# Theatrical Audience and Growth Opportunities

Research study prepared by

TheQuorum

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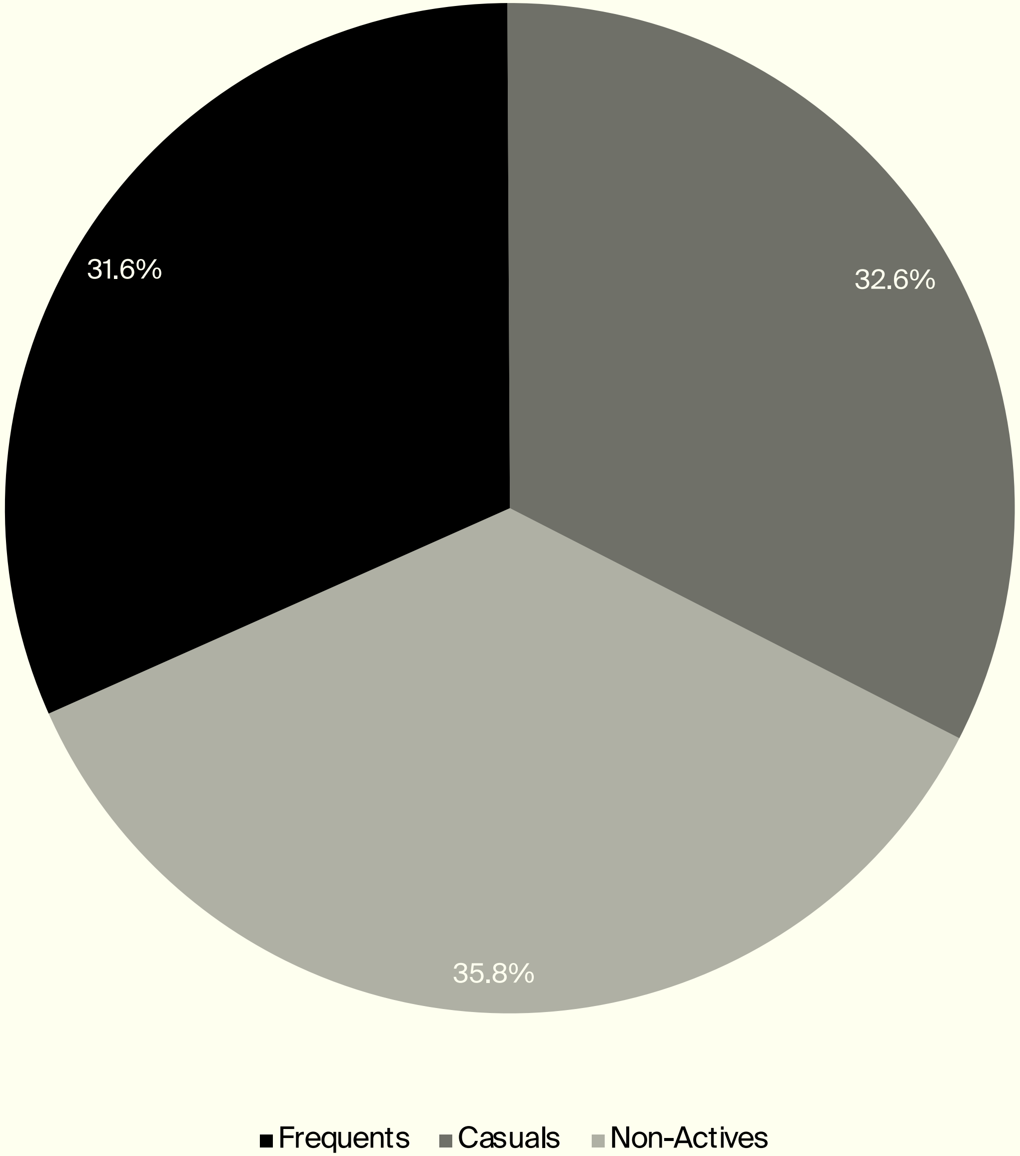
THE CINEMA FOUNDATION

# Goals

There are two primary goals for this study. First, we want to understand who is currently going to the theater. Second, we want to identify opportunities for theater owners beyond screening motion pictures.

So far in 2022, six films have opened above $100M at the box office. If BLACK PANTHER: WAKANDA FOREVER and AVATAR: THE WAY OF WATER do the same, that will bring the total to eight. That would put 2022 in a tie with 2016 for the most films to open above the century mark. That speaks to the strength of the pandemic-era recovery.

Still, that doesn't mean there aren't opportunities for growth. The good news is that among the 6,000 people who took our survey, the vast majority are interested in non-film theatrical experiences. Perhaps more importantly, we see that people who are NOT actively going to the cinema to watch movies express interest in returning for non-film events.




# Filmgoers

The first step in this analysis is to understand who is currently going to the theater. We sort all the respondents into one of three groups: Frequents, Casuals, and Non-Active.

**Frequents** see a movie in a theater at least once a month
**Casuals** go a few times a year
**Non-Actives** currently don't watch movies in a theater

The share is somewhat evenly split across all respondents, with Non-Actives representing the largest group at 35.8%

# Findings

While we're interested in understanding all three groups, this analysis begins by looking at Frequents.

This group skews male, young, and more affluent. And among different races, we see, proportionally, a slight over-index among Hispanic and Latinos.

Conversely, Non-Actives skew female, older, and less affluent.

# Findings

Across all theater-going groups, we see elevated levels of interest in non-film theatrical experiences.

We identified ten experiences ranging from sporting events, book readings, game nights, and Esports. We found that across the board, people of all stripes found the idea of attending a theater for these events of interest.

Of those, watching a **special episode of a television show, streamed live concert**, and **cooking** experiences scored the highest.

# Findings cont’d

Interest in these experiences was not limited to just Frequents or Casuals.

This study also revealed that a sizable percentage of Non-Actives would go to the theater for non-film events. This represents an opportunity for cinemas to expand their audience and attract people who aren’t going to theaters to see films.

On top of that, the data shows that not only are people interested in attending these events, but some would be willing to pay a premium to do so.

# Findings cont’d

While non-film experiences have the potential to bring non-theatergoers back to the cinema, the data shows that movies beyond traditional studio fare also have the potential to grow the audience.

There is strong interest among all respondents, including Non-Actives, for repertory film and genres including documentaries, shorts, anime and Indian cinema.

# Findings cont’d

This study also found that theater and rewards programs are strong drivers of theater attendance and concessions sales. However, adoption is light.

There are synergistic opportunities through bundling non-theatrical experiences into rewards and subscription programs.

# Identifying Frequent Filmgoers

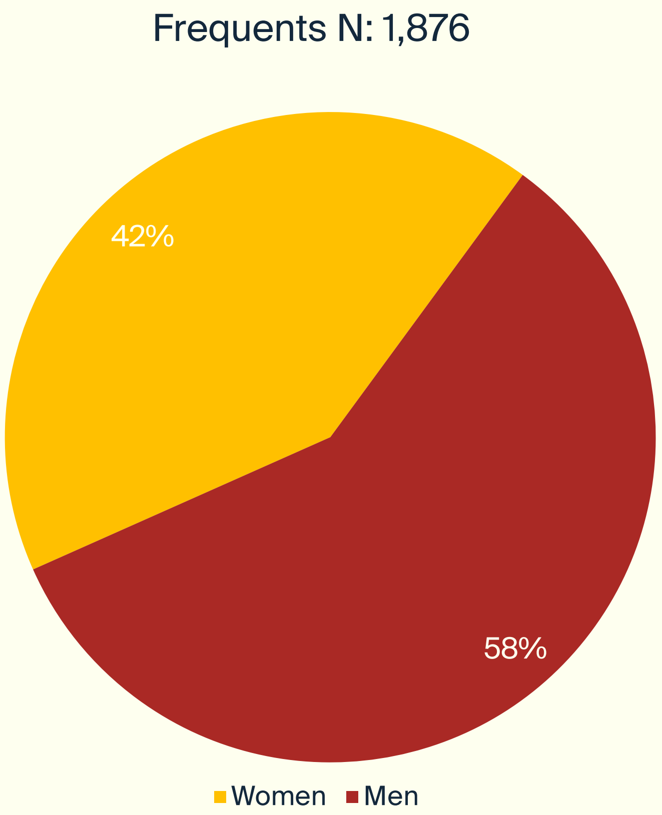
Across the entire sample, 32% of respondents were frequent filmgoers (seeing a movie in a theater at least once a month). That number jumps to 37% among Hispanic and Latino respondents.

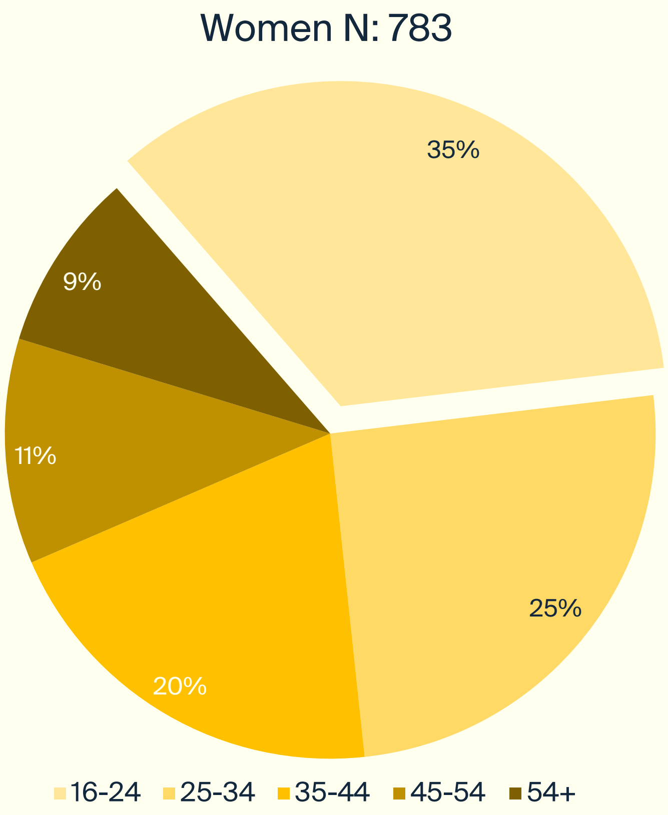
This is true among both women and men. 32% of women in this group identify as frequent filmgoers vs. 26% overall. Among men, it's 46% vs. 37% overall.

