuopion Elävien kuvien näyttämö Maat ja Kansat" theatre. (Heiskanen 2009, 68-69.)

### **International movie palaces**

The construction of huge movie palaces in the United States began in 1913. New York's Roxy, completed in 1927, with a mammoth 6,000-seat hall was spectacular sight and lifted the ordinary dweller above everyday life for a moment. At the same time, the so-called "better people" appreciated the more festive entertainment places. In Paris, the designers of the most famous movie palaces thought about the practicality of their spatial solutions in addition to beauty. The Madeleine Théâtre was one of the largest and most beautiful film theatres of its time. Huge round-shaped Gambetta Palace with Art Nouveau frescos is still located in Paris 20<sup>th</sup> district. In Great Britain, cinema palace projects started at the same time as in the United States and France. (Heiskanen 2009, 64.)

### **First World War and censorship**

In Finland, the changes brought about by the crisis were most clearly visible in the absence of new films, because film copies moved more slowly across national borders and in the tightening of censorship. This meant a ban on German and Austrian films and music, which were replaced by alternatives offered by Russia. Russian film production peaked during the World War years. The landing of American cinema was accelerated in 1915 as by Charlie Chaplin, who conquered all of Europe and rural Finnish municipalities as well. (Hirn 1991, 194.) The focus of production shifted to America during the war years. The decline was fast: already in 1919, about 90% of the films shown in Europe were American (Heiskanen 2009, 76).



The film took an overwhelming lead among urban entertainment during the years of the First World War. The first reliable statistics on domestic theatres can be found in 1923, when it was calculated that a total of 132 cinemas were operating. Theatres were concentrated in cities, which accounted for two-thirds of the total. The remaining third was divided between small towns and rural municipalities in such a way that one locality rarely had more than two theatres. (Heiskanen 2009, 81.)

### **Modern times**

The flickering neon lights of movie theatres merged with the new urban jazz culture of the late 1920s. Restaurants compensated for the lack of serving rights by making full use of the dance floors released as a counterweight to the prohibition law. In the bigger cities, films were screened every day, in the countryside only once or twice a week. City dwellers used 46 seats per thousand inhabitants, while the corresponding number in rural areas was 3.2 seats. The reason lay in the unprofitability of theatre operations in regions where there was no sufficient audience base available. In the 1930s, it was already clear how advancing modernization was destroying the former, home-centered way of life of Finns. However, the concern was primarily directed at urban families. The youth of the bigger cities enjoyed themselves in cafes and in the movies. (Heiskanen 2009, 89-90.)

The Hollywood studio system reached its zenith on the eve of The Second World War in 1939, when an unprecedented series of classics premiered: *Gone with the Wind*, *The Wizard of Oz*, *Ninotchka*, *Stagecoach* and *Wuthering Heights*. (Heiskanen 2009, 90.) Long feature films and the breakthrough of sound caused a serious technical and financial challenge for movie theatre owners, which is comparable to the digitalization of cinemas in the 21st century. Players of movie theatre orchestras were left out of work. (Heiskanen 2009, 9.)

### **Wartime and the golden years of domestic films**

Domestic movies played a significant role in the lives of Finns in the 1930s and 1940s. Crowds flocked to the big screen, and thanks to reasonable ticket prices when other consumer goods became more expensive, almost everyone had the opportunity to go to the movies at least once in a while. Especially during the war years, the film was much more than just entertainment: it had a therapeutic role and a maintainer of positive mood, with which people could forget the grim reality even for a moment. Film screenings were also social events and during the dance ban, they were almost the only form of

socializing. (Rytkönen 2001, 4.) For families with many children in remote villages, movies, despite their general affordability, were not harmlessly cheap entertainment. Cinemas were located in busier urban areas, where rural dwellers had to go by bus first. The journey could take a long time, and the return ride was not necessarily on the same day. In large families, they had to resort to a procedure where each of the children went to the movies in turn and, upon returning home, told the others about what they had seen in detail. (Heiskanen 2009, 136-137.)

During the war years, domestic cinema lived its golden age. Even at the end of the 1950s, all-time audience records were broken. Almost every Finnish film attracted at least 400,000 viewers, or about 10% of the population (Rytkönen 2001, 25). Finns have never before or since filled movie theatres as diligently and in huge numbers. In Helsinki, for example, it was possible to find a movie theatre in almost every district and block. (Heiskanen 2009, 8.) The tighter the wartime became, the more decorative the actors' period costumes and the more magnificent the setting of the scenes. *Kulkurin valssi* (1941) was the most loved romance of the crisis years, with a total of one and a half million viewers, ranking second in Finland's all-time domestic audience statistics, right after *The Unknown Soldier* (1955). (Heiskanen 2009, 146.) Domesticity was the most important selection criterion for films, especially for the older population in rural areas. In Finnish films, audiences who did not know a foreign language could concentrate on the story without having to follow the text at the bottom of the picture. Domestic films also felt like home in rural areas and were closer to the audience's own lives than foreign films. Hearing the Finnish language on the big screen also raised the feeling of nationalism. (Rytkönen 2001, 27.)

### 2.3 Tv and declining popularity of the movie theatres 1951 – 1986

The audiences of a domestic film collapsed and the public's interest in their own country's films declined throughout the 1950s. At the same time, the number of premieres of foreign films increased. The success of cinemas has been connected to the popularity of domestic cinema. The novelty of hearing one's own language had faded, and the comparison to a foreign film was not always flattering. Domestic production was neglected significantly more in cities than in the countryside, where domestic was considered clearly better than foreign production. The unified Finnish wartime culture was shifting into a modern consumer society, where the individual had more and more

opportunities for their spare time. The change in consumer society brought competition for the movie ticket. More money was needed for audio records, clothes, gas for vehicles, bars and dances. (Heiskanen 2009, 167-168.)

The politicization of young people took place in the 1960s through culture and the film industry was a fertile ground for the strongest manifestations of taistoism and other forms of radicalism. Young people wanted changes and despised the previous generation's wartime values. (Kinnunen 2019, 20.) For the old generation, film was not art, but an entertainment product and a field of industry. A similar struggle also took place in Hollywood in the last years of the 1960s. In the United States, movie theatre attendances did not fall as strongly as in Europe. The old ecosystem of film studios was still in turmoil, as the young audience was thirsty for new kinds of stories and stars. (Kinnunen 2019, 26.)

### **Arrival of television**

In 1958 and 1959, the number of movie theatres was at its highest in Finland: 618 theatres. The peak of the war years had plunged into a sharp decline: while in 1945 every Finn went to the movies on average almost ten times a year, in 1961 the corresponding figure was only about five and in 1971 around three times a year. In 1961-1962, television already reached 80 percent of the population. The center of the rising standard of living, one's own home, became an even more important place for leisure. TV brought people together around collective topics of conversation in schools and workplaces. (Heiskanen 2009, 175-178.) The decline of the movie theatres was connected to the rise of television and also to the increasingly intense demolition of old buildings. The wooden neighborhoods were cleared to the ground and the loose grid areas were re-constructed at the expense of cultural history, as the migration from rural areas was directed more and more towards the growth centers of the south. In the years 1962-1969, 260 theatres closed their doors. Attempts were made to modify the larger one-screen theatres to better suit the new era by splitting them into smaller cluster theatres. (Heiskanen 2009, 175-178.) The lack of domestic films had also a major influence in movie theatres' decline (Hilapieli 2021, 62).

In the cinema field of the 1970s, there was still a large number of colorful operators of different sizes. All over the country, family businesses owned theatres. In the biggest cities, there were also operators focused on art house programme – such as Diana in Helsinki – and on the other hand, theatres specializing in soft porn. (Kinnunen 2019, 34.)

The 1980s practically wiped the block cinemas off the cinema map (Heiskanen 2009, 178). Competing movie theatre chains Kinosto, Adams-Filmi and Savoy-Filmi merged into Finnkino in 1986, and it became by far the most important cinema chain in the midst of industry turmoil. When Finnkino started, it had 134 theatres, but the chain gave up a quarter of its theatres very quickly. At its peak, Finnkino's market share was almost 80 percent. (Kinnunen 2019, 68.)

### **Beginning of film clubs and festivals**

When television showed a few movies a week and there were no video devices yet, film enthusiasts were served by film clubs. They showed their members reasonably priced movies once or twice a week. The titles were chosen from films that the distributors had already bought in Finland. At the beginning of the 1970s, the film club movement and the cinema industry had drifted into conflict, mainly because film clubs had a strong left-wing ideology. (Kinnunen 2019, 23-24.) The history of film festivals in Finland is quite short and very narrow from the beginning. After the Tampere Film Festival started in 1970, the next significant festival was the Sodankylä Film Festival, which was established in 1986. The event founded by Aki and Mika Kaurismäki, Anssi Mänttari and the municipality of Sodankylä turned out to be a very international event with well-known guests. The Finnish Film Foundation's support for film festivals started already in the 1980s and it has been very important for festivals presenting new films outside of normal distribution. The Oulu International Children's and Youth Film Festival (founded in 1982), Rakkautta & Anarkiaa (1988) and Espoo Ciné (1990) also became recipients of support. In the 2000s, DocPoint and Night Visions joined the group. (Kinnunen 2019, 122.)

### **2.4 Videos and multiplexes 1987 – 2007**

When videos emerged to the market, movie theatres were in at least as bad trouble as when television became common. Suddenly, it was possible to watch movies in one's own living room instead of in a movie theatre and the change had happened quickly, in just a couple of years. The number of devices rose from a few thousand at the beginning of the decade to half a million at the end of the 1980s. Video store revenue exceeded movie ticket revenue at the same time. For many, renting a video film was a more attractive option than going to the movies, because for the price of one movie ticket, several people could watch the movie. As video rental companies became more common, the life cycle of the film shortened significantly, as rental companies were able

to offer the new movie on videocassette relatively soon. In the 1990s, home theatres and films on DVD were introduced, which could contain the sound and image quality that exceeded the technologically outdated cinemas. (Hilapieli 2021, 63.) VHS videos had once been a viable source of income for distributors, but not a source of income that threatened the importance of theatrical distribution. As the popularity of home DVDs grew, the profitability of recording sales multiplied. In the DVD market, profits of hundreds of thousands of euros could already be made with one title. (Kinnunen 2019, 112.)

The traditional movie circulation started in the big movie theatres of the cities. The number of film copies was limited, mainly because they were expensive. From the best theatres and the biggest cities, film copies slowly were transferred to smaller towns, and most theatres had to wait a long time for their turn. Another problem was that the copies also wore out in use. The Finnish Film Foundation responded to the problem after the mid-80s with additional film copies, so that the smaller rural theatres could benefit from the hit movies and stay in business at all. The risk of the collapse of the movie theatre network was higher than ever. (Kinnunen 2019, 59-60.)

Titanic (1997), directed by James Cameron, arrived on Finnish screens in January 1998 and grew into a phenomenon that had never been seen before. Titanic was the first film in the current statistical era to cross the million audience mark. The most excited of all were the owners of small cinemas. Thanks to the Titanic, many theatres remained operational. At the end of the 1990s, new multiplex theatres raised the profile of films. Multiplex theatres were big-money projects, which contained multiple cinema halls under one roof and focused on comfort and new technology. In November 1998, Sandrew Metronome's 10-screen Kinopalatsi opened, and in February 1999, Finnkino's 14-screen Tennispalatsi started to operate. The new multiplex theatres became successes and immediately increased the total number of visits to the movies throughout Finland. The logic of multi-screen theatres was commercial in many ways. A larger number of halls could be run under the same roof even with a small staff. (Kinnunen 2019, 95-97.) The lobbies of multiplex cinemas were more reminiscent of amusement parks with popcorn, candy and beverage outlets, than grandiose feeling of arrival to a decorated movie palace of the past (Hilapieli 2021, 31). Multiplex theatres in cities can adopt the latest in the field of image and sound technology, but cannot offer the feeling of glamour, that uplift moviegoers away from everyday life (Heiskanen 2009, 13). More than half of the cinemas in Finland were owned by small entrepreneurs. After Sandrew Metronome gave up its Finnish cinemas in 2006, Finnkino's position as a market leader had become even

more prominent. Finnkino had cinemas in only ten cities, but still had a market share of almost 70 percent. (Kinnunen 2019, 115.)

### **Rise of domestic cinema**

In the mid-1990s, domestic movies were at its lowest point. Domestic films accounted for only four percent of all cinema visits. (Kinnunen 2019, 86.) In the years 1999 and 2000, domestic cinema took a drastic turn. Viewership numbers jumped up in a phenomenal way after a long-era of negative development. In Finland, people went to the movies more than seven million times, more than in ten years. However, the most exceptional thing was that no less than four of the ten most viewed titles were domestic. Huge hits, which included e.g. *Häjyt*, *Rukajärven tie* and *Kulkuri* and *Joutsen* gathered people to movie theatres. New directors and screenwriters emerged, but also a new generation of professional producers. (Kinnunen 2019, 89-90.) The new generation understood the film as a commercial product. The idea was that a new way of going to the movies would be born, the same way American movies were watched and consumed. Social fun, which had been missing for decades, returned to Finnish cinema. (Kinnunen 2019, 91.)

### 2.5 Digitalization and the new rise of cinema 2007 –

Today, the advancements of internet technology and web servers have superseded video rental and now the rental agencies have disappeared from the street scene and leftover businesses have concentrated on candy sales. Sales of DVD and the more technically advanced Blu-ray discs have also collapsed. (Hilapieli 2021, 62.) Modern digital projectors spread rapidly worldwide from 2008. Finland was at the forefront of development. In the spring of 2009, there were 307 cinema halls in Finland, of which only around 30 had a digital projector installed by then. The 3D movie phenomenon brought an additional impetus to digital development. It was only possible to show modern 3D movies with digital projectors, which increased the appeal of the format. The culmination of the 3D craze was James Cameron's sci-fi fantasy *Avatar*, which was completed for the 2009 Christmas season. The film became the biggest big screen success of all time. (Kinnunen 2019, 115.)

The Ministry of Education saw the benefits of digitalization, and the Finnish Film Foundation received separate allocations for subsidies to renew the equipment of the

theatres. Cinemas also paid for the new technology themselves, even the smallest at least 30 percent. The pace of the digitalization was the most intense in 2010-2011, when the Finnish Film Foundation made up to 50 digitalization decisions a year. In 2012, digital projection technology replaced film in commercial cinema operations in Finland, and the last copies of traditional films were made by the distributors, mainly for small rural theatres. Among European countries, only Norway converted all its cinemas to digital cinemas faster than Finland. Finnkino did not receive support for the transition to digital presentation technology and financed its acquisitions with an arrangement where film distributors were charged an additional fee for the use of digital theatres. (Kinnunen 2019, 115.)

First the films came to the digitalized cinemas on a hard drive, from which the material was transferred to the movie theatre's own server. From 2015, it became more common to transfer the film directly to the server via internet. New technology has improved the operating conditions of small cinemas dramatically. Premiere movies can be shared without limits and thus the movie can be screened everywhere at the same time, even in rural areas. (Hilapieli 2021, 30.) The movie theatre network has expanded and not contracted. The biggest beneficiary of the digitalization technology is unequivocally domestic cinema. In the 1990s, the largest number of copies of films predicted to be successful had been around 50. In 2019, the number of premiere theatres could be around 150. The top results of the premiere weekends may rise to more than 100,000 viewers in the digital age, even for domestic cinemas. Once implemented, the digitalization of screening technology improved the profitability of theatres, distributors, and producers. (Kinnunen 2019, 117.) The digitalization of movie theatres took place at an important moment with the rise of streaming services. The life cycle of a movie has shortened as a result of digital technology. Film production companies count on the fact that the biggest profit is made during the first weeks of the film's release in cinemas. The interest of even a heavily advertised film collapses during the fierce competition, and the film moves to online streaming services shortly after its premiere. (Hilapieli 2021, 31.)

The transition to digital cinema also had opponents, like all reforms in the industry. In the initial phase, the costs of renewing the equipment were more than 60,000 euros per hall, and the managers warned of costs of even more than 100,000 euros. In Finland, digitalization was supported with public funds, unlike in many other European countries, where the cinema business was seen as a purely commercial activity. The decision makers in Finland had recognized the cultural importance of the industry and the

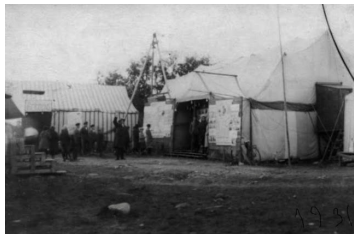
challenges of private small operators, and in the 1980s direct subsidies were given to cinemas. (Kinnunen 2019, 115.)

### **Ethical and ecological aspects**

The accessibility of the film to both the hearing and visually impaired is possible thanks to digitalization. All domestic feature films are described for the visually impaired and subtitled for the hearing impaired. The film's digital production, distribution and presentation chain can also be viewed from an environmental perspective. A normal film copy was about 3000 meters of 35mm celluloid film strip. For example, the film copy of the film *Matti* in 2006, which was 135 minutes long, was almost 4,000 meters long. At the premiere of *Matti*, there were 75 copies, or 300 kilometers of celluloid tape. One presentation copy had a weight about 30 kilos per copy, including the boxes. In the premiere, there were more than 2000 kilos of material that could be moved by train, bus or car, and finally in the hands of the machine operators. The vast majority of the material of the presentation copies has ended up in landfills. (Kinnunen 2019, 117.)

### 2.6 History timeline

Based on the literary research, six distinctive eras was identified in the 120-year history of the Finnish cinemas. The eras are summarized in Figure 5.

		
<p><b>Early screenings 1897–1908</b> Touring movie theatres. Narrators and musicians provide the background for silent news reports and comic scenes.</p>	<p><b>Movie palaces 1908–1930</b> Highly decorative movie palaces were built. Live orchestras accompany mainly American feature films 1908 – 1930.</p>	<p><b>The Golden Age of Cinema 1930–1950</b> Trendy Hollywood stars and the golden age of domestic cinema and movie theatres. The highest peak in audience numbers in domestic movie theatres.</p>






		
<p><b>Tv and declining popularity of the movie theatres 1950–1980</b> The change in consumer society brings competition to the movie ticket. Living room becomes an important place for leisure.</p>	<p><b>Videos and big multiplex cinemas 1987–2007</b> Multiplex cinemas are improving technology and raising ticket prices. Consumption of movies on video, 1980 – 2000.</p>	<p><b>Online streaming and digitalization of the movie theatres 2010 –</b> Online streaming is superseding physical formats. Cinemas make their digital leap in the 2010s.</p>

Figure 5: The most essential eras in Finnish cinema history. Pictures: Eero Makkonen, Unknown photographer / Suomen valokuvataiteen museo, YLE Filmipalvelu, Olof Sundström / Helsingin kaupunginmuseo, Geoffrey Moffett, Alin Surdu / Unsplash.

The timeline presentation, Figure 6, summarizes the most essential highlights and events that have influenced the development of movie theatres in Finland. The longer trends, social changes and smaller facts are included to the bottom part of the timeline. Color coding connects the events to specific era of movie theatre history. The success of movie theatres seems to be linked to the success of domestic cinema. The figure illustrates this with yellow color coding. The same phenomena can be noticed in the 2010s: when the number of domestic film premieres increased and digitalization gave movie theatres more efficient tools to operate, more viewers started going to the cinema. In recent years, new movie theatres are being established and the appreciation of movies, especially when viewed in a movie theatre, is on the rise. (Hilapieli 2021, 62-63.) Digitalization has enabled the existence of more diverse concepts than before and made boutique movie theatres possible, which are combinations of restaurants and a movie theatres. Smaller and more mobile movie projectors enable audiences to enjoy film experiences outdoors. (Hilapieli 2021, 10.)

