EGEDA, the Spanish audiovisual producers rights-management society, will launch at year’s end a new service called Filmotech, a digital video-library designed to gather together the entire corpus of Spanish and European cinema, at a price lower than the rental cost of a DVD. Specifically, “between €1.90 and €3.50, depending on the type of work and the license agreement,” says Fernando López, development director of the Spanish organization.

Initially, the Filmotech license agreement consists of renting a work for a certain number of days. Later on, a formula will be added based on the number of screenings and another for unlimited use, which in the latter case equates to a sale. To handle this, Microsoft DRM (digital rights management) technology will be used.

The initial offer will include around 200-250 films, full-length movies and documentaries as well as animated and fictional series. The available selection will be expanded by around 400-500 audiovisual works as the catalog of 6,000 titles managed by the Spanish organization become digitalized.

These figures are evidently far above the actual sales numbers registered for Spanish and European films. But the attractiveness of Filmotech lies precisely in the formula that it plans to use to achieve this volume. “We’re going to include movies that can’t be found anywhere else,” says López.

It is not just about the Spanish film industry learning from someone else’s mistakes in seeing how the resistance by record companies to enter the digital content business has given rise to piracy. Beyond that, it wants to capitalize on the possibilities offered by the Internet. In specific terms, what Chris Anderson has popularized as the theory of the “long tail.”

In his book *The Long Tail*, the editor of Wired magazine shows that a small number of products account for the majority of sales, while the rest, which comprise a large amount of products, attract only a small percentage of consumers. Nevertheless, the sum of these small sales constitutes a big market for companies. More than half of Amazon’s sales, for example, come on titles that are not usually available in large bookstores. Another example is Universal’s online store, where CD sales of old recordings account for 30-35% of its total sales.
This market of minority products that are far from the market of the masses, which is supported by the company’s main business, is particularly important in the digital era, when warehousing and distribution costs are much lower than those of the physical points of purchase. The Internet eliminates or alleviates space problems and helps overcome distribution limitations. This has been demonstrated by the American television program Charlie Rose, one of those that have found a way to take advantage of the “long tail” concept. The show has marketed content from its previously aired episodes through Google Video.

Moreover, as Chris Anderson points out, consumers will purchase a product as long as they can find it. In this regard, the Internet has considerably reduced the difficulty with searching. This benefits businesses that encompass the concept of the long tail, since specialized websites allow users to quickly locate a product that in the physical world would be hard to find.

If Filmotech is able to effectively capitalize on this, its customers will be able to locate European film titles that are unavailable on the mass market and would thus be difficult, if not impossible, to get a hold of otherwise. Meanwhile, the new EGEDA service will start to take advantage of some undervalued material. It will do so in the spirit of the “long tail” theory.