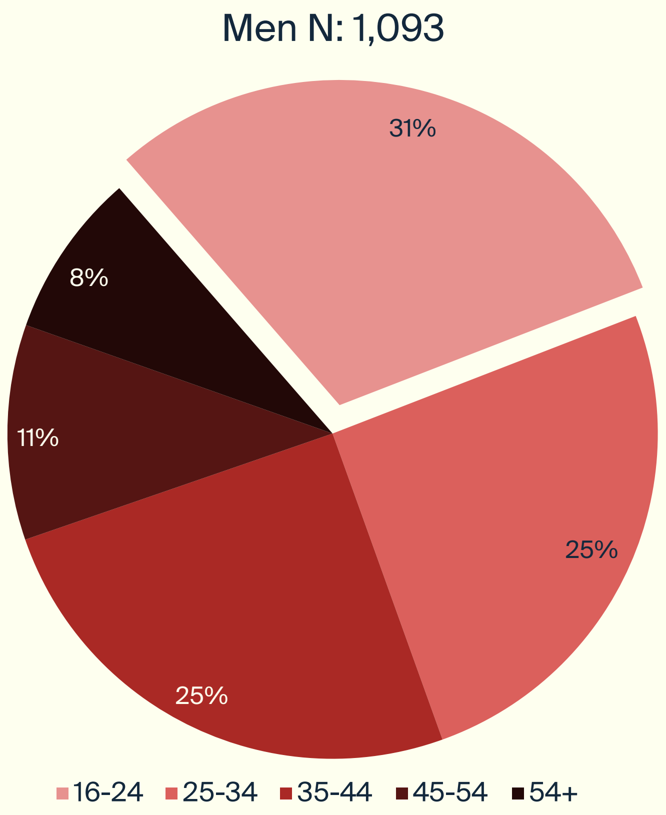
# Frequents lean male and young

Of the 1,876 people who identified as frequent filmgoers, 58% (1,093) were men.
Drilling down even further, among those men, 31% were in the 16-24 age group. At the other end of the spectrum, only 8% of men over 54 years old identify as frequent filmgoers.

Among women, there was an even younger skew with 35% in the 16-24 age group.

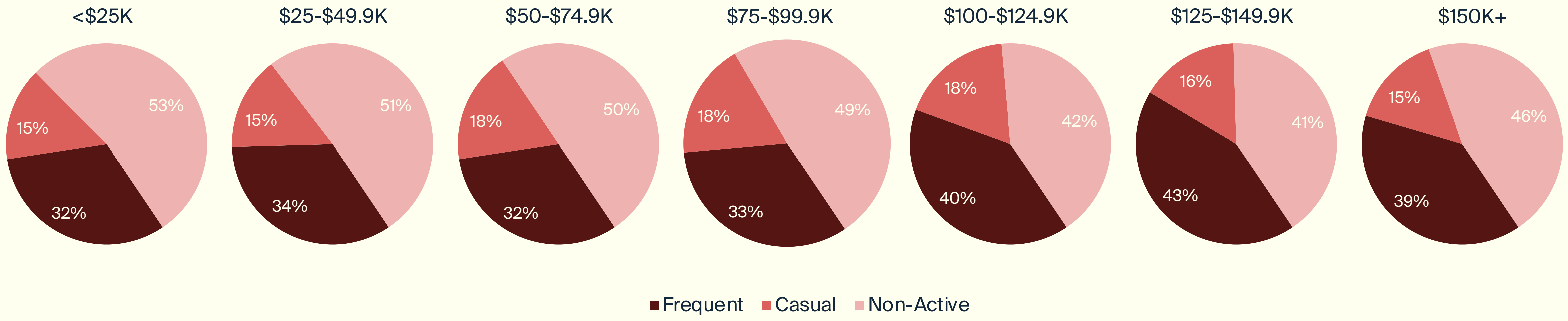


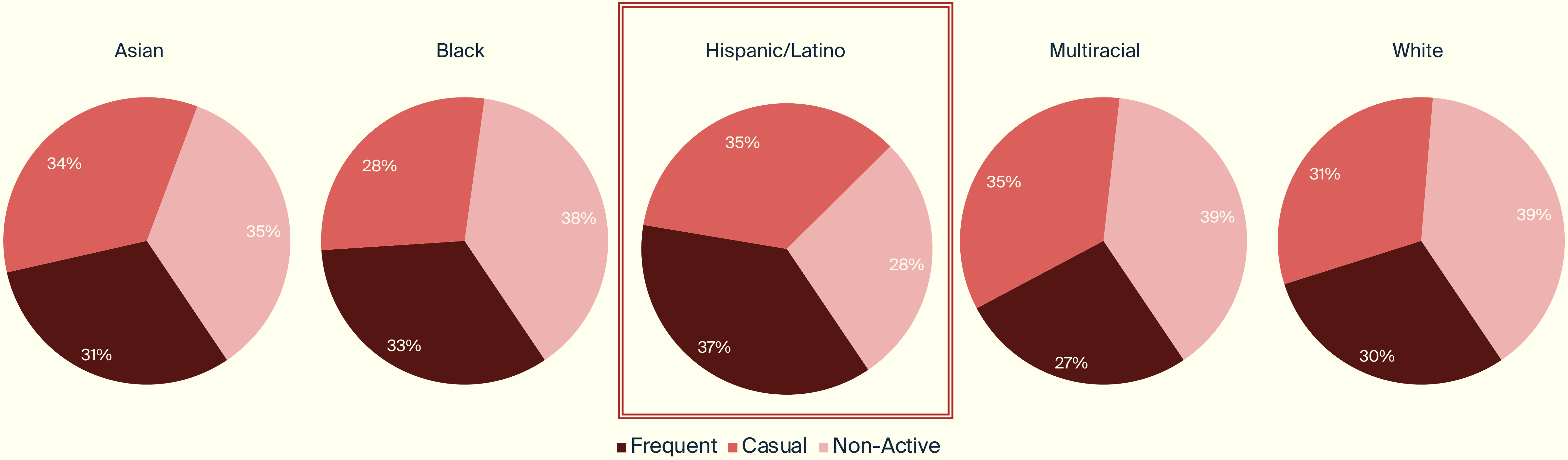
# Frequents skew towards higher incomes

Only 32% of people earning less than $25K are frequent filmgoers.
That numbers rises above 40% among people earning over $100K, with a slight dip at the highest income level.



# Hispanic and Latino audiences over-index as frequent filmgoers

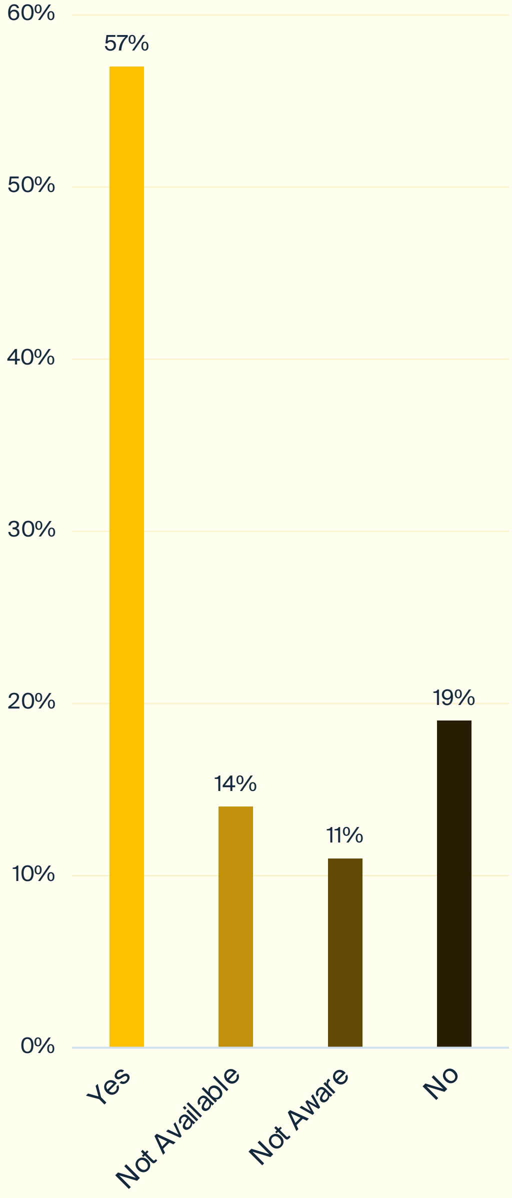
While only 27% of Multiracial respondents identified as frequent filmgoers, the lowest of the groups, the number climbed to 37% among Hispanic and Latino audiences.



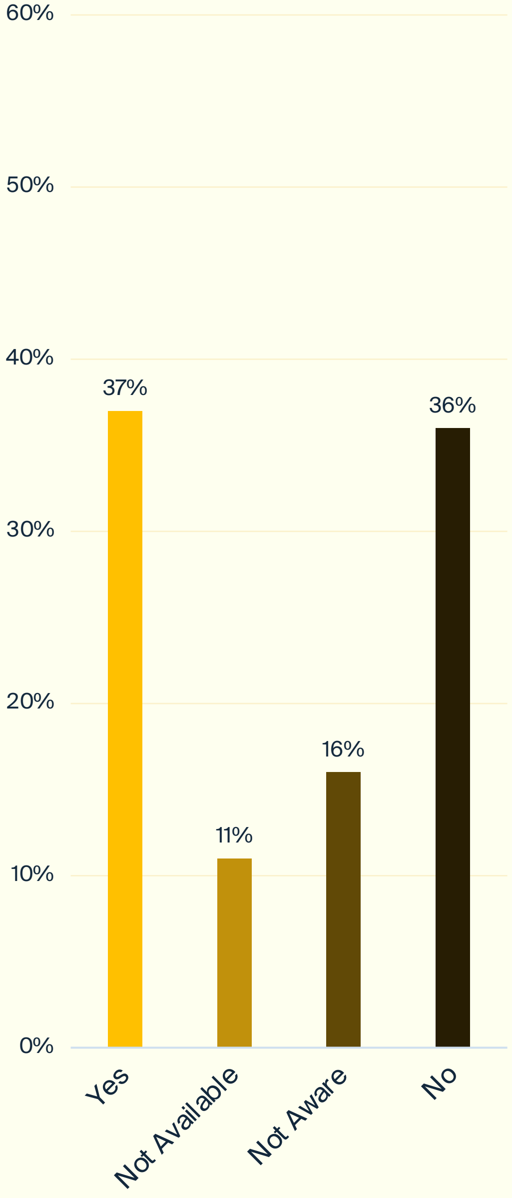
# Rewards and Subscriptions

Rewards and subscriptions are being used by frequent, and to a lesser-extent, casual filmgoers.
But there is room for greater adoption.