## History of movie theatres and film screenings in Finland 1896 – 2022

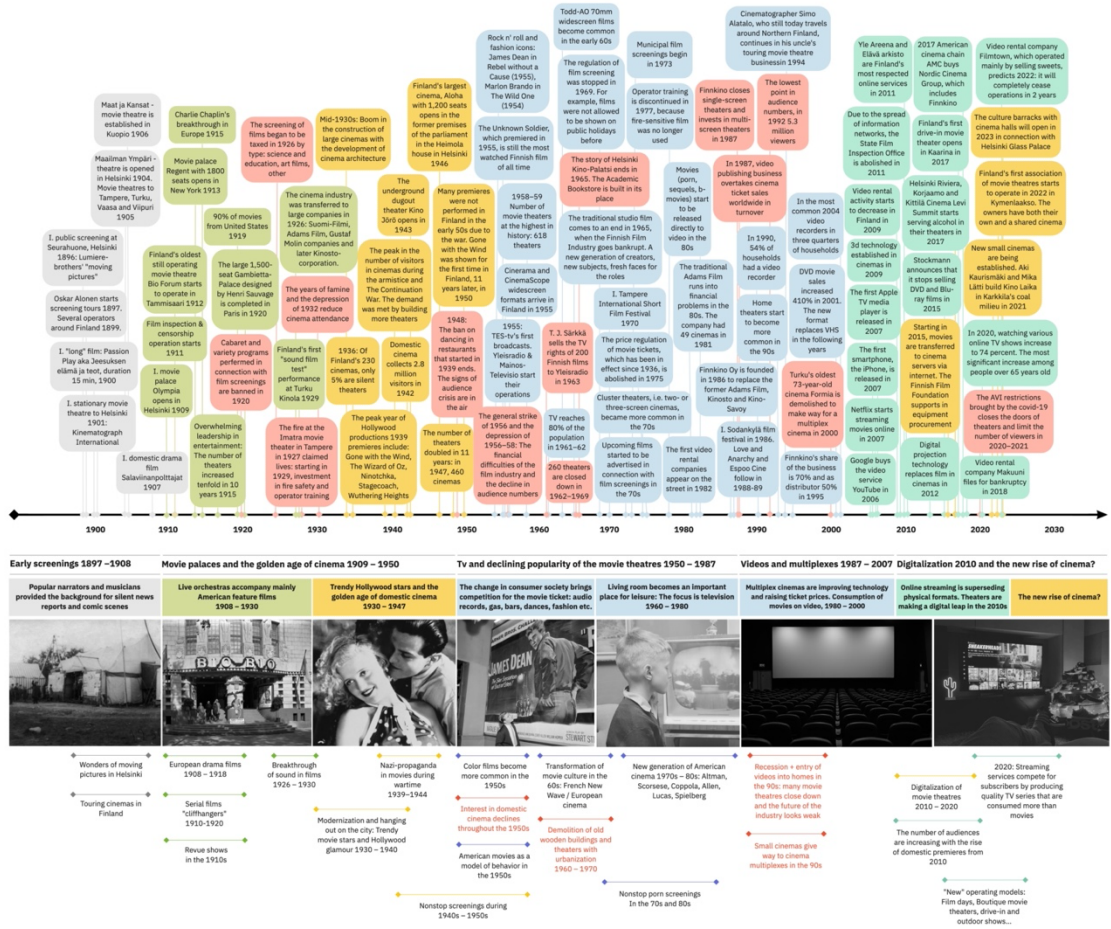


Figure 6: History of movie theatres and film screenings in Finland 1896 – 2022 (Heiskanen 2009, Hilapieli 2021, Lamare 2018, Päivärinta, Jämsä 1984, Ruether 2021, Yle.fi 2015, Sundqvist 2015, Loukkola 2015, Heikura, et al. 2022). Pictures: Eero Makkonen, Unknown photographer / Suomen valokuvataiteen museo, YLE Filmipalvelu, Olof Sundström / Helsingin kaupunginmuseo, Geoffrey Moffett, Alin Surdu / Unsplash.

### 3 EXPERIENCE ECONOMY

Especially in Western societies, the nature of the work, production and economy has changed and today, work is described as immaterial more often instead of physical labour. There is a shift towards Experience economy, where the economic value no longer consists of manufacturing or selling tangible products. Instead, work focuses on things that surround the products, the abstract meanings and concepts that are instilled in them. Products have to stand out as brands and their usage and content has to be meaningful for the customer. (Karkulehto, et al. 2016, 15-16.) The work in movie theatres has also changed over the years. Competition for the use of consumers' free time has intensified, and digitalization and the proliferation of online on-demand and streaming services have driven cinemas to create new kinds of experiences. In addition, the corona pandemic has severely tested the industry and accelerated the change processes in the industry. (PAM 2022.) It comes down to the question of how to keep the results of the company profitable and increase turnover in a highly competitive world (Karkulehto, et al. 2016, 19).

Customers desire experiences and businesses respond to this need with explicitly designed and promoted products and services. Leading companies have learned that economic value is about creating experientiality around consumption experiences, which adds value to customers and stands out from the competition. (Pine II, et al. 1998.) With added value to consumer goods, a higher price can be charged from them. There is no willingness to pay higher prices for ordinary goods although income in households is constantly increasing. Customers can buy the cheapest brand in order to save money for what is more meaningful for them, what counts as really important in life. Products and services have to become more special to make customer associate a specific brand as part of their personal identity. (Karkulehto, et al. 2016, 19-20.) When experience is purchased, customer gets memorable events that company stages, which engage him in an individual way (Pine II et al. 1999, 2). Engaging experiences have to be deliberately designed as chargeable, as companies are transforming their earning logic to selling experiences rather than selling services (Pine II, et al. 1998). For example airline companies do not function only as transport systems, but as entertainment systems (Pine II et al. 1999, 38).

### 3.1 Experience as interaction and transformation

The experience is not formed in the same way in the minds of two different people, because it is born from the interaction between the service and individual's mind (Pine II, et al. 1998). The main goal of the Experience economy is to produce an external framework, which prepares the birth of personal, genuine and authentic experience, and highlights its positive aspects, as far as possible. Companies cannot produce personal experiences for customers from the outside. The customer produces and gives meaning to his own experience. The ability for self-reflection and critical thinking, and taste and general level of education, affects the interpretation of an emotional experience. (Karkulehto, et al. 2016, 159.) Companies have to recognize the situations of their customers and then turn common interactions into engaging encounters, the basic functional activities are morphed into memorable events (Pine II, et al. 1998). Memories are the true value generated from the experiences. Customers remember the feeling they had when they used the service and the brands that produce memories can acquire very loyal customers. (Distinction 2020.)

Experience economy's last phase is the transformation phase, which purpose is to promote customer's authentic self and lead to deeper life changing events. In the mind of the customer, he makes the decisions independently and participates actively in constructing his own individual identity. Change occurs, where businesses don't have to ask what customers buy, but instead why. Consumption is shifted into active self-expression and the customer becomes a part of the Experience economy, who seeks a positive change in his life. (Karkulehto, et al. 2016, 161.) The transformation requires an active and highly interested consumer and the genuine understanding and willingness of the brand to adapt to the needs of the valued customer and be part of the change. (The Happy Prize Company 2022.)

### 3.2 Hierarchy of needs

When evaluating products or services, customers weigh the perceived value against the price. It can be psychologically complicated to figure out, what consumers value for real. (Almquist et al. 2016.) Hierarchy of needs, developed by psychologist Abraham Maslow in 1943, displays the diverse needs that motivate human behavior when in pursuit of happiness. Hierarchy of needs is usually depicted as a hierarchical pyramid, Figure 7,

where the lowest levels contain the basic needs and the top levels present the more complex needs. (Cherry 2022.)

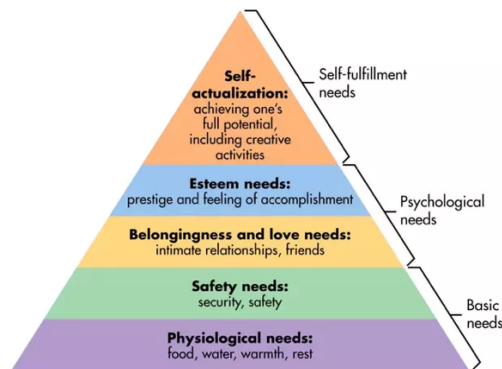


Figure 7: Maslow's hierarchy of needs (Cherry 2022).

In the bottom are the basic needs, which are divided into Physiological (food, water, rest) and Safety (security, safety) needs. After the majority of these needs have met, they will disappear from people's minds and efforts are targeted towards the next set on needs to be satisfied, which are Psychological needs: Belongingness and love (relationships, friends) and Esteem needs (feeling of accomplishment). Once the lower level growth needs have been satisfied, it is possible to move up to Self-actualization, where every person can and desires to reach. On top to the pyramid are Self-fulfillment needs, where person achieves his full potential. Progress is often disrupted by the failure in lower level needs and person moves back and forth between the different layers of the pyramid. (McLeod 2007.)

There has been criticism towards the hierarchy of the Maslow's model. Critics felt that needs may appear in different order, be absent or a mix of needs was needed from different levels at any time. This led to many new theories that are more sophisticated. Nevertheless, the Maslow's theory has had a strong influence on the business world, when figuring out human motivation. (BBC 2013.)

### 3.3 Elements of value

The Maslow's pyramid was extended by Eric Almquist, John Senior and Nicolas Bloch in 2016. They identified 30 Elements of value and focus on consumer behavior around products and services, Figure 8. These 30 universal building blocks are usually presented in a pyramid form and categorized into four different kinds of needs. The most

basic needs are located at the bottom and the most powerful values are located at the top. The Functional elements are the core offerings of the service and they are practical and useful values. The next layer contains Emotional value elements, which can connect more strongly with the customers and makes them more comfortable. (Amado 2019.) On average, companies with more emotional elements excel in customer satisfaction than competitors that focus only on the most basic and practical needs (Almquist et al. 2016). Life Changing needs and Social Impact are located at the very top. With life-changing value elements customers can experience some kind of personal transformation (Amado 2019). The study by Almquist, Senior and Bloch concludes that the companies that drive to improve their services or products by concentrating on selected value elements experienced accelerated growth. The more value elements products or services provide, the stronger customer loyalty and the higher sustained revenue growth of the company. (Almquist et al. 2016.)

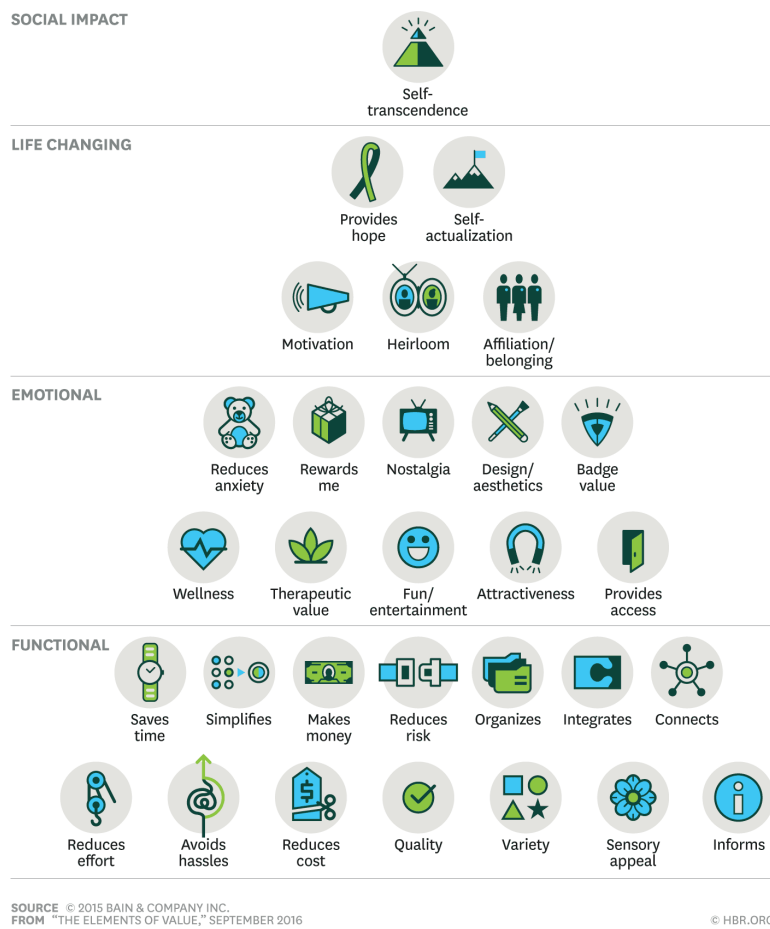


Figure 8: The Elements of value pyramid (Almquist et al. 2016).

It is important to note, that it is not required for companies to meet all of the 30 needs in order to gather loyal customers and make business more profitable. IT company Apple, which is usually situated on top of the best performing company lists, have excelled only on 11 of 30 elements of value. Companies should make strategic decisions when matching the values of their services and products to their customer's needs, rather than trying to connect too many value items to their services. There are also value elements that are more important to customers than others. For example, the quality of the service impacts the most on customer loyalty across all industries. The majority of the other significant value elements are dependent on the industry. Although digital companies deliver usually more value, businesses that are fusing digital and physical channels, excel in the emotional and life-changing categories. (Luenendonk 2020.)

## 4 SCENARIOS

When there is a comprehensive awareness of changes in the operating environment, anticipation increases the ability to respond to changes and act in the middle of transformation. Future-oriented organizations have a head start on competitors. They are more profitable and grow faster than those without foresight competence. Forecasting focuses on uncertainties in unstable, complex and ambiguous operating environments. While the instability of the operating environment cannot be removed, systemic forecasting and future design can reduce uncertainty and complexity of the future. (Koskelo 2021, 29-30.)

One of the most common forecasting methods is scenarios. Scenarios are descriptions of alternative futures and the development paths leading to them. The scenarios are based on data comprehensively collected and analyzed with futures research methods and tools. Using scenarios, organizations can prepare for changes and effects in the operating environment and test, update and develop their strategy. Scenarios are not predictions and they usually do not come true as such, but often the realized future is formed by a combination of different scenarios. (Koskelo 2021, 98-99.) Scenarios must be believable, consistent and highlight key challenges. They should differ from one another and challenge beliefs and assumptions. (Iversen 2005, 6.) If only a single model is generated, it may produce a false perception of the future and lead to wrong action strategies. Because scenario thinking is based on society more broadly and the future is not seen as already determined reality, but as possibility of several different alternative futures, it increases the organizations' flexibility in choosing strategies and gives the opportunity to prepare for many different futures at the same time. (Rubin 2022a.)

Forecasting describes many alternative futures, but the future cannot exist without the past. The understanding of the past and the present is emphasized when forecasting the future. Decisions made in the present moment and change drivers that are identified today, affect the future. (Koskelo 2021, 56-57.)

### **Dystopian and utopian scenarios**

Visions of the future can be dystopian or utopian. Both are imaginary places located in possible future that has not yet been realized, but dystopia describe the state of affairs as worse than in the present. In dystopian thinking, the current moment functions as a



transferrer of the prevailing negative aspects, and it expresses criticism of the developments of society or the decisions that are being planned. (Rubin 2022b.) Utopia on the other hand has an ideal quality, it is a place that is dreamed about. Utopian visions strive for some kind of social reform and the realization can seem very uncertain from realistic point of view. While the state of affairs in utopia are obscure and impractical, they are usually worth pursuing for. In utopian thinking, the future is consciously built to be something different and better than the present. (Rubin 2022c.)

#### 4.1 Trends and megatrends

The scenarios are built from change drivers, which are existing trends and early signs from an upcoming change. Changes in people's values, attitudes, behavior and practices are usually the basis for identified development trends. Only the first signs of trends may be visible, or they may have already spread more widely into the mainstream. Megatrends are global phenomena that have an effect in everybody and have a long and clear development direction. For example climate change, ecological demographic change, urbanization and digitalization can be considered as megatrends. Megatrends can be expected to continue without sudden changes, except if a wild card, for example a catastrophe like corona pandemia, or black swan, a thing that was not believed to exist, strikes. Weak signals are individual phenomena and events without any history nor clear development direction. They can be events that are very difficult to discover and combine to something that is already known. Weak signals are usually challenging to find, therefore when revealed, they can give a significant competitive advantage. A countertrend can also develop to a mainstream trend. For example, the trend of sharing everything in social media, lead to social media fasting and leaving social platforms completely as a counter force. (Koskelo 2021, 61-62, 65-66, 68.)

## 5 RESEARCH AND FINDINGS

### 5.1 Parametra study

Finnish Film Foundation and Parametra conducted an extensive research about the film theatre audiences in 2016. The goal of their research was to find out the customer profiles of 13 different movie theatres and their opinions about their theatre. The research was executed with online survey and paper forms. The data was collected from May to September 2016, in order to get answers from viewers of as many different films as possible. The total amount of respondents were 3073. (Suomen elokuvasäätiö 2016.)

Movie theatres were chosen in such a way that they were from different parts of Finland and from municipalities of different sizes. In the analysis, movie theatres were divided according to the number of screens which also corresponds well to the size of the locality and theatre. Single screen theatres that participated to research were: Kino Tapiola (Espoo), Kvalipas (Iisalmi), Haapamäen Elokuvat (Haapamäki), Kino Marita (Outokumpu), Vistan Kino (Paimio), Bio Stara (Paimio), Kino-Kuva (Teuva), Virtain Pirtti (Virrat) ja Sun Kino (Ähtäri). Two or more screen theatres (Multiple screens) that participated to research were: Elokuvateatteri Lumo (Salo), Kinolinna/Ritz (Mikkeli), Kinopalatsi/Trio 123 (Kotka) and Elokuvateatteri Star (Oulu). The research findings are summarized briefly in the next paragraphs.

#### **Summary of findings**

In larger municipalities, audience usually consisted of under 45-years old, students, members of the working population and with the background of university of applied sciences. In smaller municipalities, the majority of viewers were senior citizens (over 55 years old) and academically trained. From all respondents, 45% were families with children, and share of women was 76% and men 24%. Share of men was less than the amount of women in every movie theatre that participated in the research. Domestic films were emphasized in smaller municipalities and in audiences over 55-years old.

86% of the respondents considered to be very important, that there is a movie theatre in the municipality. Movie theatres seemed to be an important part of the audiences' leisure time in both small and larger municipalities. Going to the movies was considered quite often by people as young as with older viewers, but young people chose the movie

theatre less often compared to older viewers; the younger ones had probably several other options in mind. Selection of results from Parametra research are attached in Appendix 1.

### **Summary of open responses**

- In general, all age groups were very satisfied with the local movie theatre.
- In each of the movie theatres researched, the customers considered the technical capabilities to be very good. Digital technology makes it possible for premieres to be shown at the same time also in small towns, which viewers appreciated.
- Customer service was highly praised. Thanks were given to movie theatres in the smaller municipalities as well as multi-screen cinemas in cities.
- Several research locations had an old movie theatre with the atmosphere of which the viewers liked.
- There were a lot of comments that it's great when a local, dedicated entrepreneur runs the cinema.
- In some movie theatres, viewers would like an improvement in seats.
- The programme could be more diverse. The films were too one-sided according to some of the spectators.
- Some customers were upset when the films they were interested in, were removed from the programme before they had noticed the removal.
- Especially in smaller municipalities, audiences would like more showtimes and variations in times, so that the specific movie doesn't always run at the same time.

## **5.2 Interviews**

Cinema entrepreneur interviews were conducted in the movie theatres during spring and fall 2022, to understand the current situation better. World-wide pandemic of covid-19 was still topical and movie theatres started to open their doors in February 2022. Movie theatres were chosen in such a way that they were all operating in rural areas and they were distinctive from each other: three movie theatres, a touring movie theatre, film club organizer and a film festival organiser, Figure 9. Interviews were conducted as contextual interviews in movie theatres, with semi-structured question sets, Appendix 2-5, and a voice recorder. As interviews were carried out on location, this helped the researcher to

observe the environment of the businesses at the same time. Selection of pictures, taken from the on-location interviews are presented in Figure 10. Two interviews were conducted online because of scheduling reasons, one with Google Meet and another with email.



Figure 9: Participating movie theatres.

