

CINEWORLD/CITY SCREEN MERGER INQUIRY

Responses from the general public to provisional findings report and Notice of possible remedies

Note by the CC

The CC received about 600 letters from members of the public in response to the provisional findings and notice of possible remedies. Respondents all expressed concern that the Picturehouse cinemas, particularly those in Cambridge and Bury St Edmunds, might be sold if the provisional findings and proposed remedy were confirmed.

A selection of these letters follows.

The salient points in the generality of letters were summed up in the letters from Mark Liversidge, on behalf of many Cambridge and Bury St Edmunds residents, and from Mike O'Brien of the Arts Film Club in Cambridge (see links to these letters below). The main points include:

- The remedy will reduce consumer choice. The offers at Cineworld and Picturehouse cinemas, and the demographic groups they serve, are distinct and the two cinema groups do not compete for the same audiences.
- Picturehouse shows art-house and foreign language films not exhibited at Cineworld; over a representative ten-day period in Cambridge, for example, only two films, out of some 40, overlapped; other Picturehouse offers, including educational events, live screenings of theatre and opera, a film festival and social amenities are not available at Cineworld.
- Picturehouse cinemas are safe in Cineworld's hands; Cineworld's public contention that it acquired Picturehouse to gain access to a different and largely distinct audience has been validated. There is no evidence that cinema prices have increased as a result of the acquisition.
- Cineworld would be more likely to dispose of its Picturehouse cinemas than the higher-earning multiplexes.
- Any new owner of the Picturehouses might alter the operating model and focus on mainstream films and/or cease to provide the other distinguishing facilities.
- This would leave the three areas concerned with cinemas competing on the basis of similar offers.
- In its analysis, the CC has put too much weight on price-related aspects at the expense of non-price-related aspects. It gives insufficient attention to membership schemes, which serve to insulate customers from price increases.
- The CC has made no attempt to set a suitable threshold for competition in a given area; several areas of similar size and population densities have lower levels of cinema competition.
- The CC should consider alternative remedies, if divestiture is insisted on:

- Cineworld should be obliged to dispose of its multiplexes; or
- any purchaser of the Picturehouse should be obliged to maintain the current business model, including its range of films; or
- the acquisition should be blocked entirely.

Petition

Mr Liveridge also organized a petition stating:

We believe that the potential sale or loss of the Picturehouse cinemas in Cambridge, Bury St. Edmunds and Aberdeen will be damaging to consumers and to the fabric of the local area. Such a sale is likely to lead to some or all of the following effects: an increase in prices, especially for the 30% of cinema-goers who visit the cinema at least once a month, to a significant loss of choice in the variety of available films and live events. It will also put at risk other services that depend on the infrastructure currently in place, including film festivals, local trusts and independent cinemas. Any such effects will heavily outweigh the potential benefits of maintaining the previous level of competition.

As at 12 September, the petition had attracted 11,699 signatories.

The petition can be accessed at:

www.change.org/en-GB/petitions/competition-commission-stop-the-enforced-sale-of-three-picturehouse-cinemas