Frequents




Casuals




# Rewards

Most frequent filmgoers (57%) belong to at least one rewards program.

Adoption among casual filmgoers has been lower, with only 37% participating in a rewards program.

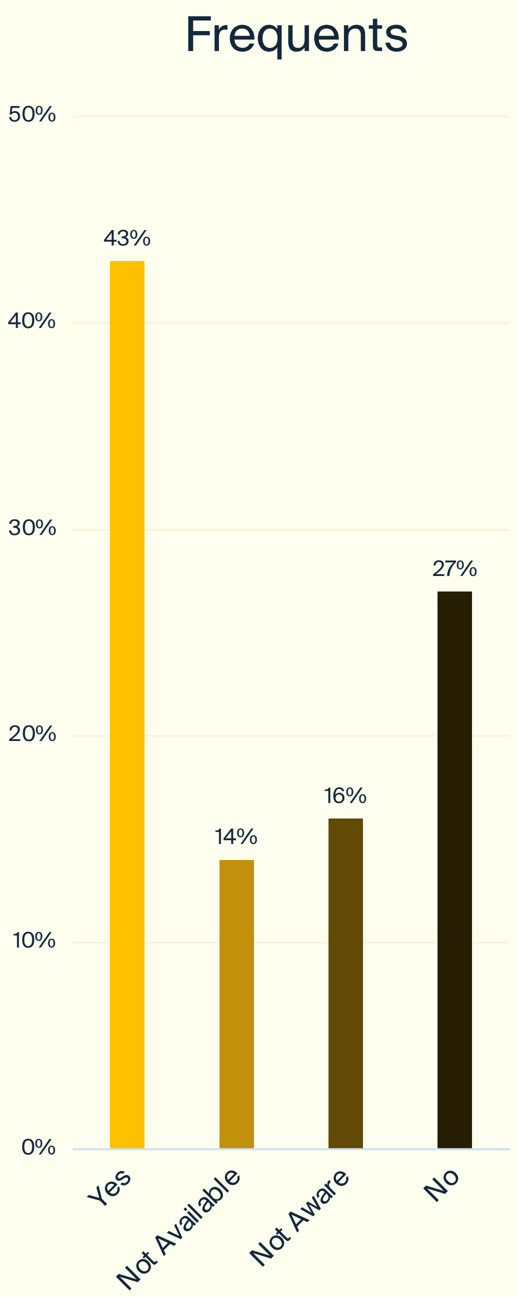
Only 11% of Frequents and 16% of Casuals are unaware of these programs, meaning theaters have successfully educated consumers on the availability of rewards. Still, there remains reluctance, especially among Casuals, to participate.

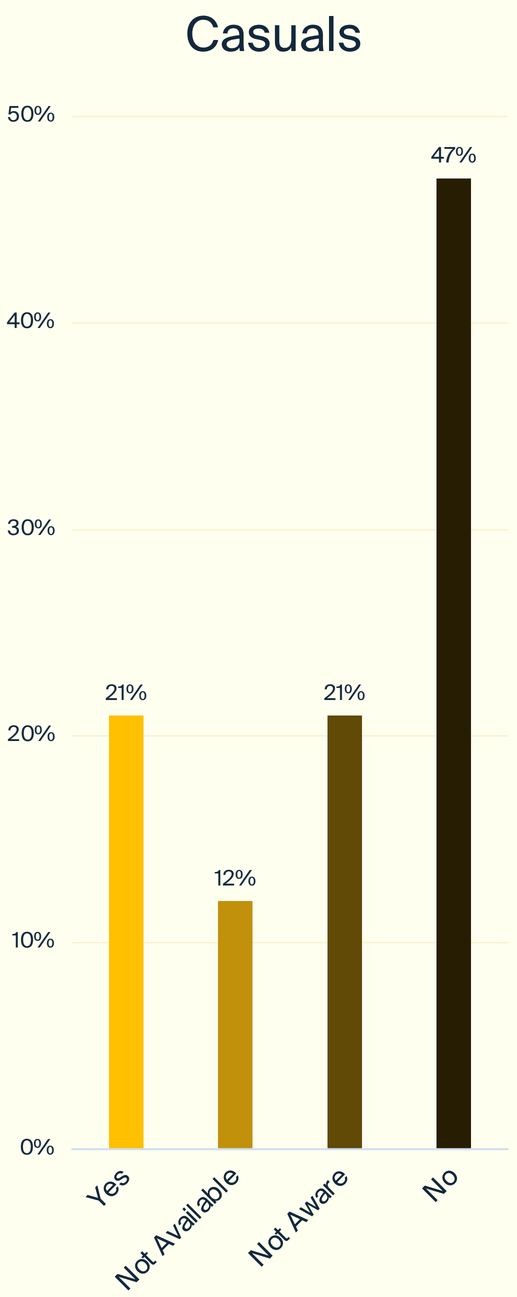
The reasons for not using rewards programs are beyond the scope of this study but are worthy of deeper exploration.

# Subscriptions

Among Frequents, 43% participate in at least one subscription program. Another 43% either don't use them or aren't aware that they exist.

Participation is much lower among Casuals. Only 21% use subscription programs, with 68% either unaware that they exist or don't use them at all.



# 47%

## Rewards Attendance

47% of respondents say they see more movies because of rewards programs.

# Subscription Attendance

39% of respondents say they see more movies because of subscription programs.

39%

# 64%

## Rewards Revenue

64% of people who belong to a rewards program say they buy more concessions.

# Subscription Revenue

The number is even bigger among subscription users, with over 77% saying they buy more concessions.

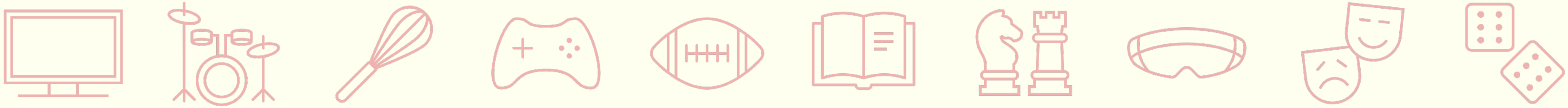
77%

# Theater Experiences

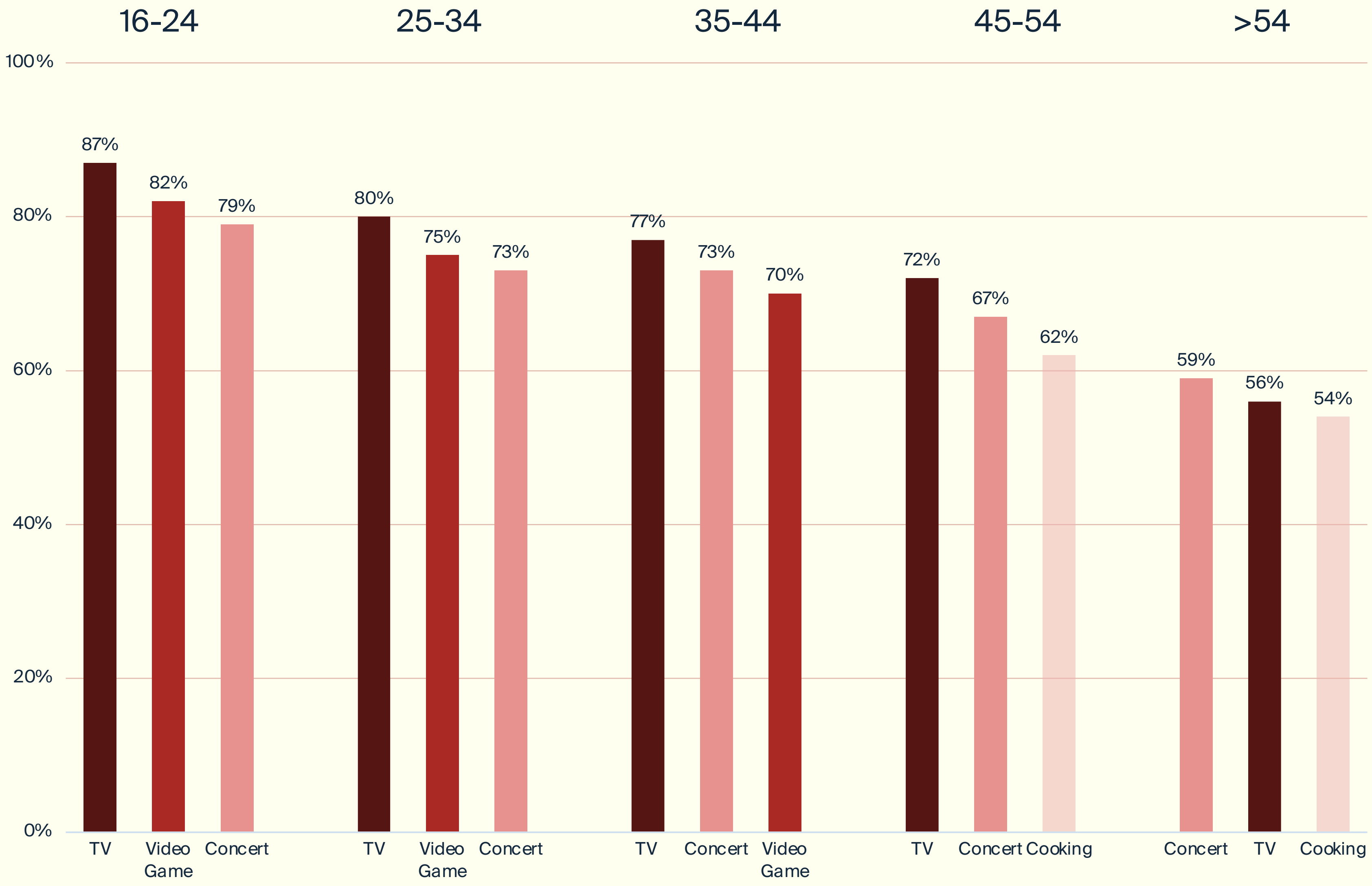
We asked respondents about their interest in a series of non-film experiences in a theater. The following pages show the interest level for each event across race, gender, and age breaks.