### Interviewees and movie theatres

Jari Mäkilä is a third-generation cinema entrepreneur who runs Bio Stara in Paimio and Bio-Salo in Salo. Mäkilä and his family has a long history in the movie theatre industry in Paimio and Turku. His enthusiasm for cinemas was ignited at a young age when he worked as his father Jukka Mäkilä's assistant in the projector rooms of Kino-Palatsi and Ritz in Turku. Bio Stara, with two movie halls, is located in Yritystalo Poimari right in the heart of Paimio. Movie theatre does not have a long history behind it, because the cinema was renovated in the premises of the former S-Market and Furniture store at the end of 2014. Mäkilä was interviewed in Bio Stara, Paimio.

Maija Saarinen started running Järvelän Kino with her brother since 2004 in Kärkölä, Päijät-Häme. Managing the cinema has been left mainly for her, when the old projector changed to an automatic system during digitalization. Running a movie theatre is a favorite hobby of Saarinen, who earns a living from a different day job. Järvelän Kino was built as a movie theatre in 1949 and has operated continuously since its foundation. Inside the brick building there is a small lobby that exudes Kaurismäki-like atmosphere

and a surprisingly spacious hall, where the comfortable seats of the old movie theatre lives have been relocated. Saarinen was interviewed in Järvelän Kino, Kärkölä.

Keski-Suomen Elokuvakeskus (KSEK) is a non-profit association which acts as a promoter of diverse film culture in Central Finland and also carries out touring film activities through the Kino Metso theatre. Kino Metso does important cultural work by screening films in localities that do not have their own cinema. Kino Metso tours regularly in Muurame, Vaajakoski, Petäjävesi, Tikkakoski, Viitasaari. Viitasaari has a long tradition of film weeks, and among the audience there were locals who participate in the event every year and watch several films during the week. Film week is organized in Viitasaari multipurpose house, with a youth center and cinema hall. Kaisu Tapaninen, executive director of KSEK, and Teemu Kauppi, theatre director of Kino Metso, were interviewed in Viitasaari during film week.

Pekka Ollula founded an international film festival in his hometown, the small village milieu of Huhtamo, located in the municipality of Huittinen. The Huhtamo International Film Festival (Huhtamo IFF), organized for three years, is a country festival where the village community is strongly involved in creating the relaxed atmosphere of the festival. The festival's program has been interestingly diverse and the venues support the film experience, for example horror films have been shown in the local church and movie with a bowling theme was screened in a bowling alley. Ollula's interview was conducted online with Google Meet.

Pony is a film club operating on Kemiönsaari, which shows a variety of films from different countries. Registration to film club is through Kemiönsaari Institute of Adult Education. The venue is a unique, atmospheric movie theatre Bio Pony in Taalintehdas, where diverse cultural program is organized throughout the year. Organiser Gabriella Lindblom introduces the films and holds discussion afterwards. Lindblom's interview was conducted via email.

KinoPattery is a movie theatre founded by the Parikkala Theatre Association. Films are shown in Harjulinna, which is a space that can be utilized by different associations of the municipality of Parikkala. The association carries out youth work by employing local young people, who get to do diverse range of chores related to running a cinema. KinoPattery is also a mobile movie theatre, that shows movies in film festivals and private events. Behind the theatre association are Riitta and Harri Rissanen, who have long maintained the cultural life of Parikkala and the surrounding areas in the form of a



summer theatre and a cinema. The interview of Rissanen couple was conducted in Harjulinna, Parikkala.



Figure 9: Selection of pictures from the on-location interviews. 1<sup>st</sup> row Bio Stara, 2<sup>nd</sup> row KinoPattery, 3<sup>rd</sup> row Kino Metso in Viitasaari and 4<sup>th</sup> row Järvelän Kino. Photos by Jarkko Waari.

## Blog and Instagram account

Ihmeellisetkinot.com blog was created to delve into the topic more broadly and introduce smaller movie theatres, entrepreneurs and movie organizations that were participating into the interviews. The blog also introduces different methods that were used in the project. Instagram social media channel @ihmeellisetkinot was established to network with movie theatres and parties that were interested about the subject of the project. Instagram was also used to follow the social media content of the independent movie theatres and movie event organizers in Finland. Both the blog and Instagram account, Figure 2, were written In Finnish and are not part of the research. They were designed to function on background and raise the awareness of small movie theatres and cinema culture.

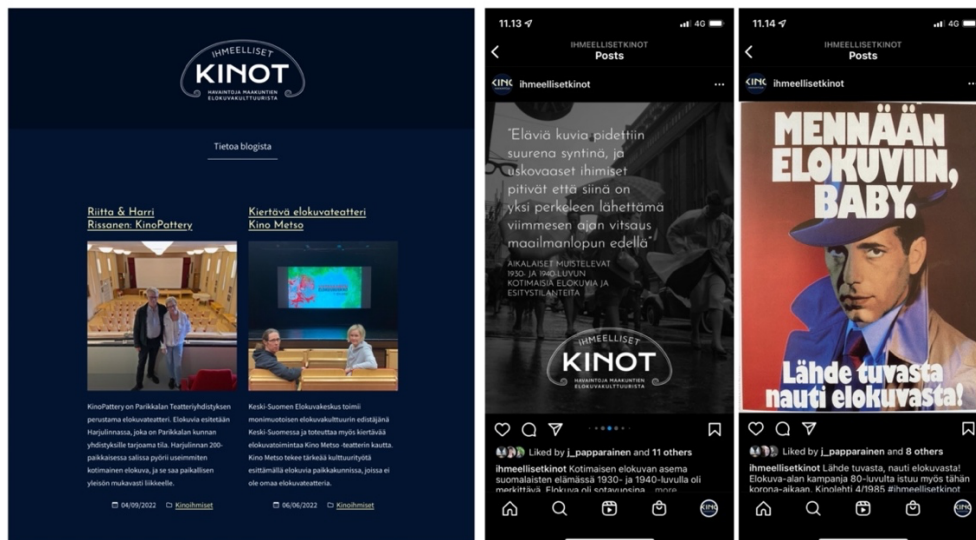


Figure 10: Screenshots from Ihmeellisetkinot.com blog and examples of posts from Ihmeellisetkinot Instagram account.

### 5.3 Summary from the interviews

Theatre owners are busy people, because all of the theatre's chores are theirs to perform. Whether it is ticket sales, cleaning up, operating the equipment, booking the programme, marketing, carrying the equipment, accounting, administrative work, communication with the film distributors or caretaking the property, small theatre entrepreneurs can be quite alone with their theatres. Many theatre owners had hired extra hands to help them for example in ticket sales. Some movie theatre owners had a

main job elsewhere and they run the theatre as a hobby. In those cases, everyday life can become quite hectic and person's own endurance is sometimes at stake.

The ability to present a movie experience that spark spontaneous reactions from the audience and positive feedback after the show, are the main reasons why entrepreneurs carry on with their movie theatres. The pure love of films and maintaining culture life in the locality are also important. Many theatre owners considered it to be important that someone could continue their work after them.

Usually theatre owners are considered as the face of the movie theatre by the locals. Maija Saarinen from Järvelän Kino considered it to be very important to be at the theatre in person to greet visitors. For Saarinen, managing a movie theatre is extremely fun hobby. She stated that it would be impossible to earn a living with a movie theatre in a small place like Järvelä. There should be several movie theatres in a larger area to make the business profitable.

### **Target groups and programme**

Rural movie theatres are targeting the programme to senior citizens (60+) and families with children. The audience consists of people who can't or find it too cumbersome to travel to nearby city to see the movies. The theatre has to be in close proximity enough for the film to gather viewers. The elderly do not move far from their surroundings. This is a great asset for touring movie theatres with mobile equipment, they can bring a movie theatre very close to customers. For seniors, a movie seen in movie theatre is a special event and seeing a certain movie in a small cinema can raise nostalgic feelings, a route back to the past.

Age structure of the locality is the biggest reason why movie theatre owners prefer to take domestic films into their programme. Known domestic titles, such as Mielensäpahoittaja, Napapiirin sankarit, Luokkakokous, Vares and Tuntematon sotilas are marketed heavily by film distributors and rural audiences are eager to see them from the big screen. Maija Saarinen from Järvelän Kino appreciated that domestic films are targeted to the group of people who go to the movies. Saarinen has noticed that at least in the countryside, middle-aged and older women are avid movie-goers, so movies like Teräslähdit and 70 on vain numero gather audiences. Women come to see the movies anyway, and if men come, the movie has to be really good. Nature documentaries, titles like Järven tarina, Tunturin tarina and Metsän tarina have also been very popular amongst the audiences of rural movie theatres. Saarinen mentioned also special groups



and associations as important target groups, for example people with intellectual disabilities from a serviced housing units. They can gather a group from nearby areas and come by bus. For example, people with developmental disabilities had made the fictional film about a local person Kari, and wanted to present the film in the movie theatre, with red carpets and everything.

Pekka Ollula from Huhtamo IFF had an experience from the festival, that sometimes a movie that is considered a sure hit has not gathered an audience. Instead, the audience had chosen a marginal film, which is a good thing for the organizer: the audience had gone to explore outside their own comfort zone. This has brought confidence to select more bolder movie candidates in the future festivals. Ollula described three types of visitors: Locals who live in Huittinen or neighboring areas. Another group of visitors are locals who have moved elsewhere. They come during the festival to meet friends. The third group are the new ones, who have just heard about the event, and there are plenty of them too. Ollula wished that more people would drop by from the city, taking for example a day trip with a bus.

### **Children and young people**

Domestic films interest also families with children. This is a very important target group for small movie theatres, because a small child does not come to the theatre alone. One or both parents are present as well and that sells already 3 tickets. Children's films like Risto Räppääjä, Super Marsu and Onneli ja Anneli are good business for the movie theatres, and usually attract plenty of audiences. However, this is not a guaranteed fact in all municipalities. Teemu Kauppi from Kino Metso mentioned that there are places where adults leave the children at the movie theatre and then come to pick them up in the end. Jari Mäkilä from Bio Stara said that local families with small children in Paimio do not go to Turku, because it can be too much of a hassle. The price of one ticket already goes to the parking lot. At the local movie theatre the ticket prices are cheap and families can park in front of the door free of charge.

Disney animations, which were hugely popular once, are not worth showing in rural theatres anymore. Many Disney films are available in online streaming service Disney Plus at the same time they are screened in movie theatres. Riitta Rissanen from KinoPattery explained the popularity of domestic children's movies, that they are more suitable for kids than their foreign counterparts as American children's movies have a lot of violence. Young mothers are very aware of what they want their children to watch.

Young people don't go to the small rural movie theatres. They think that a small local movie theatre is not a real movie theatre, like Finnkino in cities. They have certain requirements in terms of sound, acoustics and service. Jari Mäkilä from Bio Stara complemented, that 18-20 year olds who have a driver's license go to bigger cities like Turku, to see big titles, for example James Bond films, Star Wars and Matrix. Maija Saarinen from Kino Järvelä said that high school aged don't come to Järvelän Kino, they go to nearest city. They want to get away from local surroundings and many other things are more important than watching a movie for them.

### **Support from the locals**

Going to the movies is a social and communal event for people, Maija Saarinen from Järvelän Kino stated. Familiar faces can be seen in the movie theatre, which can be described as a meeting place like a village house. In a small rural town the amount of public meeting places are few. Saarinen described the regular customers as well-established group that come to see every domestic movie, but there are also new customers all the time.

Teemu Kauppi and Kaisu Tapaninen from KSEK told that there are heavy-users who always come when the tour arrives to the municipality: there are some really committed people who come to see anything. For example two elderly women bought eight tickets each. If the venue has shown movies actively in history, but not anymore, older audiences can come because they used to watch movies in the same movie theatre when they were young. They miss the experience so much that they come to see whatever films are screened there. Tapaninen described that people are terribly flexible, they don't care if the show is delayed, when there are problems, for example in the projector room. Audiences appreciate a lot when touring movie theatre visits and films are brought to their village.

In Parikkala, Riitta and Harri Rissanen's contribution to the cultural life of Parikkala does not go unnoticed by the locals. There has been a lot of open praise for the fact that Rissanen couple manages to run the association's activities with volunteer work. They both replied that especially the audience's reactions to the film give an incredible amount. The audience's unrelenting laughter, tears and post-screening thanks with their personal stories help to keep KinoPattery going.

Pekka Ollula from Huhtamo IFF gave credit to communal efforts of the entire village to make the film festival happen. Everyone in Huhtamo helps each other.

### **Tradition of film culture in the municipality**

If the municipality has had a movie theatre and there is a habit and history of watching movies in a movie theatre among the locals, there is an audience for the movie theatre. It can be harder to establish a movie-going culture to the area with no tradition at all and it can take many years to achieve a foothold in the locality. Kaisu Tapaninen from KSEK remarked that the public must be raised to visit culture. It won't come right away, maybe within 10 years.

Pekka Ollula thought that Huhtamo Film Festival has brought film culture to the municipality and this arouses interest in other culture activities in the locality. New kinds of culture events and services inspire people to think and develop their own lives to be more culturally inspired. The event also pushed Ollula in the direction of culture as well. The film festival guides audiences to the cinema art, and they can then reflect and interpret the experience however they want.

### **Selecting the titles**

The challenge for many movie theatres is to know how to select the films that are suitable for the locality. If a rural movie theatre shows the same movies as theatres in Helsinki, people won't come. There is no business in empty cinema halls. Usually theatres learn what suits best by trial and error.

KSEK plans the programme in a team of four people. They considered that the team planning brings versatility to the palette because everyone has a different taste in films. Often it is necessary to make the selection against personal taste, when a big title just has to be included in the program, because that is something audiences want. The KSEK team have realized, that there are many different tastes in cinema. Their task is not to define what is good and what is bad, but to offer the experience and versatile film coverage. The customer makes his own interpretation and choice.

Pekka Ollula from Huhtamo IFF is able to select arbitrarily what he wants to show with a very broad coverage: classics, recent novelties, shorts, documentaries. Ollula goes through movie candidates with a large circle of friends and a small Huhtamo team. Ollula creates a few program maps and tries to find a good balance by combining them. This is the most rewarding planning work in organizing an event and it can take several months. Now that the festival has established its position in Finland, filmmakers are making contact and sending "screeners" to get their works into the programme. Huhtamo

have had the principle that everything that is sent is shown and matched up to suit the festival programme.

### **More than one cinema halls**

If a movie theatre has two or more cinema halls, it makes the operation more efficient, the number of articles can be increased, as a movie theatre can run films in separate halls at the same time. Bio Stara in Paimio has two halls. Owner Jari Mäkilä runs newer and more popular titles in the big hall and the older ones and quality & arthouse films in the small hall. The life cycle of the most popular films can be extended with the second hall. Mäkilä has the possibility to change the movie to a bigger hall, if the audience numbers exceed the number of seats. Switching between halls is possible now because the movie is loaded from the server.

### **Early and mid-day showtimes**

Many movie theatres have adopted mid-day screenings during weekdays with reduced ticket prices, for example 8 to 11 euros. There can be a coffee service half an hour before the movie starts. Problem with the early showtimes is that there are too few customers. Majority is at work or school, others just tend to be busy with their hobbies and chores. Jari Mäkilä from Bio Stara confirmed that as a leisure activity, a movie will usually come second if there is something else going on, even though Mäkilä has placed daytime shows on Wednesdays to make it best for seniors. Mäkilä stated that people don't usually consider going to movies spontaneously during the day. Teemu Kauppi from Kino Metso tries to implement smaller titles during daytime that are clearly for smaller audiences.

During the research period, the researcher witnessed three mid-day screenings in different theatres: first had three customers at 14:00, second had only one at 12:00: the observer himself and the third was during a touring cinema, where the morning 10:00 showtime had zero customers.

### **School Cinema**

The purpose of the School Cinema is to promote children's and young people's interest towards films nationwide in co-operation between schools and movie theatres. All Finnish cinemas are committed to organize film screenings during the school day on request from schools. The central job of the School Cinema Association is to maintain a list of films suitable for school and to produce learning materials to support film education in schools. (Koulukino 2022a.) Nearly every movie theatre that participated the research

had organized School Cinema screenings with the support of municipalities. In some occasions it is not financially possible for the municipality or the school to organize School Cinema. The attitudes of the individual teacher or department of culture can play a significant role, whether or not there are school cinema screenings in a small municipality.

### **Film education and art films**

For rural movie theatres, little known foreign films, for example independent and arthouse films do not attract customers. Movie theatres have to collect certain amount of viewers to cover the rent of the film for film agencies, so it is very risky to take unprofitable films in to the programme. Even mainstream films don't necessarily find audiences in rural areas, if they are from abroad. If a movie theatre has a second screen, usually in a smaller hall, theatre owner can use that space to show smaller films, while bigger hall with more seats can be utilized to show bigger films.

With financial support, touring movie theatres, film clubs and film festivals can include more risky and smaller titles amongst their programme, but the programme still needs safe and sure hits that will cover the losses taken from the unprofitable titles, and a sure hit is usually a heavily marketed domestic movie.

The goal of the KSEK is to broaden the view of film and offer diverse coverage. With touring movie theatre Kino Metso, they can include alternative titles into the programme and carry out their goals in rural municipalities as well. Compared to a traditional movie theatre, Kino Metso is a bit of an oddball. They can show films that don't ring any bells to audience what the movie is about. Even though they know that maybe maximum of 10 customers will come to see it, but when all of them give a hug to Kino Metso personnel after the movie, that could be the reward needed. The film can touch a lot if a spectator does not know anything about it beforehand.

Movie club host Gabriella Lindblom from Bio Pony likes to watch a lot of movies and prefers slightly "smaller" movies that are not shown in Finnkino or other cinemas. The only possibility to see such films was to start a film club, where she could select the films herself and also give others the opportunity to see quality films. Club members were happy to see slightly different movies that make one think about the world and the different problems and phenomena that occur in different cultures. Lindblom thought that some members have even discovered new ways to perceive what a movie can be.

## **Marketing and competition**

The marketing and public hype produced by film distributors play a big role. Maija Saarinen from Järvelän Kino described it as a suicide to take films that distributors do not market. A small movie theatre owner does not have the resources to create marketing hype around movies. Saarinen confessed that she should invest more on marketing, but her time is limited because running a movie theatre is just a hobby for her.

In the eyes of many customers, Finnkino is synonymous with cinema in Finland. Jari Mäkilä from Bio Stara stated that Finnkino is such a big brand, that there are customers who think that every movie theatre is Finnkino. Finnkino's gift ticket campaign may have misled the consumer and sometimes people come to Bio Stara with Finnkino gift tickets with an assumption that Finnkino tickets are valid there as well. And of course they are not.

## **The premieres**

The audiences appreciate that films are shown in local movie theatre when they premiere nationwide. Usually audiences are already expecting to see a film, which have gotten plenty of marketing coverage from the distributors beforehand. During the observation period, it came as a surprise to many, that a small movie theatre can show the same titles than city cinemas, at the same time. Sometimes a film can even have a national premiere in a small municipality before Helsinki. Before, audiences had to wait for movies to arrive to rural areas, when the film copies had first gone around the cinemas in the city.

Teemu Kauppi from Kino Metso had learned during the tours, that audiences warm up more slowly in the provinces, there is no need to get a movie right away for the premiere. On the other hand, for example, when there was a premiere of the film *Kättilö* in Muurame, the hall was full.

## **Ticket pricing**

The ticket prices can vary from 8 to 13 euros in the movie theatres that participated the interviews. Some movie theatres justify the low ticket prices because the setting of the venue is not ideal. Rural movie halls may lack in comparison with the bigger cinema chains, where seating and acoustics cannot offer the same premium experience, but still

the quality can be on a good level. Low ticket prices produce positive feedback from the customers.

Maija Saarinen from Järvelän Kino stated that in Finnkino, ticket prices can be quite steep for families with children. For Saarinen it is important that families visit the cinemas and she argued that the movie should be such a service that shouldn't cost a lot. It is important that families with children attend, because after the children leave home, adults often continue to go to the movie. Many loyal customers have suggested for Saarinen to raise the ticket prices, which were only 8 euros.