What's clear is that there is significant interest in these events. Even the lowest scoring experience generated greater than 50% interest. This suggests significant potential to drive traffic to theaters for events beyond just motion pictures.

# Topline Interest



77% 72% 68% 67% 63% 62% 60% 52% 51% 51%



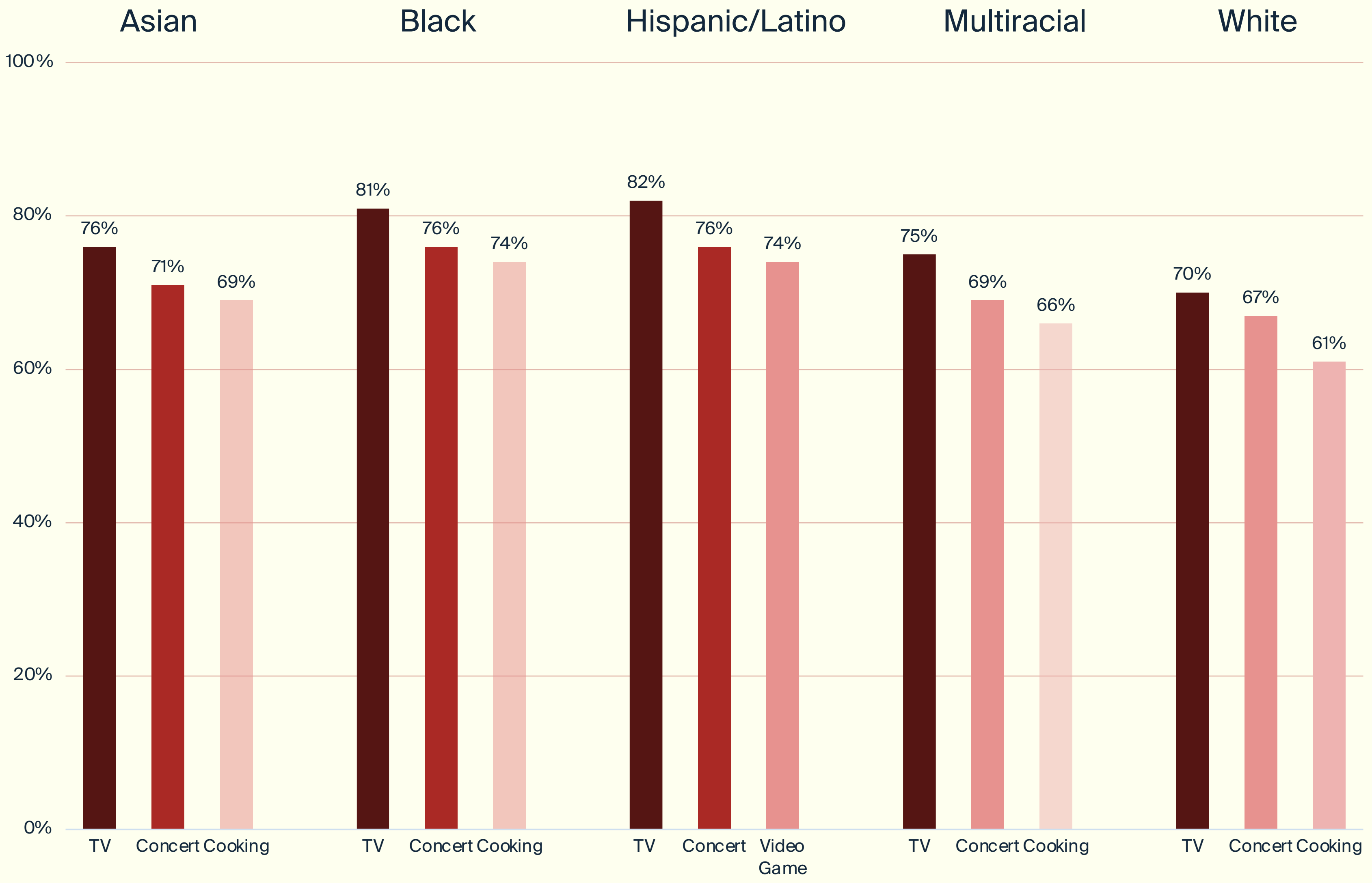

# By age group

These are the three experiences that generated the most interest by age group.

Not only does overall interest wane among older groups, but so do preferences.

Cooking is not a top three choice among younger demos, but it rises among older groups.

Likewise, younger groups have a greater interest in video games.

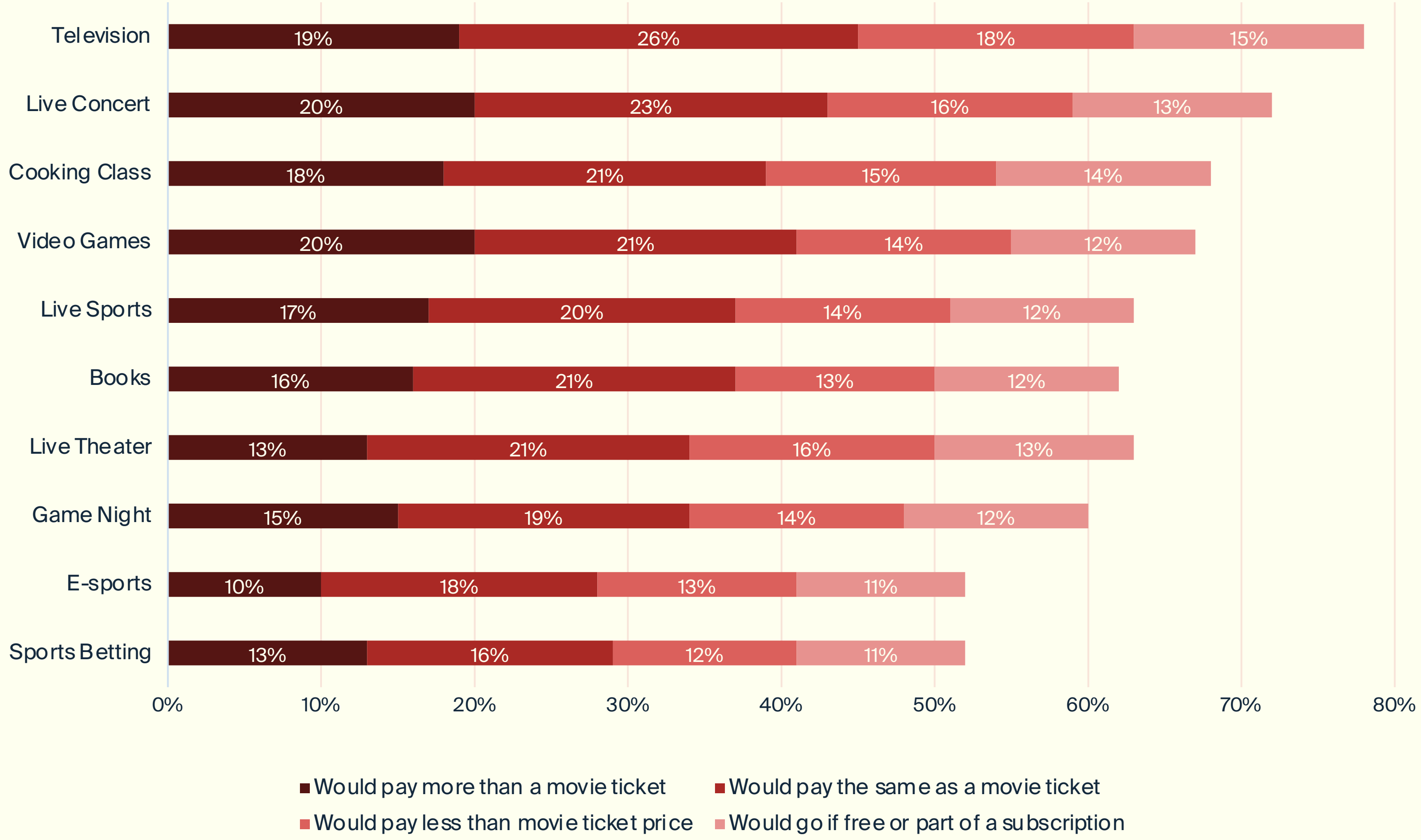



# By race group

These are the three experiences that generated the most interest by each race group.

Hispanic/Latino respondents expressed the most interest.

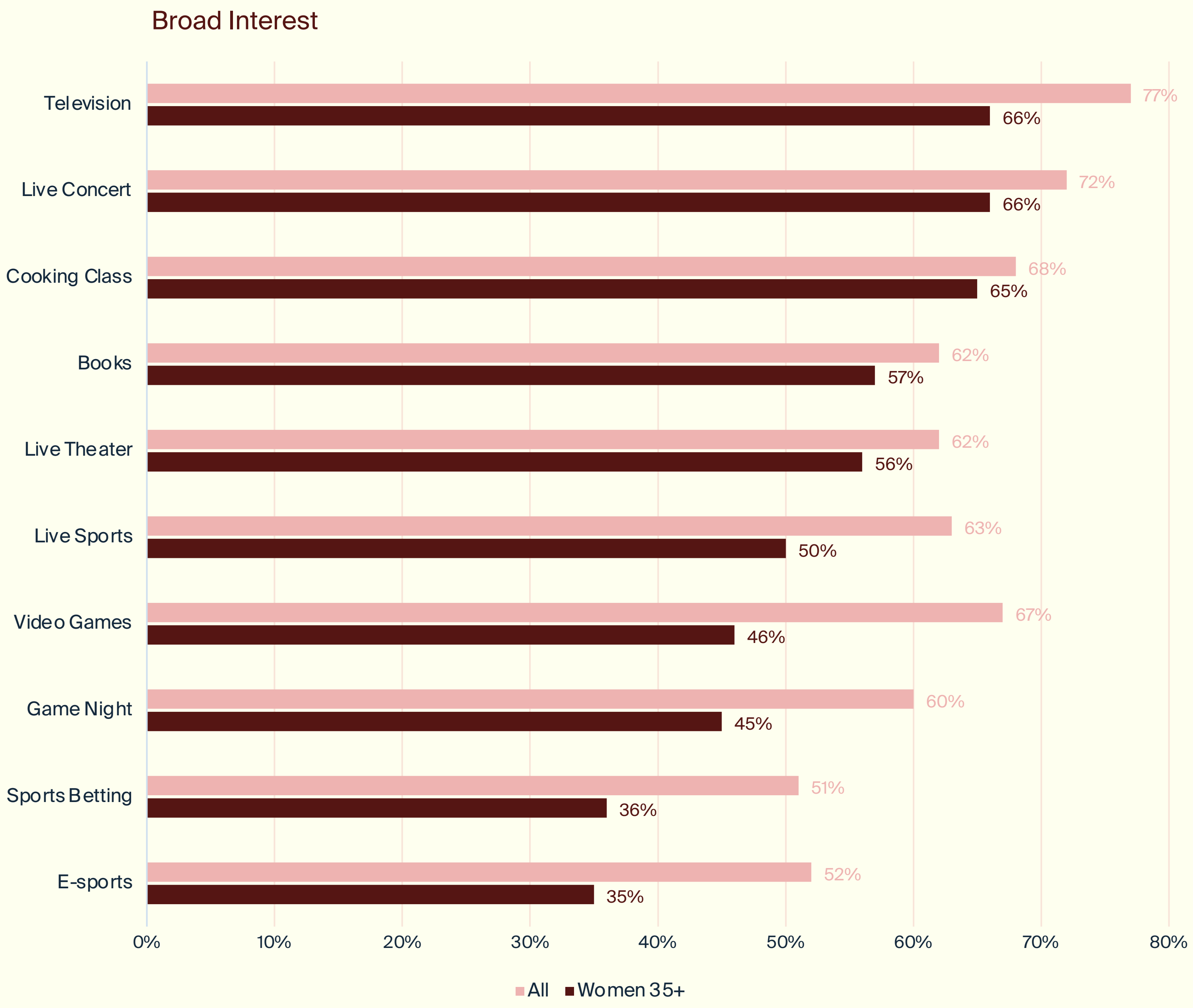
Also note the shift in experiences among the top three.




# Pay a premium

Not only is there strong interest in these theater experiences, but some people are willing to pay a premium.

For example, of the people who said they would watch a special episode of a TV show in a theater, 19% would pay more than the average movie ticket price to do so.

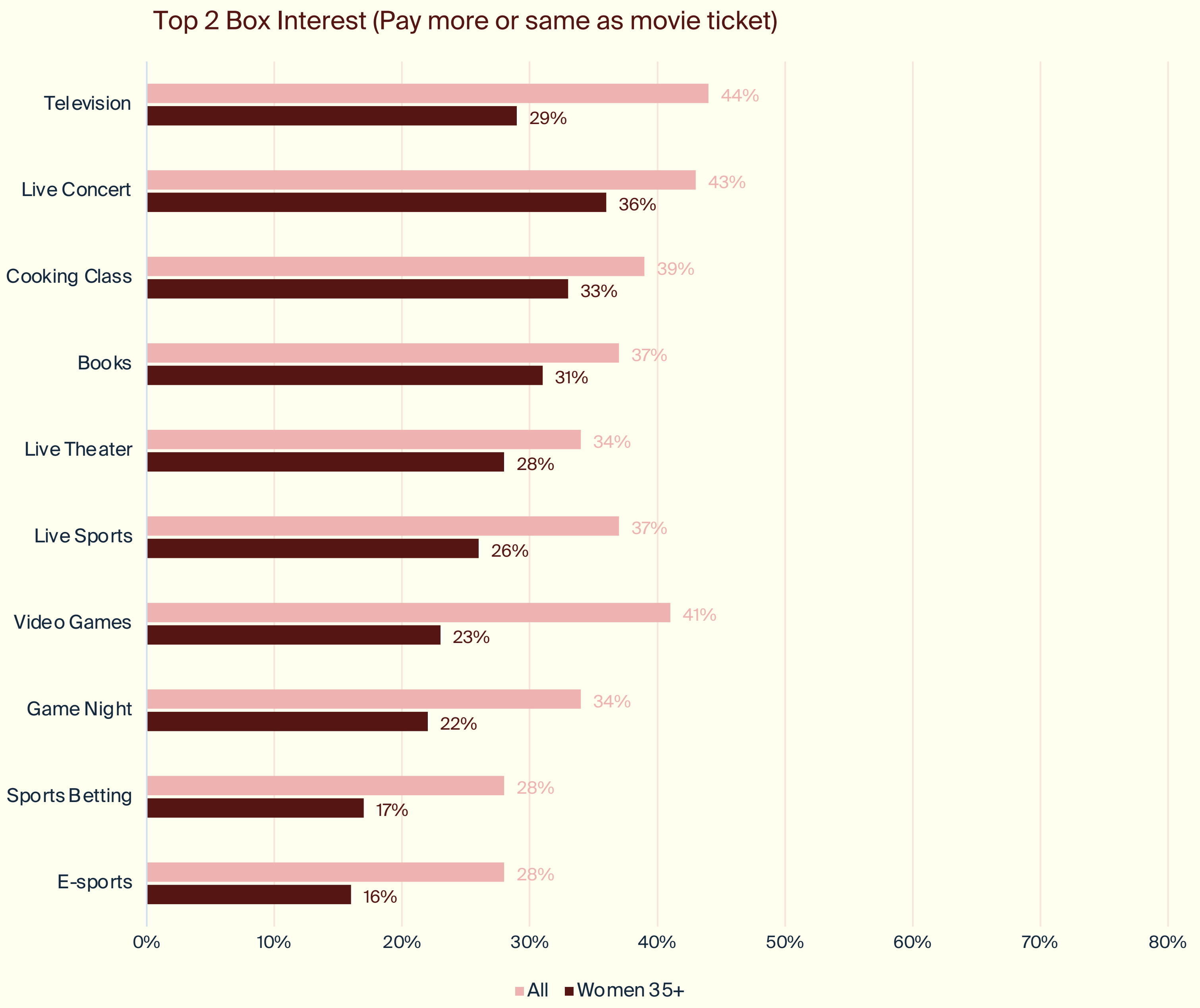



# Women 35+

Interest among Women 35+ is highest for Television and Live Concert, though the scores in this demo are lower than the general sample for all experiences.

The gap is smallest for Cooking Class where 68% of all respondents expressed interest versus 65% for Women 35+.

On the opposite end, 67% of general respondents expressed interest in Video Games, but that number drops to 46% in the demo.




# Women 35+

When we look at interest among people willing to pay more or the same as a movie ticket, Television falls to 4th place among Women 35+.

At 36%, Live Concert rises to the top in the demo, followed by Cooking Class and Books.

# Theater Experiences: Non-Actives

Roughly 36% of the people in this study said they currently don't go to the theater to watch a movie. But is it possible that they would return to the theater for non-film experiences?

Bringing this group into the fold presents tremendous upside potential for theater owners. The good news is that there is interest in many of these non-movie experiences.

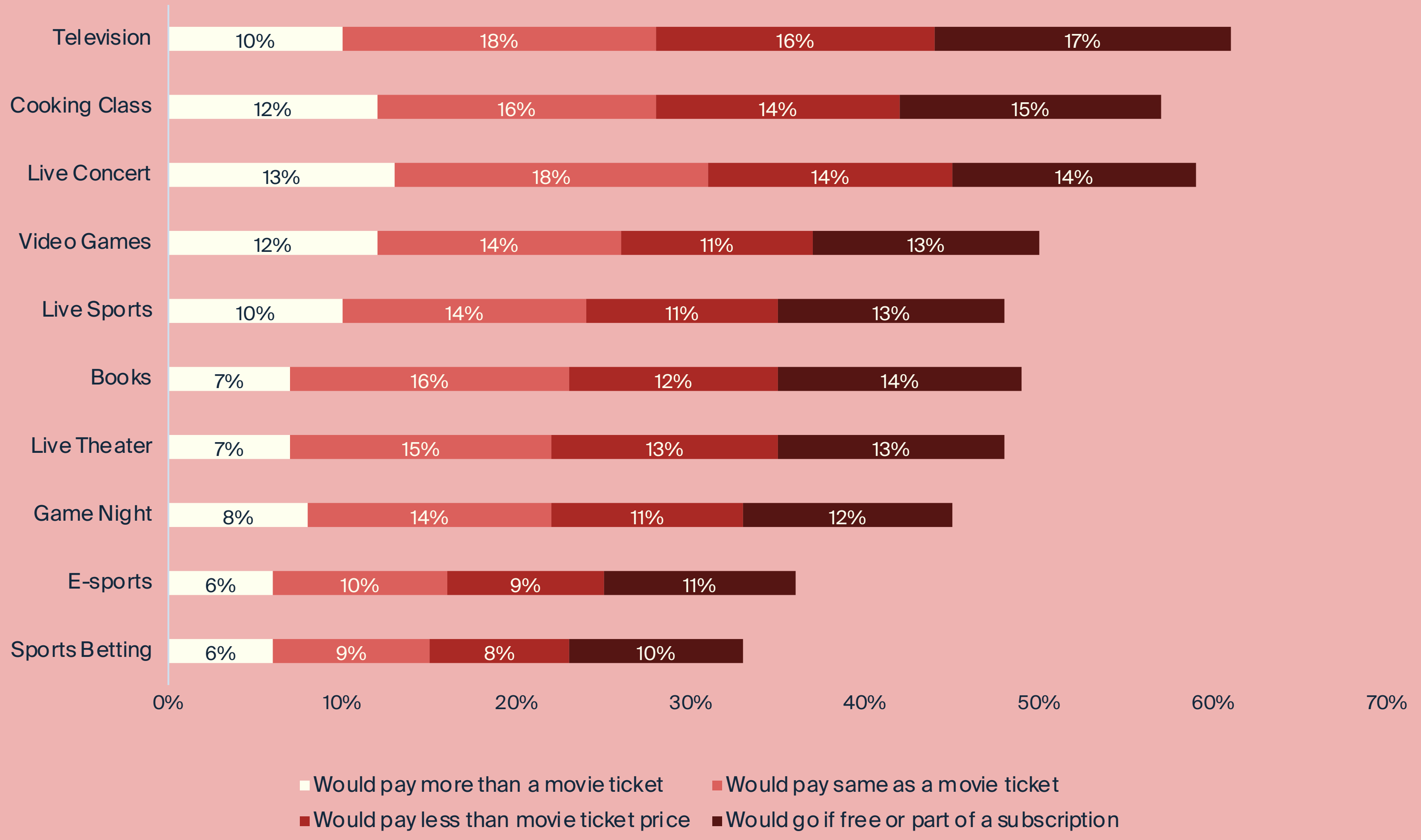
# Meaningful growth potential

Interest among Non-Active theatergoers exceeds 50% for Television, Cooking Class, Live Concert, and Video Games.