Film rental prices depend on the distribution company. In the week of the premiere, distributors take 50% of the ticket price and then the share decreases week by week to 40%. When a film's box office revenue reaches the amount of the rental price, the distributor's share of the ticket price is reduced. Riitta Rissanen from KinoPattery told that rents have been rising. When KinoPattery started the rent was 30%. The higher the box office, the higher the percentage. Movie theatres have adopted different serial and gift tickets and accept payments with cultural vouchers. KinoPattery had a stamp card system, where every 6<sup>th</sup> movie is half priced.

### **Audience figures**

Movie theatres report that the number of audiences had increased after the digitalization. Covid-19 temporarily dropped the numbers but now the figures are slowly getting up again. Maija Saarinen from Järvelän Kino described the growth after digitalization in 2012 as amazing and before covid-19 forced theatre to close in March 2020, there were already the same number of visitors in just couple of months as in September of 2019.

Summer is usually a difficult time for many small movie theatres. Because of this, many rural movie theatres are closed during summertime. Dwellers are outdoors and busy tinkering in their gardens, they don't watch movies. At KSEK, there are usually layoffs for the period of June-July. Late autumn to Christmas is the best time. It packs a lot of domestic premieres and that is when the sales will be made.

### **Challenges**

Some smaller movie theatres cannot screen films daily or even weekly. Usually in these cases, theatre owners have a day job and running a movie theatre is a hobby for them, or the theatre does not have a dedicated and permanent location to show movies. Riitta Rissanen from KinoPattery explained, that when a basic movie theatre takes a film into

it's repertoire, theatre can run it every day for as long as three weeks. The required amount of audience will be full, even if there are days where there is only one person at a screening. KinoPattery, which organizes film screenings during every second weekend, has to fill up the audience numbers in two to four screenings per movie.

The venues that are not specifically created for showing movies can be problematic with acoustics: the volume levels can be difficult to adjust. The adjustments have to be done individually per movie, sometimes in the middle of the film. Adjusting the volume levels can be tricky, because someone may feel that the sounds are too loud and another says that they couldn't hear anything. Teemu Kauppi from Kino Metso knows that at Finnkino, films are played at the same volume, although the mixes vary from film to film. Overall, many people appreciate that films are not too loud in smaller movie theatres.

Pekka Ollula from Huhtamo IFF thought that the location of Huhtamo serves the event well. The only big problem is accommodation and capacity in the Huittinen area. There are no big hotels.

### **Advantages**

These advantages compared to bigger cinema chains were repeated in the interviews:

- Cheaper ticket prices
- More personal service
- Setting is smaller and service more intimate
- Closeness of the theatre
- Free parking spaces
- No commercial ads at the beginning of the movie
- Distinctiveness compared to more standardized big cinema chains

### **Benefit of the municipality**

Jari Mäkilä from Bio Stara reminded, that when audiences choose a local movie theatre, taxes are directed to home municipality. And that maintains roads and swimming pools and all the common good in the locality.

Kaisu Tapaninen from KSEK explained that one reason for the success of touring movie theatre Kino Metso is the networking in the municipality. Kino Metso gives the



municipality a chance to shine. For example, people from municipality's department of culture may be selling tickets, in which case the citizens of the municipality think that this is the municipality's cultural activity, and this activity is for the benefit of the municipality. Kino Metso also wants to give local kiosks and associations space to organize their own fundraising, if they want to carry out ancillary sales. Local sports club may be selling candies and baseball bats to local school can be bought with buffet money.

Kino Metso has a close connection with the municipalities they are touring and listen them very carefully. There has to be good cooperation so that the municipality involves itself into the project and provides the venue and marketing. Meetings are held several times a year about: Has the target audience been reached? Is there something to be added? Have the showtimes been good? Have the movie choices been successful?

In Parikkala, KinoPattery implements youth work by employing local young, where they get to practise a really versatile range of chores, such as ticket sales, customer service, using the projector, cleaning up and arranging the seats. For many of them, a local movie theatre is the first workplace where young people have a proper employment relationship.

### **Financial support**

Financial support helps movie theatres to include more special titles, like European and domestic small-scale productions, to their programme. Jari Mäkilä from Bio Stara has agreed with the Paimio city to show 8 quality movies and 4 opera performances in a year. Without the support of the city, these films could not be shown at all.

Touring movie theatre Kino Metso applies cultural grants from the municipalities every year. At the same time the parties agree on the extent of the event: whether it is for example 7 days or 4 days. Some municipalities have annual contracts. A noteworthy aspect is, that municipalities only give grants to the associations of their own locale and for example an association owned movie theatre from a next village can find it economically unprofitable to operate in a neighboring municipality.

For Pekka Ollula from Huhtamo IFF it is always the grants that bring tension when organizing the festival. The event cannot be organized without them. Ollula stated that finances are always an additional concern and it takes most of the preparatory work. In the beginning, presales and sponsorship from the local companies helped to get festival started.

Finnish Film Foundation grants operating support to the communities or registered associations responsible for the operation of the cinema, as well as to the municipality or association of municipalities maintaining the cinema operation. Support can be granted primarily to movie theatres and touring movie theatres in small and medium-sized municipalities. (Suomen Elokuvasäätiö 2022.)

### **Special screenings**

Kino Metso operates in Central Finland, but they have also gone further for special events and shown films in a wide variety of venues. They have also executed cinefilm screenings. Understanding the requirements of the film screening can be difficult for customers who want to organize the events. KSEK has gone to a place where the venue had no electricity at all. There also should be a separate room for projector, so that the projector noise does not distract the spectators. KSEK gets also many contacts from people who want to order an outdoor screening, but don't realize that the cinema has to be dark.

Riitta Rissanen from KinoPattery appreciated the special events and likes to go on the road to screen movies in different locations. It's easy to have the same routine in the movie theatre, movies just change but these special gigs can often be so varied from each other. There can be a joint performance with the Kuopio City Orchestra where a Charlie Chaplin movie is accompanied by a live orchestra, or there can be a small hunting cabin in middle of forest, and movie equipment are carried amongst the fresh carcasses. There has been an increasing amount of special events recently from North Savonia and North Karelia.

Pekka Ollula had a desire to mix up the crowd in Huhtamo International Film Festival, to create a dialogue between rural and urban dwellers. Ollula said that it has been an interesting experiment with the venues. Festival has arranged film screenings in barns, village schools, bowling alley and even a church. The locations create a milieu around the film and the films are selected to fit the milieu. This opens up new thinking and discussion amongst audiences: can horror be shown in church? Why not? Rarely locals walk the hill where the church lies at midnight, this brings its own dimension to the experience. Church benches are not necessarily the most comfortable, but the experience can be wonderful. Ollula stated that the venue can entice the crowd to watch a movie that they would normally skip.

## **Drive-in**

Riitta Rissanen from KinoPattery described the drive-in's as not very lucrative events, but they are very fun and a good way to expand the service beyond regular target groups. She has had feedback, that audiences really like these events, but it's a huge undertaking from the organizer. When organized, audiences consisted of mostly middle-aged audiences from nearby areas. Sounds were transmitted to car radios via antennas, so audiences could adjust the volume as they please.

Rissanen reminded that drive-in's can be tricky to arrange. Film must be always a domestic because audiences cannot read the subtitles from cars. The event must be arranged in Autumn so that it's dark, but not too late, so the people don't get cold in their cars. During September-October the windows start to fog up, so that is too late. Sometimes car batteries could fail and people go into other cars crouched down.

## **Interaction and movie clubs**

At one point there was a film club organized by Adult Education Center for couple of years in Paimio. It was at the movie theatre once a month. The organizer selected the titles and Jari Mäkilä from Bio Stara ordered and screened them. Unfortunately, movie club did not attract many participants and the activity ended.

Concerning documentary films, Kaisu Tapaninen from KSEK argued that in order for the public to come and watch a documentary, there must be a director present or a discussion session related to the theme of the movie. For example, the discussion of the *Nälkämaan Sampo* documentary, which told the story of Talvivaara mining company, lasted longer than the film itself. Director Mika Koskinen was there to discuss the fates of the men of Talvivaara.

Movie club host Gabriella Lindblom from Bio Pony stated that it is a very different experience to see a movie together with a dedicated group and to see a movie in a cinema. Bio Pony operates in an old cinema with a cozy atmosphere. The fact that after the movie audiences can discuss the movie they saw as a group, brings added value to the situation.

Pekka Ollula from Huhtamo IFF described the environment of the festival as relaxed, where the audience is free in a different way than in a normal cinema. Spontaneous applause, own snacks, relaxed loitering, create a cheerful spirit. The visitors and their

openness and conversations, exchanging opinions and stories, builds a unique atmosphere.

### **Competition with online on-demand services**

On-demand services can compete the movie theatres with the pricing. With monthly subscription, people feel pressure to consume the content from the paid service instead of buying separate tickets to cinemas. Even though the home cinema is a pleasant place and technology is invested in, it is nice to go out to see a movie with friends. Jari Mäkilä from Bio Stara explains that when people go to cinema, the door closes and lights go out, it's like a devotional service. Audiences focus only to the movie. There are fewer disturbances than at home.

When the researcher visited Kino Metso's tour in Viitasaari, the opening documentary *Invisible Demons: Signs of Destruction* was already available to watch for free in YLE Areena the day before. Teemu Kauppi from Kino Metso was upset that the documentaries come to YLE Areena very quickly and that YLE is cutting a branch from under movie theatres. A person has to be a true movie enthusiast to go to the theatre and pay 12 euros for the documentary that is watchable free of charge from online. But it's great that there is an audience that appreciates the big screen experience.

### **The future**

Currently, the future seems unclear for the movie theatres. After covid-19 and the shutdown caused by government regulation, movie theatres seem to take one day at a time and hope that audiences find back to cinema halls. At least there are many domestic films waiting to be released after pandemic. From this point of view, the near future looks promising for rural theatres. Some movie theatre owners were pondering what the future of their movie theatre is when they are not able to continue the work. All of them hoped that someone would continue the operations.

Maija Saarinen from Järvelän Kino thought that the theatre could eventually be sold, but the best option would be for the municipality to continue the operation. Otherwise it would need great devotion to be able to run the business, it takes a lot of free time. When movie theatres are owned by municipalities, they have their own budgets under the municipalities' culture departments, but films are shown as long as the box office revenue covers the incurred costs. Operation is managed by a leisure secretary, whose job description includes multiple cultural activities. (Nousjoki, 2022.)

Riitta and Harri Rissanen from KinoPattery wondered what movie theatres could be in 20 years from now. If there are any cinemas left, the movie theatres have to be always up to date. Experience will be something more than just watching a movie. Main thing remains, that movies are brought to the big screen. Pekka Ollula from Huhtamo IFF dreamed of an annual event, but does not know if it ever be possible. As the event takes place every other year, Ollula and his crew can take a breath in between and calmly ponder what's next. Ollula is active in the film field, his own short film was just coming out and a long film, which takes place in Huhtamo and Huittinen, was in the concept phase. Huhtamo has produced well-being for Ollula and international festival has opened up new opportunities for a filmmaker, for example international contacts that can be utilized for his film projects.

Kaisu Tapaninen from KSEK stated that the awareness of cultural and art education should be raised. Tapaninen was worried of the current direction that the movie is entertainment and a consumer product to be enjoyed with popcorn. It requires brave movie theatres who can include art films into their programme. She argued that movie theatre is an art institution, just like an art museum or a city theatre. People should be brought up to go to an art institution and see the art there. Audiences have to realize that a movie theatre is a special place compared to the sofa at home. Personnel in KSEK have also pondered, can a cinema be an alternative living room? So inviting, so communal that the appeal is bigger than Netflix.

#### 5.4 Cultural probing

Cultural probing method was part of the observation phase. Three participants were recruited to attend a local or a neighboring movie theatre as customers and were briefed to observe the experience and personal feelings with photographs and notes. The probing followed a process described in Figure 11. At first in the Tuning in phase, the researcher prepared the task and briefed the observers (probers). In the brief, the probers were instructed how to prepare for the movie, Appendix 6. In the Probing phase, they attended a movie in their local movie theatres and observed the environment. Probers were instructed to take photographs of things and details that please them and write down the feelings and thoughts that the movie theatre evoked in them. Selection of pictures taken by the probers in three different movie theatres is presented in Figure 12. After the movie in the Deepening phase, observers had to reflect the experience and

return all the notes and pictures to the researcher. Researcher interviewed all the probers individually afterwards to discuss the experience through. Observers and movie theatres were anonymized and the results are handled in a way, that participants cannot be recognized from the answers. All three participants were over 40 years old women. First one lived in the rural village and visited a nearby movie theatre, the second one visited the cinema in a town where she grew up. The third participant was visiting her relatives in the same province where she was originally from. Following paragraphs summarise the answers.

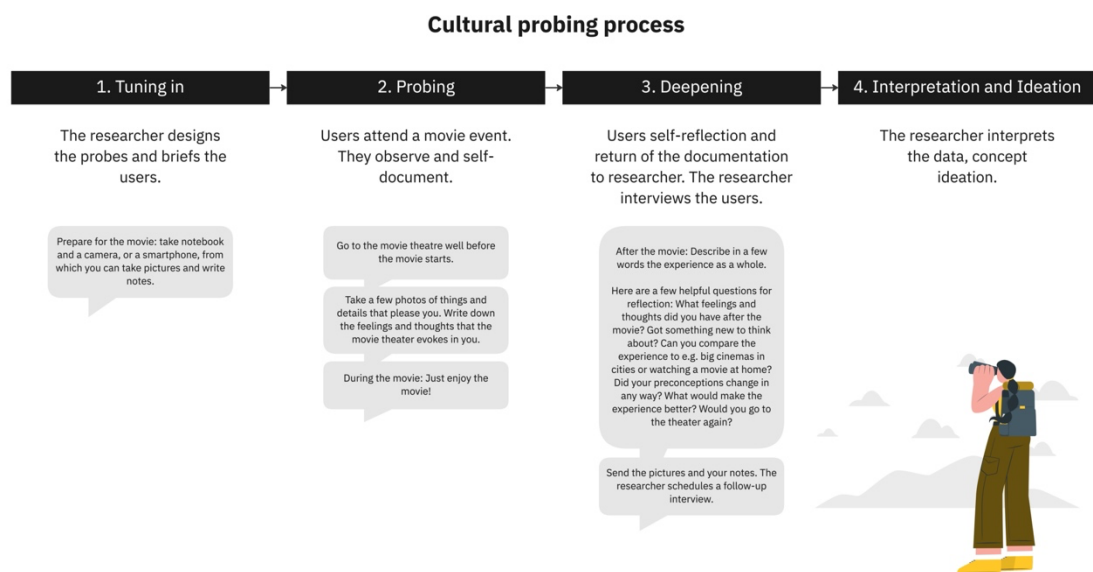


Figure 11: Cultural probing process

### Movie theatre experience

There is a possibility for smaller movie theatres to compete bigger movie theatre chains with the unique experience, with a smaller and more intimate atmosphere. For two probers, the movie theatre was a bigger experience than a film they came to see. One prober stated that big cinemas may offer better film experience technically, but nothing at Finnkino as a space has been great in itself. They are always the same. The movie theatre buildings themselves and entrances were important in conveying a dignified feeling, that these movie theatres have been significant places in their heyday. The appearance of the cinemas must have uplifted movie-goers above everyday life. When entering through big and heavy wooden doors, one prober described a feeling of

grandness. For all probers, old ticket counters, carpets, seats and decoration helped to raise feelings of nostalgia in lobbies and halls. All the respondents appreciated if architectural details or original materials were preserved. One prober had enthusiastically found out more about the history of the movie theatre from older relatives that had visited the place when they were young, and found out that the cinema's significance for the spirit of the locality had been remarkable.



Figure 12: Selection of pictures taken by the probers in three different movie theatres.

## Services

It came as a big surprise to one prober, that the film she went to see, premiered in a local movie theatre at the same day than in city cinemas. She was not aware the benefits of

the digitalization and remembered, that 20 years ago they had to wait for a movie to arrive the municipality over a month. Service was considered very friendly overall. Movie theatres offered a good selection of snacks. One movie theatre had a café in the lounge area and the selection consisted of local products, which was a great. There were good parking spaces near the cinemas and they were free. Two movie theatres offered free movie posters for audiences to take home. In the movie hall, there was plenty of room to comfortably sit anywhere. The quality of technical equipment in the cinema halls seemed good to all probers. There were no ads before the movie started and it was appreciated that the film started when it was supposed to. According to one prober, there were some commercial ads, but not as much as in Finnkino. Probers were worried about the profitability of the businesses, because there were only handful of other customers attending the screening. This was a fact, that raised the desire to support the local movie theatre.

### **Something to improve**

Overall, there were a homespun feeling in the lobby areas in every movie theatre. One cinema had an interior design that did not please the prober, big candy selves blocked the spaces of the lobbies and there were plenty of visual disturbances with posters and advertisement. One prober felt that the shabbiness brought a cozy feeling to the theatre, the others preferred a more simpler and cleaner interiors, and wanted that interiors supported the dignified architectural design of the space better. One movie theatre had problems with a musty smell and there were ants running on the floor of the movie theatre hall. Two probers felt that it would be nice to discuss or listen a discussion after the movie with a cup of coffee or wine, and another continued that there was no time before the movie to enjoy café's offerings. She advised that movie theatres could guide visitors back to lounge after the movie, as there would be more possibilities of after sales. It would also be nice that movie theatres would promote what films are upcoming and advertise the weekly schedule in different channels, including social media. Summary of Cultural probing results is presented in Figure 13.



Positives	Improvement ideas	Surprises
<ul style="list-style-type: none"> <li>• Good parking spaces near movie theatre</li> <li>• Service was very friendly</li> <li>• Cuteness &amp; homespun feeling</li> <li>• Nostalgic feeling</li> <li>• Smaller, intimate place</li> <li>• Grand feeling when entering through big wooden doors</li> <li>• Good that many original materials and details have been preserved</li> <li>• There was plenty of room to comfortably sit anywhere</li> <li>• Small movie theatres can offer a better movie theatre experience.</li> </ul>	<ul style="list-style-type: none"> <li>• Big candy shelves block the space of the lobby</li> <li>• Current interior did not work</li> <li>• All the shabbiness should be cleaned away</li> <li>• Full potential of the building's architecture should be put to use</li> <li>• Lot of visual disturbances in the lobby with posters and advertisement. Simpler and cleaner would be better</li> <li>• If movie theatre has a cafe, visitor should be guided there after the movie (discussions &amp; after sales)</li> <li>• Social media presence could be better. Weekly schedule important and what is upcoming.</li> </ul>	<ul style="list-style-type: none"> <li>• Good selection of snacks</li> <li>• There are traces that this place has once been a significant place in the municipality, a place above everyday life</li> <li>• A big surprise that movie premiered at the same day than in city cinemas</li> <li>• A positive surprise, that there were no ads or fever ads than in city cinemas, before the movie starts</li> </ul>

Figure 13: Summary of Cultural probing results.

## 6 ANALYSES AND IDEATION

### 6.1 Service ecology mapping

In tandem with the research phase, the service ecology was mapped by placing all the different actors affected by the service and the relationships between them on a service ecology diagram, Figure 14. This systematic displaying of the whole service ecology is particularly useful in the early phases of a service design project. Service ecology map visualizes all the actors and stakeholders of the service, investigates the relationships between service actors and stakeholders and comes up with new service concepts by finding new ways for these actors to work together. (Polaine 2013.)

Service ecology diagram was compiled at the very first stages of the project and notes were added along the research phase, when more data was uncovered. The diagram helped to understand the big picture, as it is necessary to get an overall zoomed out perspective of the topic. The figure reflects the current day situation, not the future. On the center of the rounded shape is the titular topic: Rural movie theatre. Notes in the near center of the figure are elements that could be repeated more often, even daily and the notes in the far sides of the shape could occur more seldomly. For example, a person could attend to outdoor movie event annually at best and see a movie in a local movie theatre monthly and while home, movies could be watched two times a week. Notes are color coded by three types: basic movie-goes, cinema / culture lovers and competitors. The figure is divided into six segments.

1. **Why** audiences go to see movies?
2. **What** kind of ways there are to see movies?
3. **Who** are involved?
4. **How** the movies are reached?
5. **When** movies are watched?
6. **Where** movies are watched?



**Political factors**

The degree of government involvement in the environment that is being examined: various policies and laws, political stability or instability, restrictions and regulations. For example, strict regulations from Regional State Administrative Agency (AVI) had movie theatres to sell only half of the total number of seats and even close their doors, during corona pandemia.

**Economic factors**

Determines the performance of an economy or exploring how viable a business is. Factors could include economic growth, inflation, interest rates, consumer income, and unemployment rates. For example, cinemas received Financial support from Finnish Film Foundation to modernize equipment.

**Social factors**

Represents the characteristics of the demographic, population trends, and the norms, customs and values of the population. For example, if the municipality has never had a movie theatre, it can take a while for the movie-going culture to root in the vicinity.

**Technological factors**

Examines the innovations and possibilities in the technological environment. For example, in the future there is a possibility that laser projectors are replaced by LED screens or near projection technologies. This would make the traditional projector room unnecessary.

**Legal factors**

Legal factors include all laws, rules, regulations and policies, where organization can operate within. Also all the internal rules that an organization might have have to be considered. For example, movie theatres pay a fee to the film distribution company for the right to show the film. Fee is calculated from ticket income.

**Environmental factors**

Considering environmental aspects, such as natural resource conservation and management and the environmental impacts of various actions and behavior. Different factors can be changes in climate, trends in recycling, sustainability and carbon

emissions. For example, cinemas have moved to digital film distribution instead of transporting heavy film reels around the country.

<u>Political</u>	<u>Economical</u>	<u>Social</u>	<u>Technological</u>	<u>Legal</u>	<u>Environmental</u>
Strict regulations during covid-19: movie theatres had to sell only half of the total number of seats and even close their doors	Financial support from Finnish Film Foundation to modernize equipment	Living in rural areas is a decreasing trend vs. increasing trend	Fast film distribution: from servers to satellites?	Cinemas must ensure that the audience is old enough to see the film	Digital movie distribution instead of transporting film reels
The cinema is the least publicly supported cultural service in the locality	Economical instability because of war in Europe	People head to cities for movies, combine restaurant visit as well	On-demand & movie streaming services replaces traditional tv	Film week starts on Friday and ends on Thursday	Movie theatres are located close to people
Expensive diesel prices affect the reach of touring movie theatres	Reasonable ticket prices compared to bigger cinema chains	Local audiences in rural areas consists of mainly elderly people and families	Comfortable & high-end home movie theatres are more popular than movie theatres	The possibility to get film screening rights is hard vs. more easy	Value-driven programme that emphasizes ecological themes
Movie theatres remain free from government control and censorship	Financial support from EU and other sponsors is vital	The attitude of the local teacher plays a significant role, whether or not there are school cinema screenings	Mobile & outdoor screening equipment getting smaller and more luminous	A film distribution company gives the screening rights the movie theatre before the theatre begins marketing	Public transportation to movie theatre
Apple, Netflix, Disney and other multinational corporations create big cinema ecosystems	Audiences are willing to pay more from additional experiences, not just a movie: live music, discussions, food...	Possibility for visitors to see familiar faces in the movie theatre. Movie theatre is a meeting place	From Laser projectors to LED screens / near projection? No need of a projector room anymore	Film-specific contests or campaigns linked to admission tickets are agreed by the cinema and the film agency	Solutions for energy usage (projectors, multi-channel audio, air conditioning, heating, soda refrigerators...)
Exclusive film screening rights to big theatre ecosystems	Big investments give pressure of rising ticket prices	If there is no history of watching movies in theatre in the municipality, it can be difficult to find audience	End of physical movie formats (Bluray, 4K)	The cinema and the film distribution company negotiate on the screening times, amounts and compensations	Solutions for waste generation (popcorn buckets, drink cups, plastic bottles, printed ticket stubs)
An appreciation of film as an art form instead of entertainment, rises	Films watched with monthly subscription, theatres are places of event destinations	Smaller movie theatres are joining forces to offer better service for customers	Interactive movies and alternative movie endings	The cinema reports the figures according to the method and schedule agreed with the film distribution company	Movie theatres in rural areas are mainly touring cinemas that bring movies close to audiences
-	-	Back to the age of serial movies: big budget tv shows are experienced every week in movie theatres	Metaverse: fiction is mixed with real-life through devices	Movie theatre pays a fee to the film distribution company for the right to show the film. Fee is calculated from ticket income	-
-	-	Multilocational living brings new target groups for movie theatres	-	-	-

Figure 15: PESTLE table

### 6.3 Value elements

The 30 Elements of value by Almquist, Senior & Bloch, that was researched in the theory chapter, was utilized in the analysis phase to figure out, what kind of customer motivations and needs can be connected to value pyramid, in the context of rural movie theatres. Analyses separates basic functional value elements at the bottom, followed by emotional and life changing, and social impact at the top. The Elements of value pyramid is presented in Figure 16. One reason that movie theatres have persisted through it's history might be the fact that they can respond to many customer needs and values cross the pyramid, because in addition of offering movie theatre experiences, they offer different film experiences. Film experiences play significant part by answering many emotional needs of the customers and can give even life-changing inspiration, therefore movie theatre companies do not have to respond these value elements by themselves, but they could enhance and support the experience. Following values were identified based on the insights from the desk research, cultural probing and interviews.

## The Elements of Value Pyramid

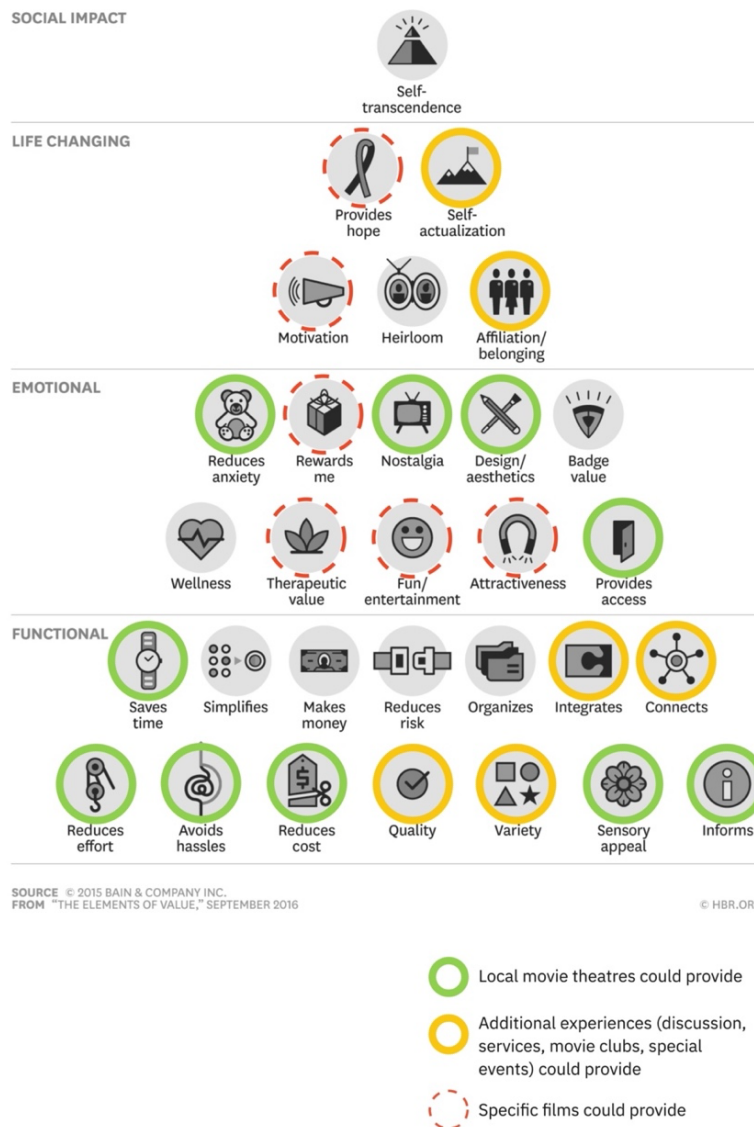


Figure 16: Movie theatre values visualized in The Elements of value pyramid (Almquist et al. 2016).

### Functional elements

Local movie theatres can offer plenty practical functional values. *Save time* and *Reduce effort* because they are located near the customers and save travelling time, compared to movie theatres in cities. Independent movie theatres do not usually show commercial ads before the film, so time is saved when movie starts immediately when it is supposed to. Families with children can *Avoid hassles* when they don't have to organize a trip to

the city and they don't have to find a parking lot for a car. Families can park next to the movie theatre or just walk there. *Reduces costs* point to the ticket prices, which are usually cheaper in rural cinemas than movie theatres in cities and parking is free. Requirements of *Sensory appeal* are met in movie hall with big screen, good audio, smell of popcorn (or free of smells) and comfortability of the seats. Movie theatres *inform* about their programme, showtimes and services in lobbies, local newspapers, social media channels, newsletters and websites.

Compared to stand-alone cinemas, modern movie theatres can also be about *integration*, where cinema space merges with a café, a bar or a restaurant. Traditional conventions of movie theatres are evolving, when these merged spaces are connected. (Elsaesser 1998, 215.) Based on Parametra research, customer service in rural movie theatres is appreciated highly and technical capabilities are good, but the same kind of *Quality* and *Variety* with the film selection is more difficult to achieve than in city cinemas, because audiences in rural municipalities prefer domestic films. Rural movie theatres can be meeting places for dwellers, but if a movie theatre can enable discussion after the movie or it has a movie club or special events, it can *Connect* the audiences with each other better.

### **Emotional elements**

Movie theatre is a controlled public space, where audiences are permitted a limited access and they follow set of rules during the film: audience sits, there is no talking and spectacle is witnessed in the darkness. (Elsaesser 1998, 216.) Sitting in this kind of undisturbed space for two hours can *Reduce anxiety* when real-life worries and urgencies are left behind. Films can offer *therapeutic value* as well. Cinema therapy is a form of self-help, where a therapist instructs a client to watch a movie that depicts a similar conflict in its narrative or thematic elements, to the one experienced by the client. Therapy can raise deep feelings in spectators and allow personal reflection with new perspectives. (GoodTherapy 2015.) Films can produce gratifications that are associated with the experience of *rewarding* feelings, fun, thrill and empathic sadness (Bartsch 2011). One can enjoy movies as just *fun and entertainment*. Film experience can also function like a discotheque, where movie theatre is not visited to watch a movie but to enjoy the company of friends at the expense of the film. This requires a specific film, where the film is designed to amplify group behavior, for example with regular gags or music numbers. (Elsaesser 1998, 216.) Films are usually the driving force in *attractiveness* with heavy marketing campaigns that lure audiences to movie theatres.

Because of digitalization, small rural movie theatres can *provide access* for films premieres as they can show the new films as big city cinemas at the same time.

*Nostalgia* is a very important factor, when audiences select the movie theatre they want to visit. Local movie theatre may have a long history in the vicinity and audiences remember the times when they were young and went to see movies there, when other leisure time activities were limited. Old movie theatre buildings and architectural *design & aesthetics* can stimulate nostalgic vintage cinema feelings.

### **Life changing elements**

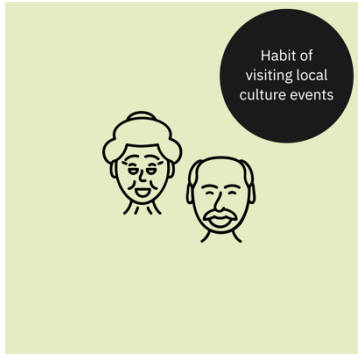

When the audience are submitted to a movie, they enter into different plane of existence, the fantasy world of a movie. This is a sacred process, where individual discoveries are possible. (Elsaesser 1998, 215.) There are films that make a special connection to audiences and can *provide hope* and give *motivation* and inner inspiration. Getting to know new people can have life changing effects. For example, with movie clubs, cinemas can raise *affiliation and the feeling of belonging* to a group. With the familiar group and discussions afterwards, movie experiences can be dramatically different than basic film-going experience and the art form of films will become more familiar. This can lead to *self-actualization*, where a person can find new perspectives for his/her identity when films can become a passion and a hobby. Self-actualization can develop into *self-transcendence*, where an inspired customer begins to create social impact in the area, for example a movie buff wants to improve region's cultural offering and organizes film events and movie clubs in the movie theatre. This self-development is called transformational economy, where consumer's goal is to grow as a person, adopt new lifestyles and continually develop himself (Karkulehto, et al. 2016, 20).



### 6.4 Behavioural archetypes

Behavioural archetypes were used in target group segmentation. Archetypes were based on research findings and help to design and develop services in a customer-centric way. The goal was to understand the existing customers of rural movie theatres. Archetypes showcase typical customer behavior or motivation which describes the character traits for a group of people. (Doneva 2017.) Following archetypes were devised to describe the behavioral aspects of the different target groups. These archetypes were the result of the desk research and interviews. The easiest group for the rural cinemas



to please are the *Local supporters*, who are elderly people, usually women. They are active movie-goers and have nostalgic memories about the place. Major part of the rural audiences consist of this group. The second big group are the families with children, who prefer the smaller movie theatres for their low ticket prices and the easiness of getting there, compared to city cinemas. *These on-demand consumers* use streaming services daily. *Quality-driven* group are film fans, who prefer to see quality films in a movie theatre. It can be hard for one rural movie theatre to appease this group, because they require variable programme and art-house films, which are risky for small movie theatres. The most challenging group to please are the *Experience seekers*, who are interested in anything unique and special they have not experienced before. They can seek exceptional technical experiences, out of the ordinary venues, customizable services or music gigs combined with films.

	<p><b>Local supporters, 60+</b> <i>Domestic films &amp; documentaries, every 2nd week</i></p> <p><b>Local movie theatre, like other local culture events, are meeting points to see familiar faces</b> and catch up with them. Knows the theatre owner personally. Has been visiting local theatre for many years with a spouse or close friend, and has nostalgic memories from the place. Prefers small and cozy theatre and appreciates if audio is not too loud. It is important that movie theatre is near and it is easy to visit. Sometimes it is nice to stay indoors. This group could own a smart tv, where they can access films and documentaries for free in YLE Areena.</p> <p><b>Important values:</b> Nostalgia, Connects, Reduces effort, Sensory appeal</p>
	<p><b>On-demand consumers, families</b> <i>Mainstream and children's movies, every 2nd month</i></p> <p>Because this group consumes media content a lot, they think that <b>monthly subscription of streaming services to watch movies and series, is more economically reasonable.</b> Sometimes though it is nice to get out of home and see a movie in a theatre with a great screen and audio. Popcorns and soda are mandatory! Families appreciate that the ticket prices are a bit lower in local movie theatre than in big city cinemas. In very special occasions, family can go to nearby city to experience movies in big cinema and eat in a restaurant.</p>

	<p><b>Important values:</b> Avoids hassles, Saves time, Reduces cost, Sensory appeal</p>
	<p><b>Quality driven</b> <i>Arthouse cinema, monthly</i></p> <p>Wants to see quality films from certain directors and international programme. Thinks that <b>films are art and should be experienced in a movie theatre</b>. Depends heavily on the programme which theatre will visit, usually small city cinemas offer more interesting content. Follows film scene. Loves the atmosphere of the older cinemas, vintage movie theatre projectors and traditional ways of making movies. Could dislike the smell of popcorn or any food inside a cinema hall. Wants to know about the background of the film, not just experience it. Enjoys listening and discussing about films.</p> <p><b>Important values:</b> Quality, Variety, Affiliation/belonging, Design / aesthetics</p>
	<p><b>Experience seekers</b> <i>Mainstream movies, 3 times a year</i></p> <p><b>Wants to entertain his/her close ones with something special.</b> Could buy tickets for a date or private screening for a group (work, community). This group is interested in special events, exceptional technical experience, out of the ordinary venues, customizable services, music gigs or just something funny and fresh ideas. Something unexpected and surprising is always a plus! Flexibility of the service and other services, like beverages and snacks are important.</p> <p><b>Important values:</b> Integrates, Variety, Sensory appeal, Rewards me</p>

## 7 MOVIE THEATRES IN THE FUTURE

In this project, three alternative 'scripts' of the future were created based on the research findings and desk research. These scenarios describe the chain of events that may occur in the future. The year was set to 2042, 20 years from the year of the thesis project. The first scenario, Theme parks and ecosystems, describe a future world of cinema, where movies and games mix in big entertainment centers. The second scenario, Streaming only, is a dystopian scenario, where movie theatres in the current form have ceased to exist and audiences prefer individual experiences at their homes. In the third scenario, Cinema renaissance, the appreciation of films have grown, films are considered as art and movie theatres have strengthened their roles as art institutions. Scenarios were discovered based on the insights of the earlier research phase. Therefore the scenarios are explained in this chapter more broadly and with theoretical references.

### **The Futures table**

The Futures table, Figure 17, is a systematic method used in future research to describe alternative future images, scenarios. Futures table is a matrix; on the left column the different variables that affect to the matter to be examined, are collected as comprehensively and diversely as possible. The horizontal rows of the table contain the different states of these variables. (Laakso 2016 18.) To research alternative futures, table columns are defined as scenarios. Variables were gathered from PESTLE categories, and they are also results from Desk research.

Future drivers 2042	Theme parks & big ecosystems @ big entertainment centers	Dystopia: Streaming only @ home	Cinema renaissance @ movie theatres as art institutions
<b>Attitudes towards movies and movie theatres</b>	Movies and games mix in big entertainment centers	Big budget tv series offer more quality stories than movies, and they have become the most preferred form of the film narrative	Movie theatres have become like art museums, where audiences can experience the art of carefully curated films. Audiences value unique
<b>Service values</b>	Easy, standardised and uniform	Self-curated, on-demand	Unique and surprising, carefully curated
<b>Where movies are consumed</b>	Big entertainment centers	Audiences are accustomed to enjoy movies and big budget television series at their homes	Movie theatres, outdoor screenings, special movie events, festivals
<b>What kind of movies</b>	Big budget titles, Hollywood films	Quality tv-series from all over the world	Diverse coverage; european indie films, asian films, domestic films, big titles
<b>Who owns the movie theatres</b>	Big cinema chains operate under international IT companies (Disney, Apple, Netflix, Amazon, HBO...). Smaller movie theatres unite their services under common brands.	Traditional movie theatres cease to exist. Municipality owned culture centers with different culture events	Multitude of owners: Privately owned, municipality owned, bigger cinema chains
<b>Amount of movie theatres</b>	Decreases	Decreases greatly	Increases
<b>Movie experience</b>	Truly immersive and interactive experience with state of the art technology	Intimate at home. People are connected to others with different devices if they are not gathered together	Movies are learning and inspirational experiences. Advancements of technology makes it easy for audiences to make their own short films
<b>Virtual reality in films</b>	Audiences can switch perspectives and view the movie world in 360 degrees (Active)	Audiences can affect series' narratives (Passive & influential)	Film is experienced as it is written, shot and edited. (Passive) VR and AR is used to get to know to the making of the film and film locations
<b>5D technology: Haptics</b>	Movie theatres use 5D solutions for feel of wind, speed, smells and vibrations for gaming and movies	Some haptic solutions in homes as well, VR and vibrating chair etc.	Haptics are not considered very important. AR technologies used to understand movie making.
<b>Movie theatre experience</b>	Theme park-like with virtual reality gaming, film clips, snacks, food	Movie theatres as a decoration trend: living rooms convert into cinemas and rentable equipment	Distinctive & unique movie theatre experience is considered important, for example preserving old movie theatres are considered important. Discussion about films
<b>Audience size</b>	Large audience experience	Individual, personal experience	Smaller group experience
<b>Service experience</b>	Every part of the customer experience is handled inside companies' service ecosystem: buying tickets, interaction with the movie, snacks, playing licensed games etc.	Easiness with monthly subscription. Different subscription packages from Small (just movie content) to Large (different services, as snacks as well)	Films as a hobby: Movies are learning and inspirational experiences. Advancements of technology makes it easy for audiences to make their own short films
<b>Servings</b>	Popcorn, snacks, pizza, hamburgers, soda etc.	Packaged services: Movie snacks can be ordered easily through home delivery	Wine, finger-food, pastries, cakes
<b>Pricing</b>	Monthly subscription: combined subscription (online & movie theatre viewing) cost more than just online subscription.	Monthly subscription	Ticket per film & similar system as Museum card today.
<b>Rural living</b>	Living is concentrated on cities and nearby municipalities	People live mainly in cities. Rural tourism is popular.	As today, but more multilocational living
<b>Other movie events</b>	There are still audiences who want to see traditional, smaller films, the amount of touring movie theatres increases.	Sometimes it is nice to go outside and enjoy culture events in local culture center (formerly movie theatre)	Many different movie events and entrepreneurs.
<b>Rural movie screening locations</b>	Films can be screened in different locations. Location is selected what suits best for the films topic; church, bowling alley, empty warehouse.	Movie festivals and outdoor film events for dwellers and tourists from the city	New & renovated movie theatres, film festivals
<b>Domestic film production</b>	Decreases. Domestic films feel technically outdated for young audiences. They still gather audiences in rural theatres.	Decreases. Lack of quality domestic films. Production has shifted to tv-series. Skillful finnish movie professionals work international projects abroad.	Increases. Plenty of quality domestic films.