More importantly, some Non-Active filmgoers would be willing to pay a premium for these events.

For example, 13% of Non-Actives would pay more than the price of a movie ticket to see a live concert streamed in a theater.

That represents meaningful upside revenue potential for theater owners.



# Subscription Outreach

A large majority (83%) of Non-Active filmgoers don't belong to or aren't aware of theater subscription plans.

Many non-filmgoers would pay to see non-film events at a theater, while others would only go if these events were free or part of a subscription plan. This suggests in-theater foot traffic could be increased by including non-film events in subscription plans. There is even greater growth potential through education and outreach about these plans.

83%

# Repertory Cinema

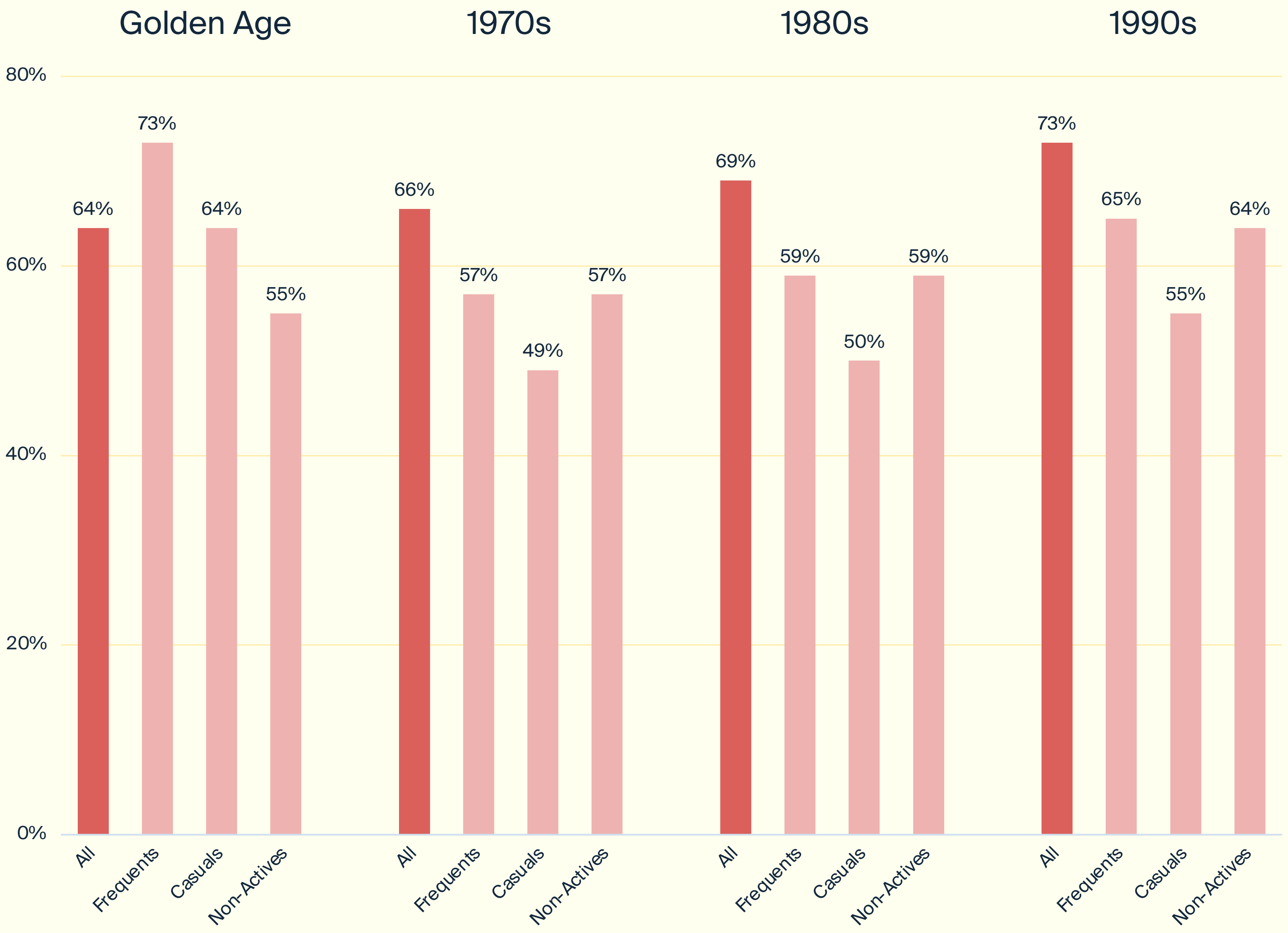
Are people interested in seeing classic films from bygone eras?  Yes.
And interest isn't isolated to Frequent theatergoers. Non-Active theatergoers expressed high levels of interest as well. Not only does repertory cinema bring in Non-Actives, but it attracts an older audience that has otherwise expressed smaller interest in going to the theater.

# Interest: Top 2 Boxes

Could it be that Non-Actives aren't going to the theater because what's being offered holds little appeal?

That would appear to be the case given that interest is above 50% for each era of classic film among Non-Actives.

When we look at films from the 1970s, 1980s, and 1990s, interest among Non-Actives is on par with Frequents.