Figure 17: The Futures table

### 7.1 Scenario: Theme parks and service ecosystems

Streaming is the way film content is primarily consumed and the amount of movie theatres have decreased. Moviegoing is highly more eventized than today in comparison to regular viewing experience. The audiences want experiences that takes them beyond the screen. (Raftery 2022.) Bigger movie theatres have evolved into large-scale attractions, which are similar to amusement parks where movie theatres are only one part of the larger entertainment experience (StudyCorgi 2020). These big movie theme parks are owned by big international IT corporations, for example Apple, Netflix, Disney and Amazon, which are the same companies that invested heavily to the streaming and on-demand services in 2020. Now that streaming giants have theatre chains in their possession, they make money regardless of where audiences prefer to watch movies (Ravenscraft 2020). Scenario is illustrated in Figure 18.

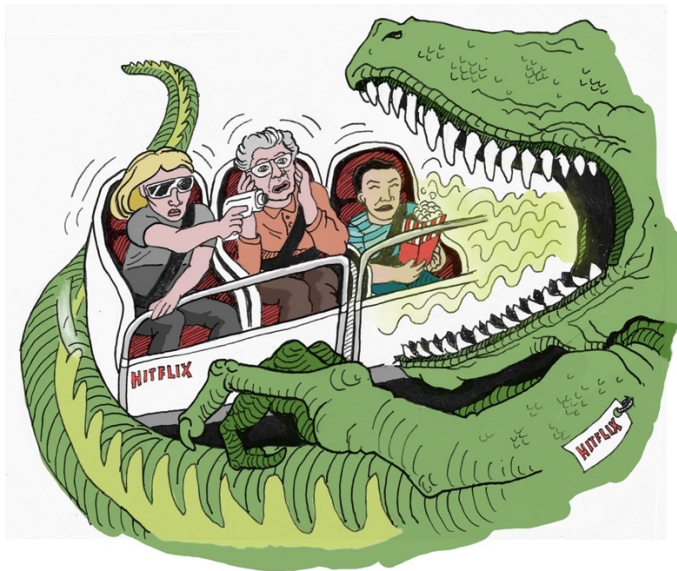


Figure 18: Theme parks & service ecosystems scenario illustration by Jarkko Waari

Practically all films are simultaneously released, and there is no release window between theatrical releases and streaming services. Old tradition, where the window was 45 days in the early days of 2020, is a distant memory. Some even recall the 90 day release window, but that is ancient history. (Rosembaum 2021.) With monthly subscription, which covers online viewing and movie theatre admissions, audiences can experience lushly produced and devoutly followed tv series in movie theatres as well, with their friends (Raftery 2022). Big movie franchises, like Star Wars and The Lord of the Rings, build

their worlds with a cross platform strategy and expand their stories with movies, tv series and games. This has been a significant advantage for theatrical and streaming. (Clark 2021.) Lobbies of these movie theatres feel like a trip to Disney World, with merchandises and action figures based on movie heroes and villains, shipped from the nearest Amazon warehouse (Ravenscraft 2020). Service experience is standardized and honed to perfection, where everything from buying tickets, interaction with the movie, snacks, playing licensed games, are part of the service ecosystem of the companies. Movies are more interactive and when paired with games, the cinema experience is truly more immersive with smart glasses, motion control, virtual and augmented reality technologies (StudyCorgi 2020). For example, spectators can switch perspective and view movies in 360 degrees, feel the wind, speed, smells and vibrations with 5D haptic solutions. Movie theatres are places for social events. They make deals with sporting leagues, so audiences can watch games and e-game tournaments on weekends. (Doll 2022.)

### **Rural movie theatres**

As a megatrend, the urbanization and the concentration of population in and around growth centers is continued (Dufva, et al. 2022). Smaller rural movie theatres unite their services under common brands to be able to produce better services for the customers. There are also cinema coalitions where owners have both their own and a shared movie theatre. With partners, movie theatres share the risk, workload and profits. 'Chain independence' brings freedom and versatility to the film articles. (Heikura, et al. 2022.) There are still audiences who want to see traditional, smaller films. Smaller movie theatres still rely heavily on domestic film production, but films are developed for the tastes of local people, they will not become international hits. Some well-executed serialized productions still spread to numerous countries and the budgets can correspond to several traditional Finnish films. (Kinnunen 2019, 144–146.) It is hard for smaller cinemas to compete with big theatre ecosystems, because they are technically inferior. The adventurous entrepreneurs combine whatever gimmicks they can think of and offer more customized experiences such as dine-in movie theatres, outdoor and drive-in film screenings and special events (Frankfurt Film Festival 2021). Because projectors are getting more smaller and efficient and audio technology can provide better acoustics than before, films don't necessarily have to be screened in a dedicated movie theatre hall.

## 7.2 Scenario: Streaming only, dystopia

Audiences are accustomed to enjoy movies and big budget television series at their homes. Many daily activities and hobbies are homebound. There is no tradition of showing new films in movie theatres, after all major film studios decided to release movies exclusively on their own digital platforms. Streaming services benefited immensely from the worldwide corona pandemic in the beginning of 2020, and contributed to the downfall of movie theatres. (Rosenbaum 2021.) When the cinema started to merge and replace the real world due the development of virtual reality devices, such as glasses, suits and chairs, and with manipulation of different senses, cinema experience felt more immersive when experienced individually, outside the movie theatres (StudyCorgi 2020). All new blockbuster movies, tv series and indie films are delivered online through streaming services. Movie theatres as we know them today, have ceased to exist. Scenario is illustrated in Figure 19.



Figure 19: Streaming only (dystopia) scenario illustration by Jarkko Waari

### **Individuality and the polarized world**

People have become comfortable living in their own cocoons of safety and they have built their own views of the world. This has been a problem in film industry. In biggest films, there is a risk of losing half of the audiences and revenue, because audience is so

divided by their opinions on casting and themes of the story that include race, gender, social justice and competing expectations of the fanbase. In this polarized world, film companies offer movies and series with alternate takes on the same script, telling a story from rival points of view. (Cieply 2021.) Virtual reality cinema responds to a question, what kind of world will give the viewer a rewarding experience and stories have become increasingly non-linear. Audiences have become active participants who influence the story, and this maximizes immersion. People can share their experience with others through virtual reality devices. Artificial Intelligence (AI) learns about viewer's choices and preferences, and later make decisions on the behalf of the person. AI listens sounds and body language, and when comedy film is presented and laugh detected, it can change the course of the story. (Chappell III 2016.)

### **Small screen storytelling**

Movie theatres have not been the first choice for film studios for years. Movie franchises are preferably turned into a series instead of a movie trilogy. Movie-quality television series produced by streaming studios have shifted the balance in favor of at-home experience instead of in-theatre, and small screen storytelling has become globally the most preferred form of fiction film narrative. (Clark 2021.) At home, audiences can watch tv series at their time and convenience. Fast-paced and addictive small screen narratives are very binge-able and consuming, and audiences spend several hours daily to watch their favorite content, compelled to finish the stories by watching episodes one after another (Binged 2020), just as action-packed serial films that hooked audiences in the early days of movie theatres in the 1910's and 1920's. Because of internationality, great domestic talents are more prone to go abroad to work in big budget projects. In Finland, the average film budgets have not grown as much as abroad and there is a shortage from competent film makers. (Kinnunen 2019, 144–146.)

### **Rural movie theatres**

Those smaller movie theatres that continue will become municipality owned and convert into culture centers, where different communal activities can be arranged, like art exhibitions, workshops, lectures and occasional movie screenings. The film festivals are valued highly and they can lure tourists from the cities to experience films and nature. Population is strongly centered to bigger cities and domestic tourism is popular, especially rural experiences are sought after. During the times of high season, people want to leave their digitally connected homes and cities, and experience traditional rural



activities, nature, history, culture and surprises on their holidays. Finns want to experience traditional things when traveling in Finland and locality attracts younger generations in particular. (Aalto, et al. 2021.)

### 7.3 Scenario: Cinema renaissance, utopia

In Cinema renaissance, appreciation of films have grown as an art form. It has been widely recognized that films have impacted deeply on many generations and cultures since the birth of cinema, providing mutual experience for audiences and contributed to the social consciousness of the world as significantly as fine art, literature or music (Groff 2017, 1). The multiple sensory experience of films is unique among arts. The wide-ranging amounts of film art is being produced, with an immersive effect on audiences senses (Groff 2017, 11-12). Audiences still watch video content from online streaming services, but instead of consuming feature films passively, they prefer to give value to the film. Films are experienced in movie theatres, which brings out the best qualities of cinema art. Scenario is illustrated in Figure 20.

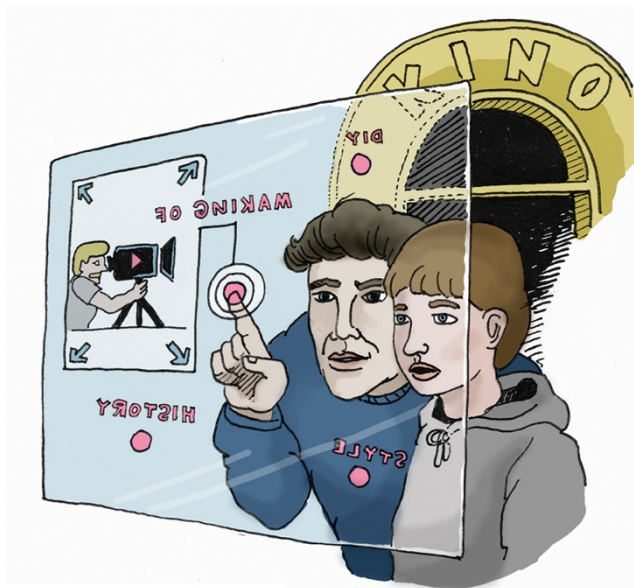


Figure 20: Cinema renaissance scenario illustration by Jarkko Waari

### Discussion and learning

Movie theatres are places for people who want the communal experience and talking about films is important. Just as talking about music and visual art, a joint discussion

about the film afterwards raise the meaning of the experience. Discussion and idea sharing brings out alternative perspectives and interpretations of the audience, and different layers of the movie can become more clear to a person who did not understand what the film was about. If there is film director, actor or some other crew member present to open up the facts or inspiration behind the movie, audiences tend to appreciate the movie more. (TEDxHickory 2019.) Instead of directing audiences out, movie theatres begin to guide audiences to a cozy lounge areas with cafés, which offer wine and other beverages, finger-food and pastries.

Movies are usually experienced as they are written, shot and edited, and virtual and alternative reality devices are used to educate audiences about film-making, explore film locations and style and history of the themes of the film. Learning about films and film making is considered important. Inspired by the likes of Alamo Drafthouse movie theatre in United States, cinemas start showing short documentaries and slideshows about the art form. Documentaries are rolling 30 minutes before movies start, for example audiences can learn about stop-motion animation and directing style before seeing an animated movie. Such a visit to the movie theatre gives much more to think about than just seeing a movie. (TEDxHickory 2019.)

### **Movie theatres as art institutions**

As a counter trend to the technical superiority of big movie theatres and their exclusivity over effects-heavy big budget releases, small movie theatres have raised their status with quality indie films. It started to look like that there were no places left to preserve the history of the cinema as an art form. Trend emerged, where small movie theatres started to convert into guardians of culture, museum-like institutions, to ensure that the film art would survive. The definition of museums, approved by the ICOM Extraordinary General Assembly stated in 2022, that museums are in the service of society and are accessible, inclusive and drive for diversity. They operate with the participation of communities and offer variable experiences for enjoyment, education, reflection and knowledge sharing. (Icom 2022.) Based on this description, movie theatres have developed their role as art institutions.

Carefully curated cinematic masterworks and films that were overlooked at their time of release, can now be seen in the cinemas by the new generations, and their phenomena and themes can be investigated in the environment they were crafted for (Groff 2017, 40, 85). Domestic breakthroughs come from small artistic projects and large films, which

from the beginning are targeted for international distribution (Kinnunen 2019, 144–146). The public are uplifted and new insights into the world are gained with documentaries, which are a form of cinema that approach subject in an academic manner and work very well in museum-like environment (Groff 2017, 39). The number of small theatres grew and more intimate experiences of smaller movie theatres began to be appreciated.

Multilocational living, which was a weak signal amongst living trends in 2020ies, has become more significant. The development of urbanization is still quite strong, but the living has become more diversified. Remote work have become more common, which brings flexibility in choosing a place to live. Significant part of population have become city rurals, who live and influence in several places. (Dufva, et al. 2022.) Because of more diverse rural dwellers, the more varied films and unique movie theatre experiences are valued highly. Smaller cinemas are privately and municipality owned. In addition to ticket per film and series tickets, there is a similar system than Museum card: with an annual cost, audiences can visit different unique movie theatres around Finland. Audiences understand the value of old cinemas and lovingly restored movie theatres, that bring out the architectural details of the building as a part of movie theatre experience.

### **Cinema as therapy**

In the future, maintaining mental well-being would be as commonplace for people as maintaining physical well-being today. The responsibility of providing mental health support have been embraced by organizations, and social stigma around mind health have diminished and no longer prevents well-being. Cinema has a special character of being very lifelike, and with this special ability it can bypass consciousness and go straight to the spinal cord, to the layers of emotions and instincts (Saarinen 2006, 9). Therapy, self-reflection, developing empathy, self-help for mental illnesses and understanding one's own and others' feelings would be important things for people in everyday life, even in rural areas. In addition to their role as an art institution, movie theatres have become perfect places for film therapy and with this new role as mental health care provider, stay more relevant in the future.

#### 7.4 Preferred scenario and backcasting

The researcher utilized insights of the research phase and selected the preferred scenario by himself. All three scenarios contain aspects that could be interesting and exciting to experience, but only one is best suited to preserve the small movie theatres and has the most positive effect for their audiences. Cinema renaissance (utopia) scenario was selected, because it could answer to the motivational needs of the customers the most efficiently and preserve the quality of the movie theatres, and the nature of film art. As described in the theory part of the study, the future that is eventually realized is usually a combination of different scenarios, not just one specific scenario. It is important to understand what could lie ahead and start making decisions today, towards the preferred future. Following Backcasting analysis describes the path from the future scenario to present day, and identifies the steps needed from current day to preferred future. The Service concept was drafted for the preferred future, which is introduced in the next chapter, chapter 8. Concept is outlined with a Rational Concept Sheet from Futurice's Lean Service Creation canvases, Appendix 7.

##### **Backcasting for Cinema renaissance**

Flexible work conditions and possibility to be near of elderly relatives, has boosted multilocational living after the post covid Finland. There are several trends associated with multi-location, including cheap apartments, energy communities, emphasis on self-sufficiency and different forms of communities. (Dufva, et al. 2022.) People want to experience the best parts of city and rural living. In recent years, urban culture with its experiences and local activities has been on the rise. Cinema visits have been increasing in Finland and elsewhere in Europe. Digital technology made boutique cinemas, which are combinations of bar and cinema, possible. After the corona pandemic, the creativity of cinemas accelerated and for example restaurant experiences are part of the cinemas' offer and films are watched in various outdoor events. (Hilapieli 2021, 10.)

After the digitalization of 2010's, many new boutique movie theatres started their operations. Kino Laika that was opened to the cultural oasis in the charming Högfors factory milieu of Ala-Emali in Karkkila in 2021, set the example that it can be profitable to open a new movie theatre in municipalities. Established by film director Aki Kaurismäki and operations manager Mika Lähti, Kino Laika started as the only movie theatre in Karkkila. The movie theater and bar environment are reminiscent of the milieu of

Kaurismäki's classic films. Different events, film festivals and live concerts are also organized regularly on the stage of Kino Laika. (Nyrhinen 2022.) At the same time, KSEK (Keski-Suomen Elokuva keskus) opened Kino Aurora to the historical Villa Rana in Jyväskylä, which focuses on European arthouse films, classics, animations, documentaries, short films and Hollywood productions. Movie theatre also houses film series and festivals, including film-maker and discussion guests and themed evenings. (Kino Aurora 2022.) The programme at Kino Aurora has been a service for cinema lovers, emphasizing quality content over more commercial and mainstream films and providing a community for them (Lukinmaa 2022).

The Culture Barracks that was opened in 2023 in the premises of the old bus station in Helsinki, strengthened multidisciplinary urban culture in the center of the capital. Together with Amos Rex, the barracks formed a natural functional entity, which utilized the cinema hall of Lasipalatsi. (Hilapieli 2021, 430.) The concepts of museum and cinema started to merge and increased the awareness of films as art and cinemas as art institutions. When National Audiovisual Institute KAVI opened Kino Regina in Oodi in 2018, it set an example that movie theatre facilities could be connected with libraries. KAVI's goal of screening versatile films and presenting film history and film culture to audiences, has extended its co-operation with film festivals, cultural actors and movie theatres in municipalities (Kino Regina 2022).

Film education plays an important part how new generations perceive movies. KAVI and School Kino have long promoted film's cultural education amongst schools, nurseries and students, and provided free online materials (Kino Regina 2022). New generation of teachers have also embraced the pedagogical potential of films and are more accustomed to use movies in education. As a rich form of art and culture, films are utilized as opportunities to know different identities, foreign cultures, experience emotions, feelings of identification and most importantly, to expand understanding of oneself (Koulukino 2022b). School Kino has been a major influence on emerging Cinema Therapy. Because various organizations have taken the responsibility of providing mental health support, social stigma around mind health have diminished and no longer prevents well-being (Axa.com 2020, 28). Movie theatres have always provided low threshold and easy access facilities for self care of mental health, for audiences who have understood to utilize the cinema services as such. The new generation of therapists have begun to utilize films and movie theatres in their treatment plans as a more regular basis. Main points of Backcasting are visualized in Figure 21.

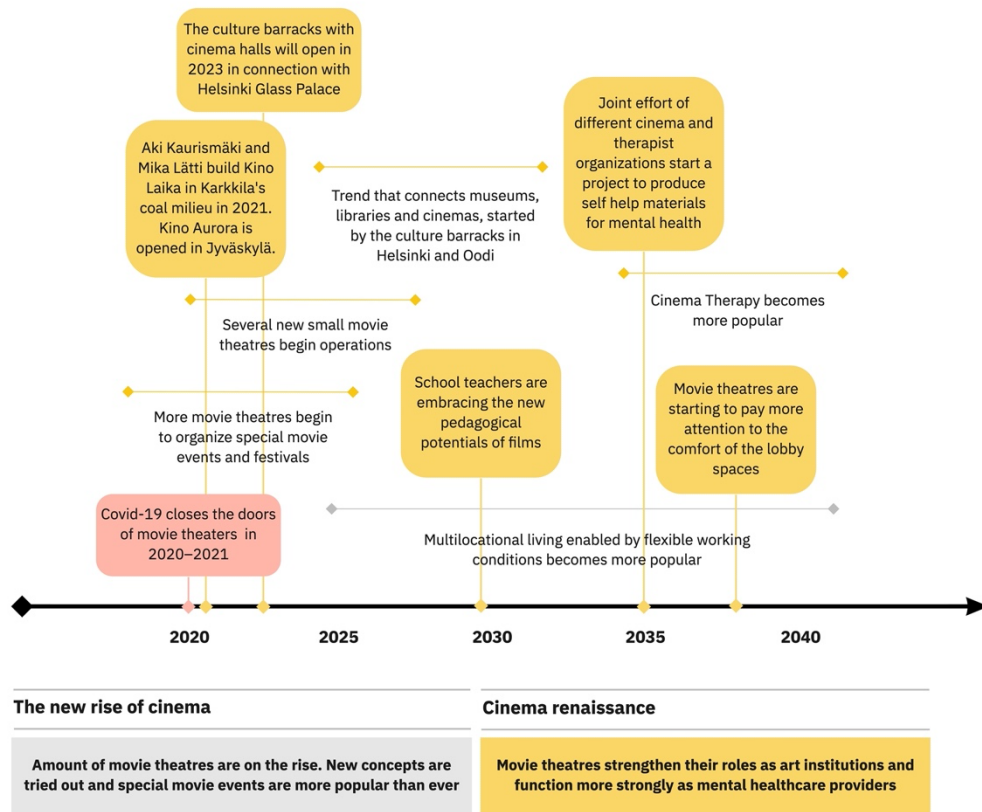


Figure 21: Backcasting (Dufva, et al. 2022, Hilapieli 2021, Nyrhinen 2022, Kino Aurora 2022, Lukinmaa 2022, Kino Regina 2022, KouluKino 2022b).

## 8 CONCEPT: CINEMA THERAPY

Cinema Therapy concept was discovered based on the insights of the scenarios work, the analysis of value pyramid elements and history research. Cinema therapy nor arts therapy was not part of the theoretical framework of the thesis, and was not researched in previous chapters. Therefore the background and theory of Cinema Therapy is opened up in this chapter more broadly.

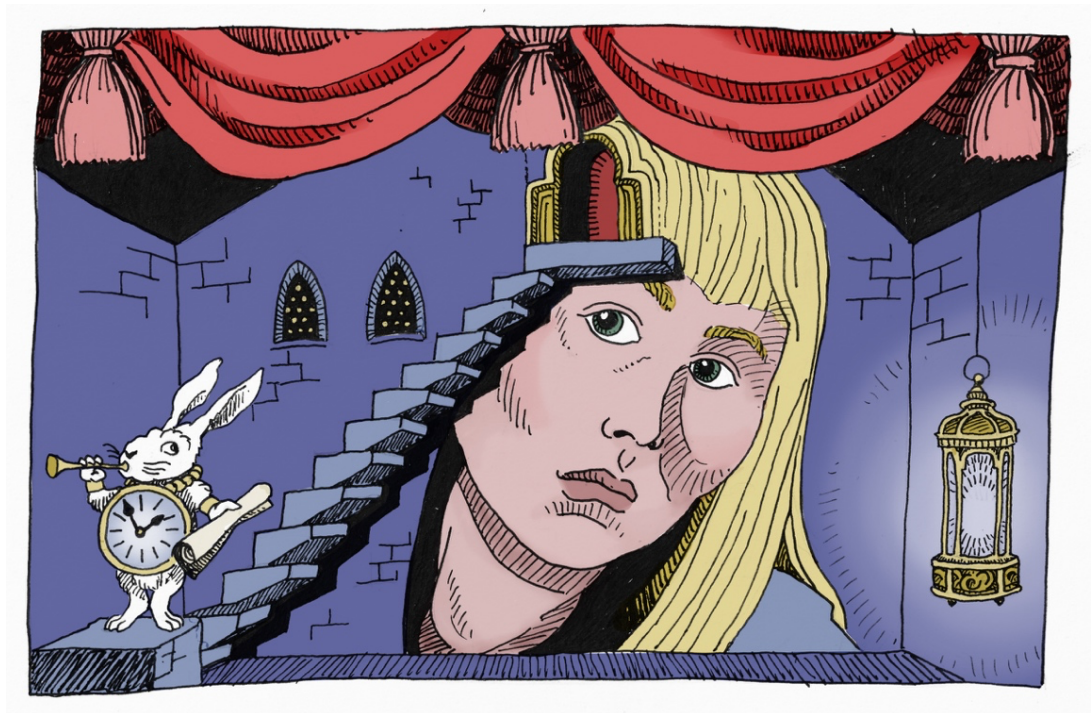


Figure 22: Cinema Therapy concept illustration by Jarkko Waari

Movie theatres are ideal places for a film therapy. Watching a movie in a cinema involves minimized external stimuli and the high intensity of the viewing situation achieved over a duration of about two hours. In comparison, watching television exposes the viewer to the disturbances of the surrounding physical reality and film experience can be left more superficial and external than in movie theatre conditions. (Mäkipää 1996, 12.) In the embrace of the dark room, with a big screen and sound, audiences can leave everyday life behind, and fall into a dream-like state, and start living in a movie world. The films are not therapeutic themselves, any movie can be therapeutic. The healing relationship is formed, when a viewer experiences that film has a meaning and significance for him. Films provides safe environment to investigate difficult matters and people can find

solutions on their problems. The tension, love, anger, horror or sadness experienced in movies do not come from the film, but from the viewer's own consciousness and emotional history. (Kärjä, 2009.) Cinema Therapy concept is illustrated in Figure 22.

### 8.1 Cinema therapy as treatment

Cinema therapy is its own independent form of treatment. It differs from other creativity therapies as it is most reminiscent of life itself. (Mäkipää 1996, 14.) Cinema therapy resembles literary therapy, where there is also a story and characters that the viewer can identify with. The availability of VHS players made it possible to use a live image as a form of treatment in psychiatry, and films began to replace the books with watching films for therapeutic purposes. As a treatment, cinema therapy can be implemented as individual or group therapy. The suitable commercial film is selected by the therapist and the client is instructed to go and watch the movie by themselves or with someone else. After viewing, the therapist discusses with the patient the main themes and emotions that emerged from the movie. (Saciotto, et al. 2022.) In active cinema therapy, people can utilize self-expression and group interaction, and make their own films and music videos. Because movies and gaming are fusing together, with interactive film therapy, gamers could influence the course of the events. (Kärjä 2009.) Before the 21<sup>st</sup> century, cinema therapy as a planned therapeutic use, has been incidental and practically non-existent in Finland (Mäkipää 1996, 3). Recent studies have proved that cinema therapy has good effects and psychologists consider it a good form of therapy. In the research conducted by Lampropoulos, Kazantzis and Deane in 2004, of 827 licensed practicing psychologists in The United States, 67% were using cinema therapy as a method and 88% of them considered films to enhance therapy results (Lampropoulos et al. 2004, 535).

### 8.2 Self-care and respect for diversity

To a large extent, cinema therapy is self-care and accessible to everyone (Kärjä 2009). It is possible to find elements that increase self-knowledge and emotional skills in films, which are often missed when movies are consumed in masses. Emotional intelligence can be used in viewer's own thinking, actions and growing as a person. The starting point of emotional competence is usually a more accurate observation and evaluation of one's



own feelings and moods. (Saarinen 2006, 17,30.) In Finland, the government aims for Finland to be equal and outlines that racism and discrimination will be fought back in all areas of society (Valtioneuvosto 2021). Awareness, curiosity towards other cultures and respect for diversity are values that films can very effectively promote. Empathy can be developed when viewers see the world from protagonist perspective and when they can slip into the shoes of people who are strangers to them, for example ethnic minorities or refugees. (Röll 2018.)

### **Value to end-user**

- Gaining fresh perspective
- Finds answers to problems
- Reduces anxiety
- Developing empathy & emotional intelligence
- Creative inspiration
- Gives hope and motivation
- Learning from other cultures
- Meaningful hobby that includes self-development
- Group / peer support
- Diversionary enjoyment as a coping mechanism

### 8.3 Social impact and a role of movie theatres

Preventive mental health work and the promotion of well-being are strongly emphasized in national strategies and development programs. Investing in preventive work is investment in the future. The financial savings can be seen in the longer run as a reduction in the need for remedial services and an increase in the well-being of the municipalities. (Julkari 2009, 5.) In the future, movie theatres could obtain a role as a maintainer of mental health in addition to provider of entertainment. When cinemas bring more value to customers, they become more significant and special places for them. This fact has been proven in the Experience economy, covered in earlier chapters of this thesis.

The programme of movie theatres could become more varied with lists of suitable films for therapy, which should be produced in co-operation of different stakeholders and partners, and learning materials created for audiences to support the film experience and

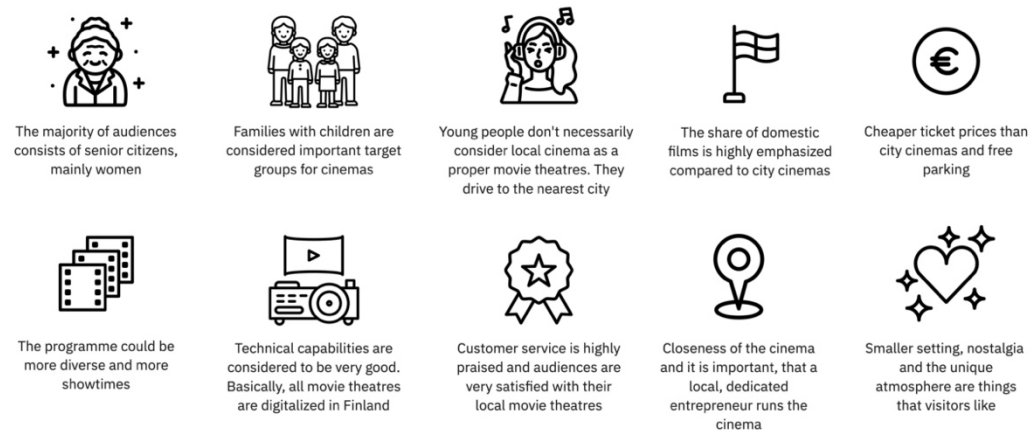
self-reflection. Today, various film associations organize courses and community study groups, for example Kino Tavast in the region of Hämeenlinna (KinoTavast, 2022). For active film therapy, film makers could be recruited to instruct people in the creation of their own films. This activity could interest for example young people, who could develop their emotional skills without even noticing. Finished films could be presented in local movie theatres, with red carpets and all. Cinema spaces and processes could support discussion after films, by guiding the viewers to the lounge areas and cafés, where audiences who can still be inside the film's world, could sit down and think a bit what they just saw and share the experience with others. Film clubs and special mental health events could be organized, with introductory speeches and lectures to support the themes of the films.

## 9 CLOSING SUMMARY

During the pandemic, the entire country's cinema network was at risk. The cinema industry was one of those industries whose income stopped completely due to the corona virus. Streaming services have gotten much stronger foothold as viable alternatives to movie theatres. As movie theatre industry recovers slowly to a return to normality, the future of cinema remains uncertain. The future is filled with challenges and but also opportunities for the industry.

Rural cinemas struggle with small number of visitors, too few showtimes and the scope and quality of the programme. In cities, the selected film articles can be more varied because the programme is designed for larger audiences. In rural areas, movie theatres rely on domestic films and tend to present obvious hits and children's movies to keep admission rates on a good level. Small local movie theatres have certain advantages compared to bigger cinema chains, including reasonable ticket prices, a unique and nostalgic atmosphere and warmth and friendliness of the service. Distinctive qualities and advantages are summarized in Figure 23.

### 10 research findings of rural cinemas



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Figure 23: 10 research findings of rural cinemas. Icons from The Noun Project under Creative Commons License.

### **Keeping movie theatres as relevant**

How small rural movie theatres can develop themselves? According to research, there is no reason for small movie theatres to try imitate bigger cinema chains, because rural audiences tend to prefer the distinctiveness, intimacy and the atmosphere of their local theatres. Smaller setting and excellent personal service is an asset that can be utilized. More experiential movie experiences, like drive-in and outdoor screenings are good ways to expand the service beyond regular target groups. Movie theatres can combine different spaces, like restaurants and cafes to cinema spaces, and arrange theme-events, for example 50ies music and films. For example, Huhtamo International Film Festival have utilized interesting venues, like local bowling alleys and barns to bring more dimension to the film's narrative or theme. Unique location can entice the audience to watch a movie that they would normally skip. In smaller villages, where public spaces are limited, rural movie theatres can be meeting places, like village houses, for local dwellers. Discussion after the film can be encouraged by designing cozy, inviting lobbies and the possibility of after sales in café's can be increased if audiences are guided back to lobbies after the movie. It's important to keep up with the developments of the technology, but when renovating movie theaters and old premises, careful consideration must be used so that the original atmosphere and architectural details are not lost. Nostalgia and memories are valued highly amongst customers.

Movie theatres reported that the number of audiences have increased after digitalization. Still, for many it comes as a surprise, that rural movie theatres can show the same titles than city cinemas at the same time, even the premieres. The memories of having to wait for movies to arrive to the village are strong. One major problem are younger generations and their absence from the smaller movie theatres. There is a risk of alienating young people from the cinema experience. What happens to movie theatre business if the future audience does not have a habit of going to movie theatres? This is very critical especially in rural areas, where cinemas are largely visited by elderly people for nostalgia reasons. What if future viewers have no memories of movie theatres and instead they have used to online streaming services? Overall, cinemas are currently doing fine, because the quality and quantity of domestic films, as it has been witnessed in history, that when there are many high-quality domestic films produced, the movie theatres have prospered. However, over-reliance in domestic films is also a risk, and small movie theatres are very sensitive to the changes of film industry. What happens to small movie

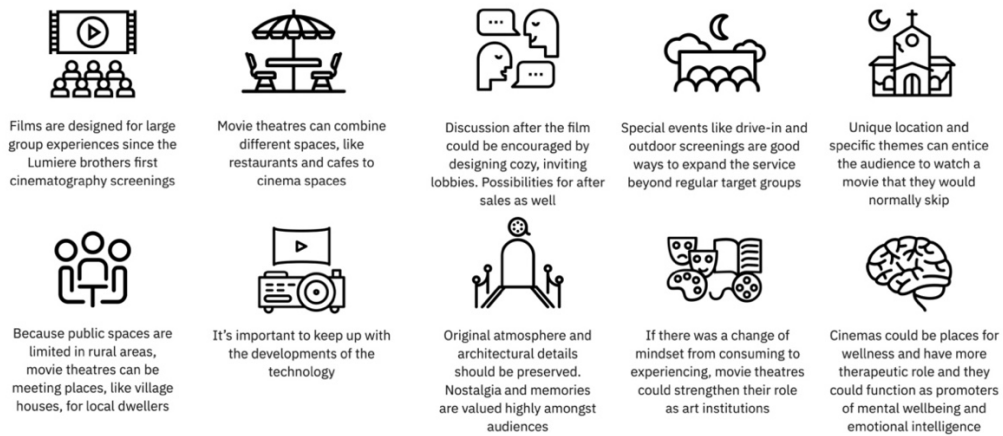
theatres, if the quality and amount of the domestic films decreases? What if skilled film makers move abroad to work in international tv projects?

There are vintage movie theatres in Finland that have managed to save a bit of the glamour of the early years of the cinema in their preserved architectural details. Because movies have become a part of peoples' everyday lives, it can be hard for today's audiences to experience the same grand feeling than previous generations had, when they visited cinema palaces of the past. But if there was a change of mindset in the future, from consuming to experiencing, and appreciation of films would increase as an art form, movie theatres could strengthen their role as art institutions. One of the reasons movie theatres have survived this far and remained relevant is that they respond to a wide range of customer values. If reflected to 30 Elements of value, rural movie theatres have excelled in providing many functional elements like saving time, reducing effort and avoiding hassles, because of their close proximity to customers, and costs are smaller than in city cinemas. With their basic function, movie theatres can provide life changing and emotional value elements through films. Cinemas could be more significant to audiences and convert traditional movie-goers to loyal customers, if movie theatre experience would add more and enhance these high level values.

The Cinema Therapy concept that was drafted in this thesis, could answer to several motivational customer needs that are considered important in The Elements of value pyramid. During The Winter War, cinemas offered therapeutic value to audiences, because they maintained the good mood and were practically the only public places where expression of feelings were allowed. All-time audience records were broken in movie theatres during that time. In addition of providing just entertainment, cinemas could be places for wellness and have more therapeutic role in municipalities in the future. Cinema therapy could have a great social impact, as preventive mental health work would eventually increase the well-being of the municipalities. Developing emotional intelligence, self-reflection, empathy and mental health, can become more important for people in everyday life. Active cinema therapy could activate young people, who are currently absent from the rural movie theatres, to have fun time with their friends while making films and presenting them in local movie theatres. Without help, movie theatres have no resources to answer the needs of cinema therapy themselves. Currently movie-making business is highly commercial in nature and it would require a nation-wide project and funding from the government or municipalities, with cooperation with psychological and film associations, schools and other similar entities. Just as

School Cinema Association supports film education, and all movie theatres are committed to screen movies on a request from schools, there could be similar association and project for mental health as well. Figure 24 summarizes key findings from the research.

### How movie theatres could stay relevant?



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Figure 24: How movie theatres could stay relevant? Icons from The Noun Project under Creative Commons License.

This thesis provided an introduction to The Service concept and the development of the concept should be continued with modelling the business concept further and mapping important customer journeys. By involving different stakeholders such as municipalities, therapists, cinemas and municipal residents, it is possible to develop a concept that responds to different stakeholder needs and gives value to all parties involved. Although the study's subject was to research rural movie theatres and find solutions to make them more relevant, the insights and results can be scaled to match the needs of the wider range of cinema industry operators. For example, the urban movie theatres and film associations can utilize the results from the study to develop their services. The results of the thesis were based the author's own observations, analyses and from variety of sources, including desk research, interviews with movie theatre entrepreneurs, cultural probing and existing studies. It must be noted that when the future is forecasted and scenarios are created, there can be many different motivations and views on what kind of future is ahead and what would be the preferred scenario for movie theatres.

The role of cinemas may change over time, but their basic concept has survived to this day. Since the Lumiere brothers first cinematography screenings, movie theatres provide places where everyday life can be left behind and makes large group experiences, that films are designed for, possible. In the darkness of cinema hall, the shared emotions of unknown people generates a special communal experience. Reader of this thesis is advised to go and see the next film in a movie theatre, preferably in a small independently owned one. If the movie is attended with a friend, discussion after the film raises the quality of the experience and makes it more memorable. Afterwards, when the whole experience is reflected, it is more easy to separate film experience from the movie theatre experience, and give appreciation to these special places, where films should be seen.

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## Appendices

### Appendix 1: Parametra figures

Parametra figures from Finnish Film Foundation, translated In English.

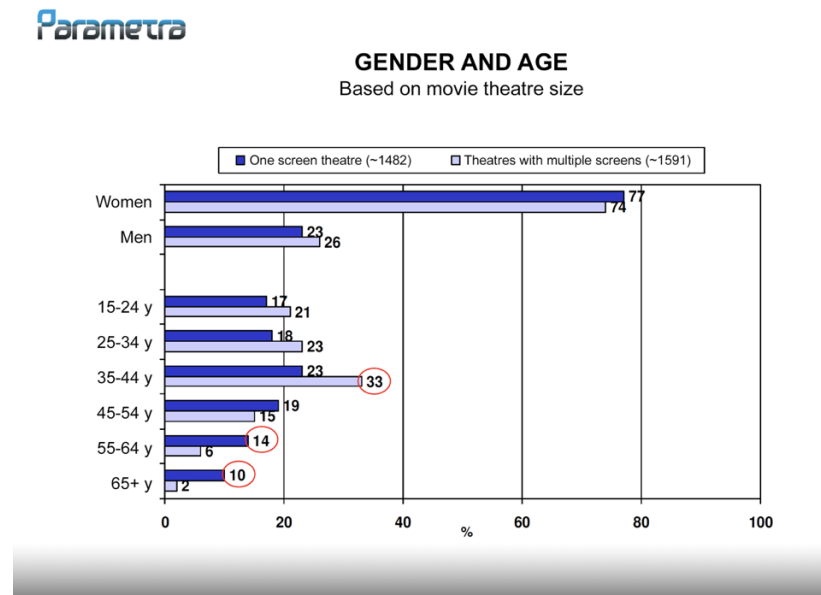


Figure 24: Parametra: Gender and age (Suomen elokuvasäätiö 2016).

#### The most preferred ways to watch movies

	Movie theatres	TV	DVD/Blu-ray
Single screen	61 %	26 %	9 %
Multiple screens	65 %	18 %	12 %

Figure 25: Parametra: The most preferred ways to watch movies (Suomen elokuvasäätiö 2016).

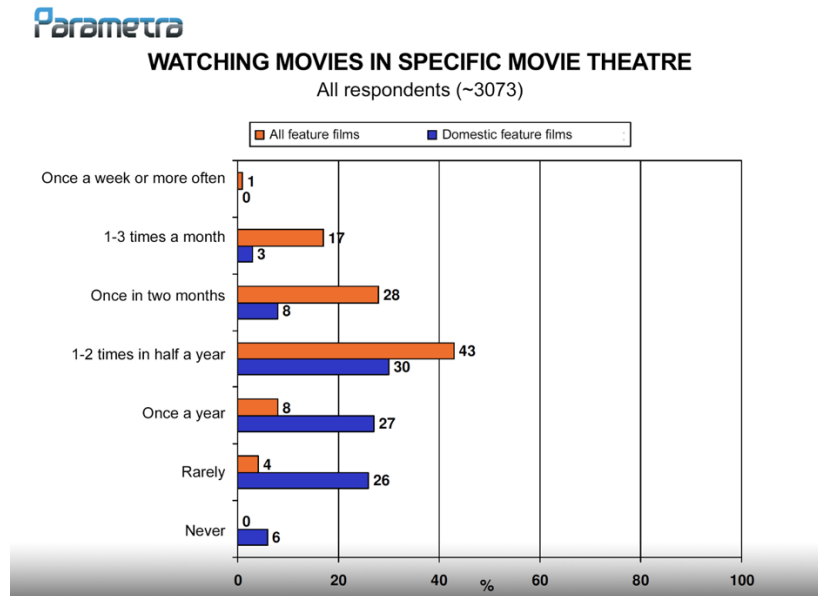


Figure 26: Parametra: Watching movies in specific movie theatre (Suomen elokuväsäätiö 2016).

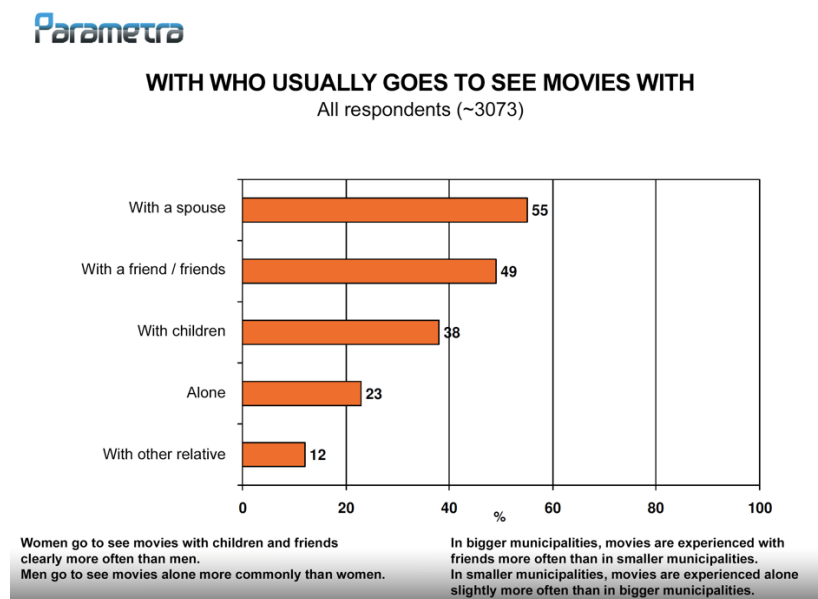


Figure 27: Parametra: With who usually goes to see movies with (Suomen elokuväsäätiö 2016).

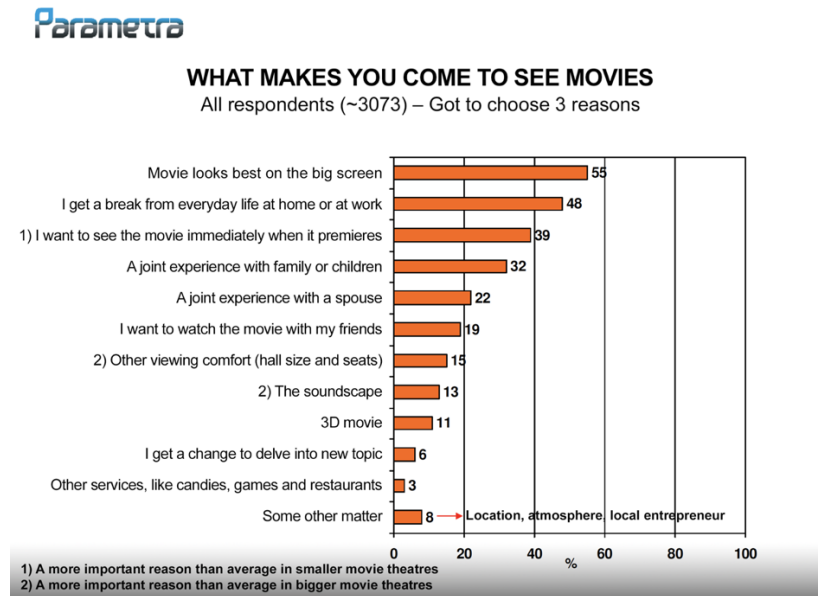


Figure 28: Parametra: What makes you come to see movies (Suomen elokuväsäätiö 2016).

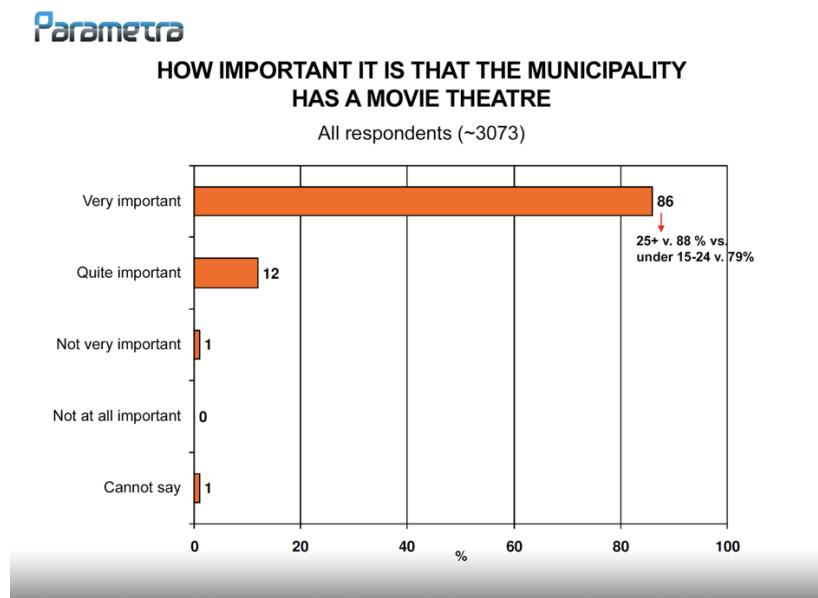


Figure 29: How important it is that the municipality has a movie theatre (Suomen elokuväsäätiö 2016).

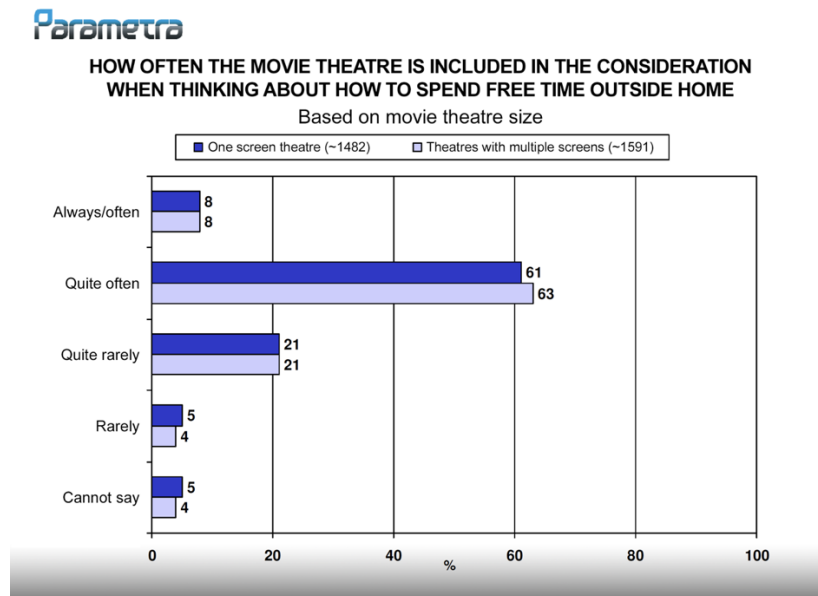


Figure 30: How often the movie theatre is included in the consideration when thinking about how to spend free time outside home (Suomen elokuväsäätiö 2016).

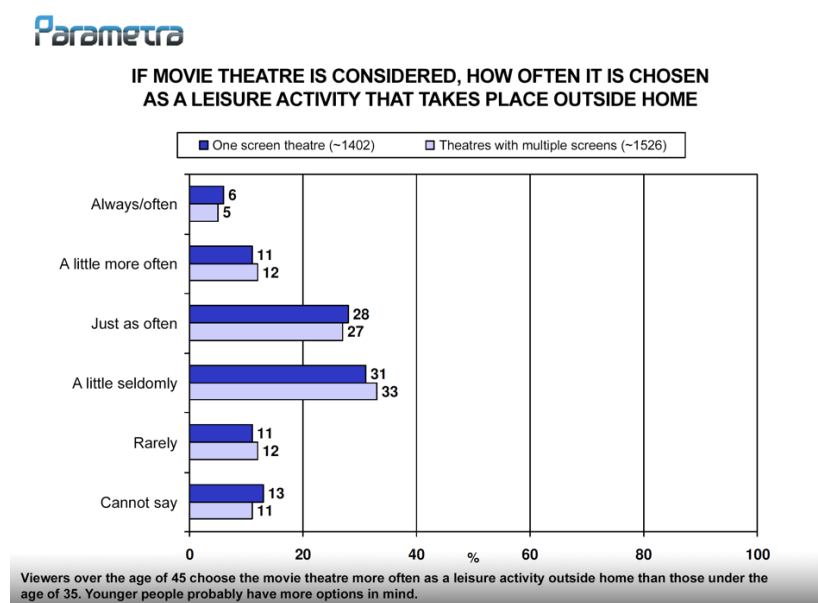


Figure 31: Parametra: If movie theatre is considered, how often it is chosen as a leisure activity that takes place outside home (Suomen elokuväsäätiö 2016).



## Appendix 2: Questions for the movie theatres

Questions for the different movie theatres varied based on the movie theatre and the contextual situation. Following is the basic structure of the questions for the movie theatres.

1. About running a movie theatre
  - a. Why do you run a cinema?
  - b. How the entrepreneur / theatre is doing?
  - c. Many many people is needed to run a movie theatre?
  - d. What different services does the theatre offer to customers?
  - e. What kind of moments come to mind when it felt like "I succeeded!"
2. Customers
  - a. What target groups do you serve? What is a typical customer like?
  - b. Can you tell how the customers are divided? (Same faces / vs. new visitors)
  - c. What kind of feedback have you received?
  - d. What do you think brings people to the cinema?
  - e. How have the number of visitors developed in recent years?
  - f. Would you like to reach new target groups in the future, what kind?
3. The programme
  - a. How do you design the programme / select movies?
  - b. What target groups do you target the programme for?
  - c. Why is domestic cinema so popular in rural areas?
  - d. What factors influence the decision on showtimes?
4. Services
  - a. What different services does the theater offer to customers?
  - b. Have you considered any other activities: film clubs, film days, traveling theater, outdoor screenings?
5. Competition
  - a. What are the other nearest movie theaters that people in the neighborhood go to?
  - b. How do you stand out from your competitors?
  - c. The strengths and challenges of rural theaters compared to big theaters?
6. The municipality

- a. How has the local cinema influenced the culture and people in the area?
  - b. What kind of other cultural activities are in the area?
  - c. Which local entities do you cooperate with? (cultural activities, associations, schools?)
7. The future
- a. What cinema will be like in the future?
  - b. What could be the next revolution in the industry?

### **Appendix 3: Questions for the touring movie theatres**

Following is the basic structure of the questions for the touring movie theatres.

- 1. The tour
  - a. Why did you end up organizing film screenings in the form of a tour?
  - b. What is tour life like?
  - c. What is the most challenging thing about running a tour? What is the most rewarding?
  - d. How do you think a screening on a movie day differs from a screening in a regular cinema in terms of customer experience?
  - e. How would you describe the operation has developed? Have you tried new ideas in different years?
- 2. Customers
  - a. What target groups do you serve? What is a typical customer like?
  - b. What makes people come to film days?
  - c. How important is it that the film screenings are in the same place?
  - d. What kind of feedback have you received?
- 3. Municipalities
  - a. Which stakeholders / partners are needed in Kino-Metso's operations? (Working with municipalities)
  - b. What kind of effects has the tour had in the areas you have toured?
  - c. Are there any clear differences between the municipalities where you cycle?
  - d. What do you think about the film and cultural offerings in rural areas?
- 4. The programme
  - a. How do you design the programme?

- b. Why is domestic cinema so popular in rural areas?
  - c. Does the same movie offering suit for Muurame and for example to Viitasaari?
  - d. What is the significance of side activities, e.g. the introduction before the film and the discussion afterwards?
5. The future
- a. New development ideas, themes, side activities, partners in the future?
  - b. When just a movie is not enough these days, how do you create an experiential service experience?
  - c. In what ways do you think movie theatres can compete with online streaming services?

## **Appendix 4: Questions for the movie clubs**

Following is the basic structure of the questions for the movie clubs.

1. How did you end up running a film club in Kemiönsaari?
2. What are the challenges of running a film club?
3. What do you get for yourself when you organize a club?
4. How did you choose the titles for the film club? What about the availability of the film copies?
5. Which different parties do you deal with when you organize a film club (collaborators, distributors of film copies, etc.)?
6. How would you describe a typical visitor?
7. What kind of feedback have you received from film club members? What kind of thoughts, insights or feelings have arisen in the club?
8. How has the local cinema and film club activities affected the culture and people of Kemiönsaari?
9. How do you feel about the opportunity for people living in rural areas to experience culture?
10. In what ways do you think movie theatres can compete with online streaming services?

## Appendix 5: Questions for the film festivals

Following is the basic structure of the questions for the movie clubs.

1. Organizing an event
  - a. Why did you want to organize a film festival?
  - b. What does the festival organizer do in the gap year?
  - c. How does the location affect to the festival?
  - d. How has the involvement of locals in the event gone?
  - e. What kind of moments come to mind when it felt like "I succeeded!"
  - f. How has the festival developed since 2017?
2. The customers
  - a. What kind of target groups did you serve with the event?
  - b. How would you describe the basic festival goer?
  - c. What kind of feedback have you received from customers / locals?
3. The programme
  - a. How do you design the programme? Is it easy to get screening rights?
  - b. What do you think about the cinema offer in rural areas?
4. The municipality
  - a. Can you see after three festivals how the event has affected the development of cultural capital and creativity in the region?
  - b. Has something new or surprising emerged as a byproduct?
5. The future
  - a. Do you mean to do something differently next year?
  - b. How is the future of film festival looking?

## Appendix 6: Structure for the cultural probing

This is the structure that was briefed to volunteering probers.

1. Prepare for the movie: take notebook and a camera, or a smartphone, from which you can take pictures and write notes.
2. Go to the movie theatre well before the movie starts.
3. Take a few photos of things and details that please you. Write down the feelings and thoughts that the movie theater evokes in you.
4. During the movie: Just enjoy the movie!

5. After the movie: Describe in a few words the experience as a whole. Here are few helpful questions for the reflection
  - a. What feelings and thoughts did you have after the movie?
  - b. Got something new to think about?
  - c. Can you compare the experience to e.g. big cinemas in cities or watching a movie at home?
  - d. Did your preconceptions change in any way?
  - e. What would make the experience better?
  - f. Would you go to the theater again?
6. Send the pictures and your notes. The researcher schedules a follow-up interview.

## **Appendix 7: Rational Concept Sheet canvas**

The canvas was used to draft the Cinema Therapy concept. Canvas is part of Futurice's Lean Service Creation canvases.

V.3.0.5 Business objective / users needs / location / concepting / business model / validation / wrapping it all up

# Rational Concept Sheet

Draft a concept out of your idea

**Concept name?**

**Cinema Therapy Concept for movie theatres**

**How does it work?**

In the future, maintaining mental well-being would be as commonplace for people as maintaining physical well-being today. Therapy, self-reflection, developing empathy, self-help for mental illnesses and understanding one's own and others' feelings would be important things for people in everyday life, even in rural areas. In addition to their role as an art institution, movie theaters could be perfect places for film therapy and stay more relevant in the future.

Film therapy can be implemented as individual or group therapy. To a large extent, however, it is self-care and accessible to everyone. Therapists' clients could do their homework in the embrace of the darkness of cinemas, leaving everyday life behind, diving into the world of cinema for a couple of hours. In active film therapy, people could make their own films and music videos and present them in local movie theatres. Because movies and gaming are fusing together, with interactive film therapy, gamers could influence the course of the events. Film distributors could cooperate with psychological associations and other similar entities and produce lists of suitable films for theatres and material for audiences to support the film experience and self-reflection. Cinema spaces and processes could support discussion after films with cafés and redesigned lounge areas. In the next 20 years, technological development could also produce innovations for personal devices in the field of mental well-being and integrate them with cinema technology.

**Value to the end-user?**

- Gaining perspective
- Finds answers to problems
- Reduces anxiety
- Group / peer support
- Developing empathy & emotional intelligence
- Creative inspiration
- Pure enjoyment / diversional activity
- Gives hope & motivation
- Learning from other cultures
- A new meaningful hobby that includes self-development

**What differentiates it from other solutions to the same problem?**

- Movie theatre is an ideal place to watch movie
- Darkness of the movie theatre and rules of the cinema helps to focus
- Big screen and good audio helps in immersiveness
- Movie world is like entering dream-like state, leaving real-world behind.
- Film is safe environment to investigate negative and difficult matters

**Value to our business?**

- In addition of just Entertainment, movie theatres role could also be a maintainer of mental health
- More value to customers -> more revenue
- Marketing aid from distributors
- After movie sales @ lobby cafes
- Movie theatres become a more significant and special place for audiences
- No need of large technical investments
- Help of selecting film titles from film distributions and psychology associations.
- Possibilities for new customer segments (young people) and local partners

**Social and environmental impact?**

- Preventive mental health work could cut costs from health care
- Local movie theatre as part of municipality's health care circle
- Mental skills learning for kids & young people
- New services for rural areas
- No need to travel to cities for services
- More varied programme in local movie theatre

**Rational value proposition:**

**END USER:**

Local dwellers in the same municipality than movie theatre, including young people who are absent currently from rural movie theatres

**NEED:**

Escape from real life | Maintaining mental well-being | Developing reflection & empathy skills | Learning from other cultures | Self-expression | Group activity

**SOLUTION:**

Passive, active and interactive film therapy

futures LEAN SERVICE CREATION



Figure: Rational Concept Sheet Canvas (Futurice 2022).