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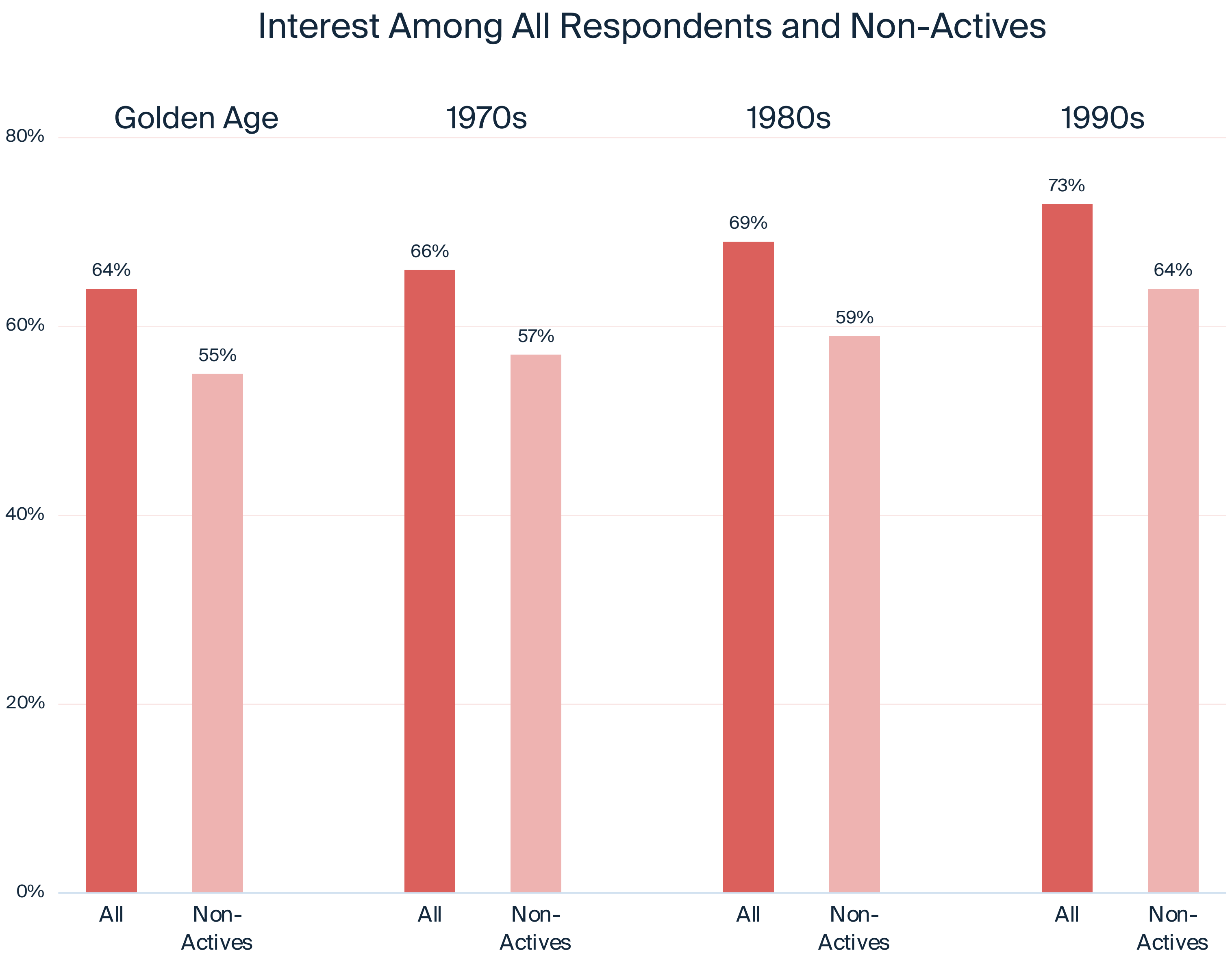
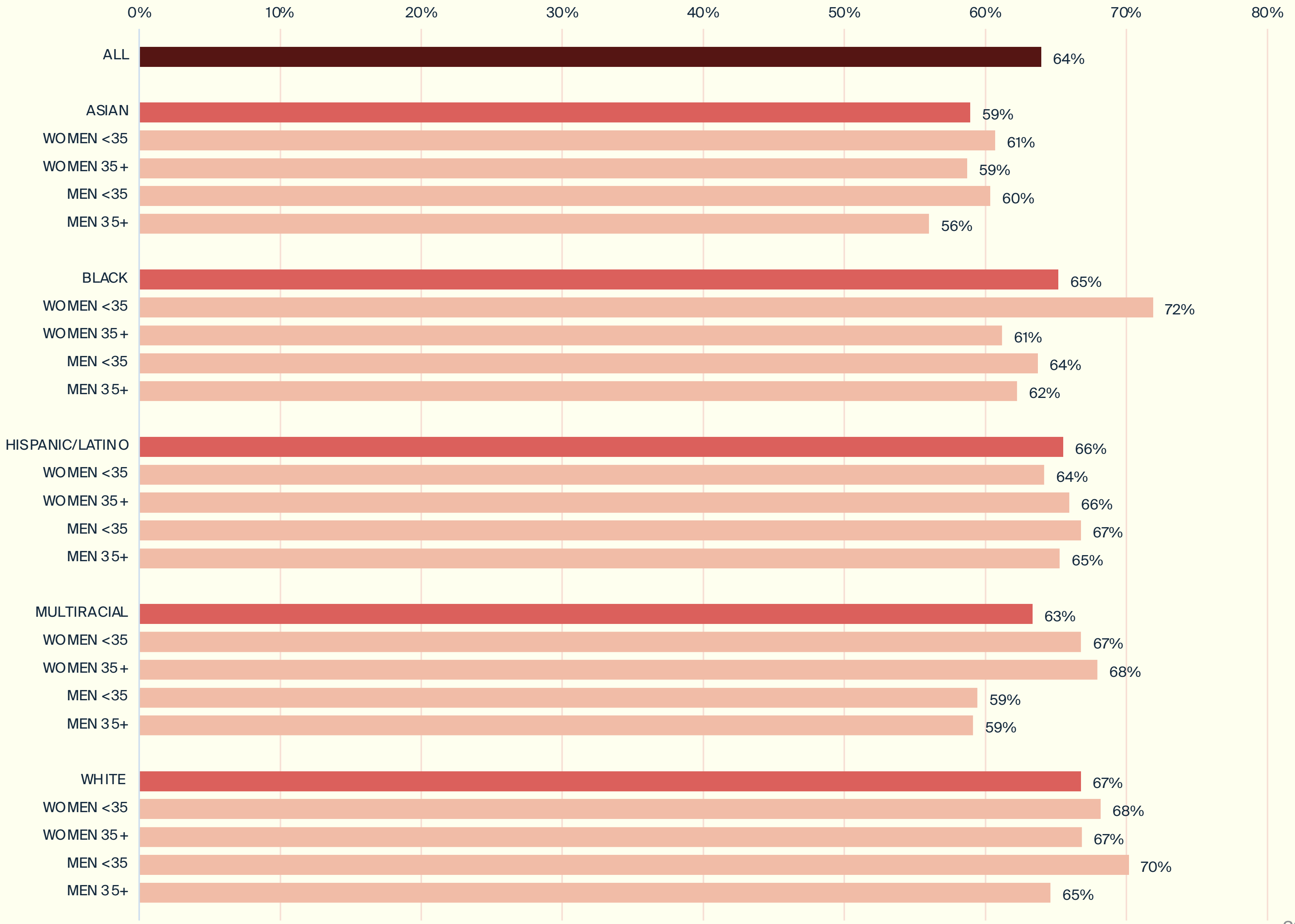


# Golden Age

## Overall interest: 64%

Five strongest demos:

Black W<35
White M<35
White W<35
Multiracial W35+
White W35+

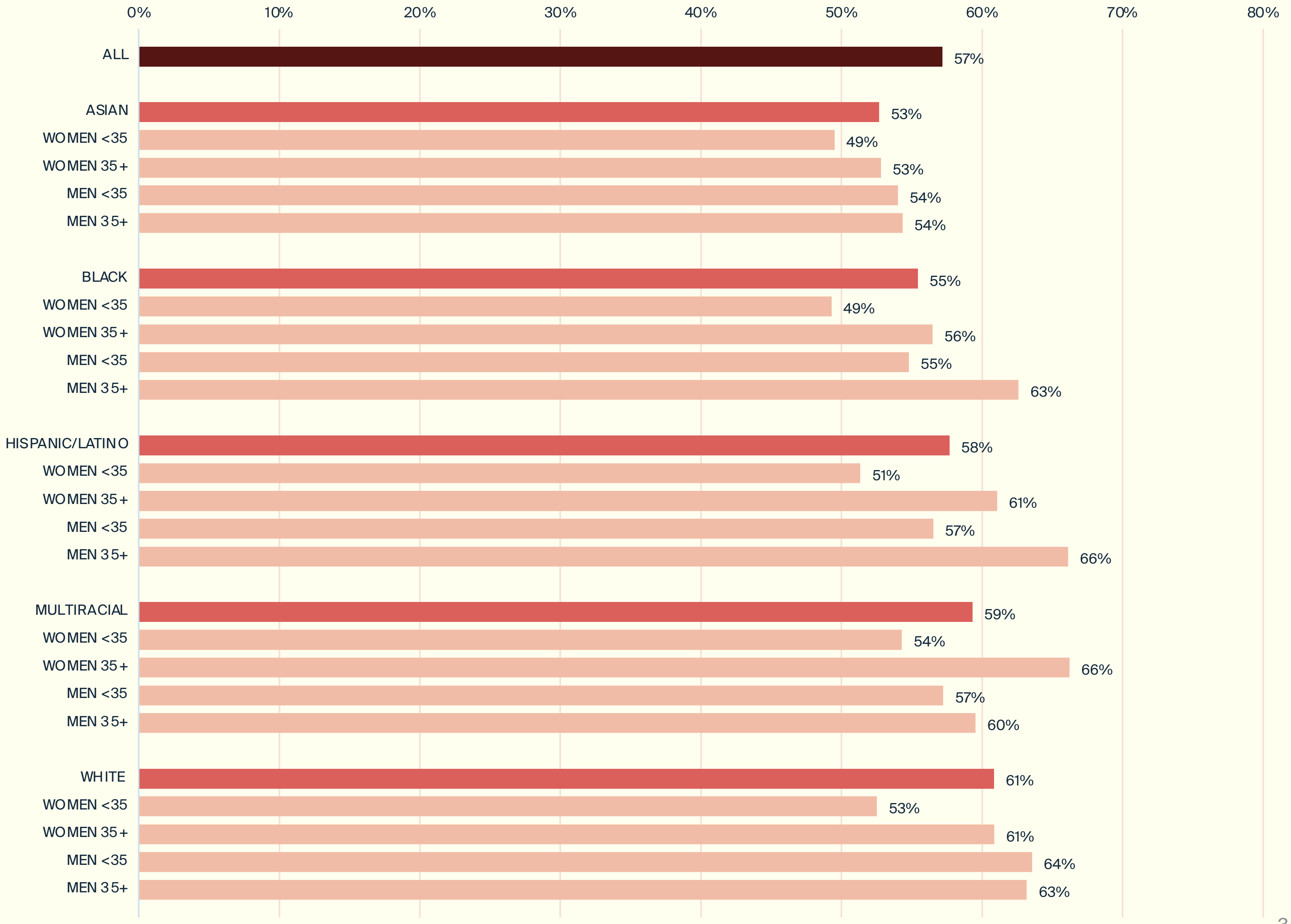


# 1970s

## Overall interest: 57%

Five strongest demos:

Multiracial W35+
Hispanic/Latino M35+
White M<35
Black M35+
White M35+

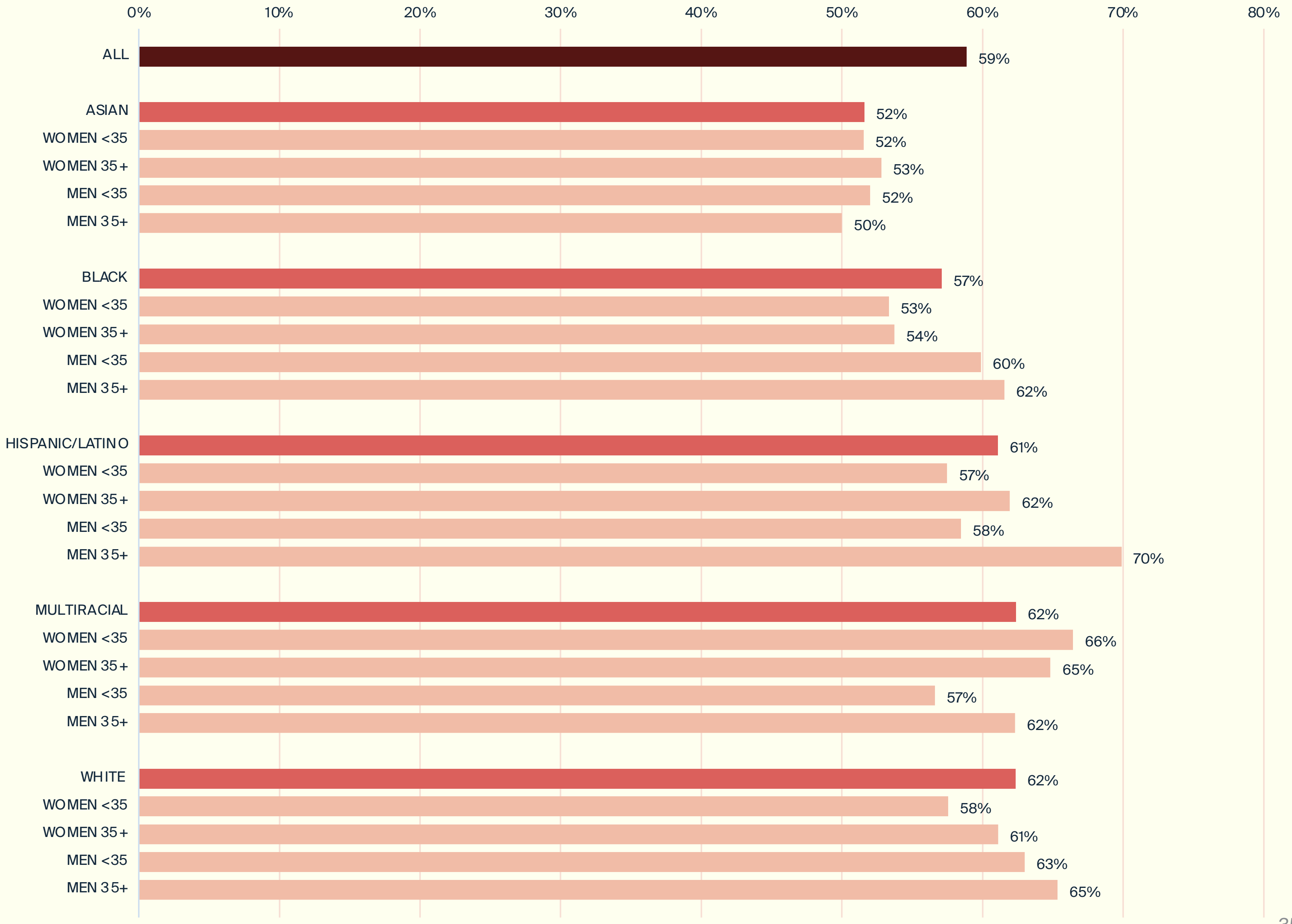


# 1980s

## Overall interest: 59%

Five strongest demos:

Hispanic/Latino M35+
Multiracial W<35
Multiracial W35+
White M35+
White M<35

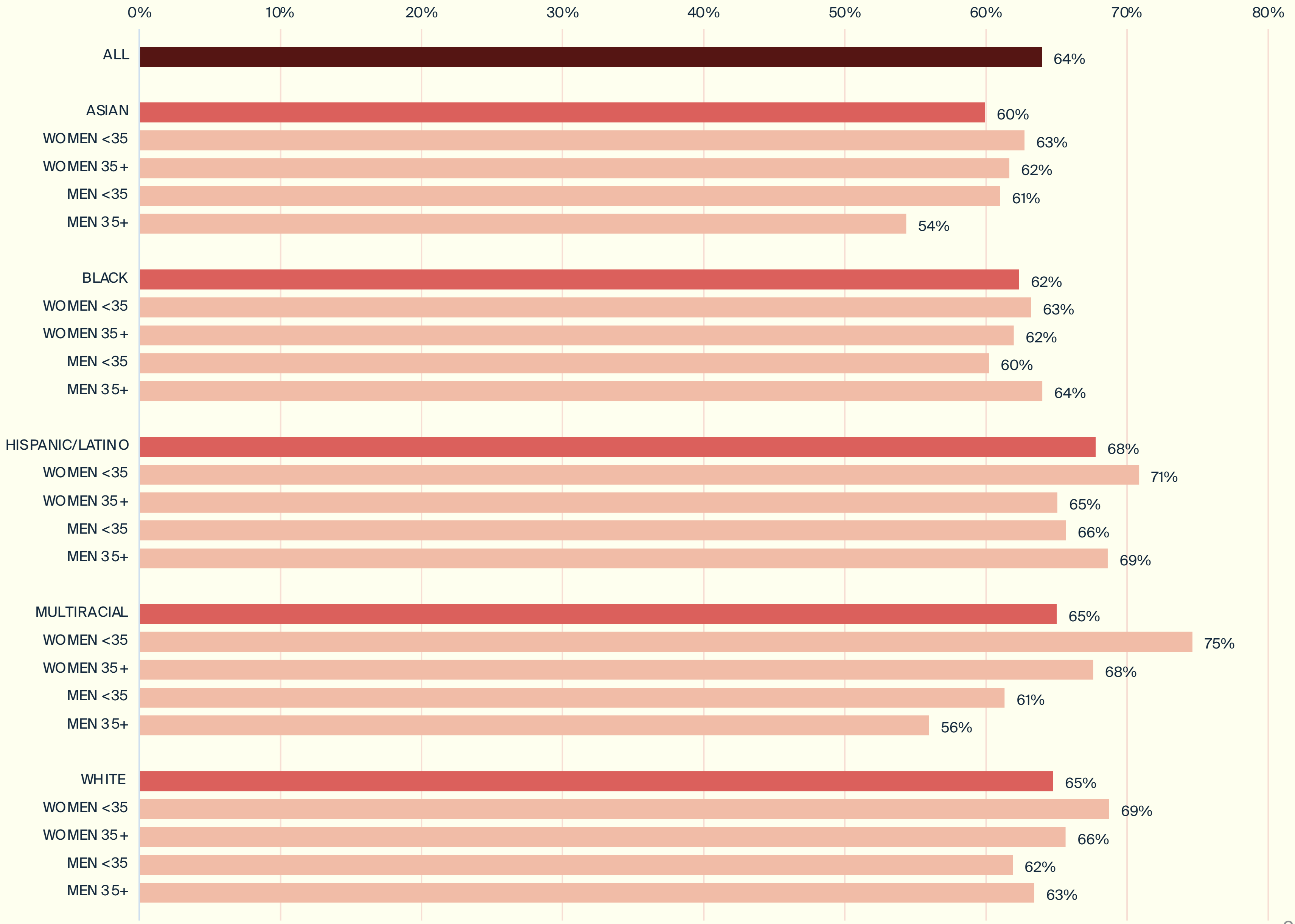


# 1990s

## Overall interest: 64%

Five strongest demos:

Multiracial W<35
Hispanic/Latino W<35
White W<35
Hispanic/Latino M35+
Multiracial W35+



# Expanding Our Aperture

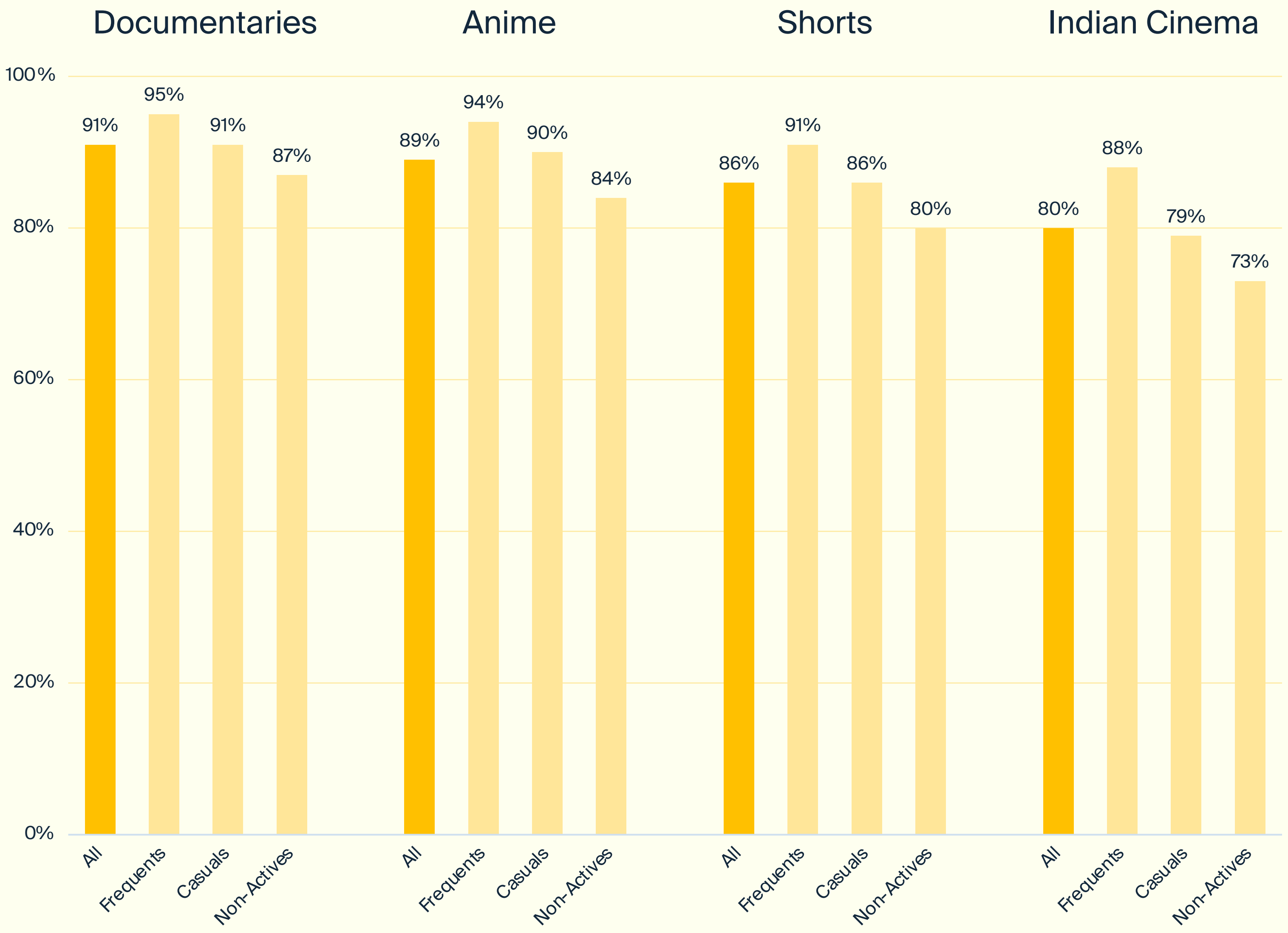
Shorts, Documentaries, Anime and Indian Cinema don’t get the same attention as other traditional big studio offerings. But should they?

# Awareness

All four of the film types have high levels of awareness.

Across all respondents, Documentaries have the highest awareness at 91%, while Indian Cinema is lowest at 80%.

As expected, Frequents have the highest levels of awareness, but the numbers are still elevated among Non-Actives.

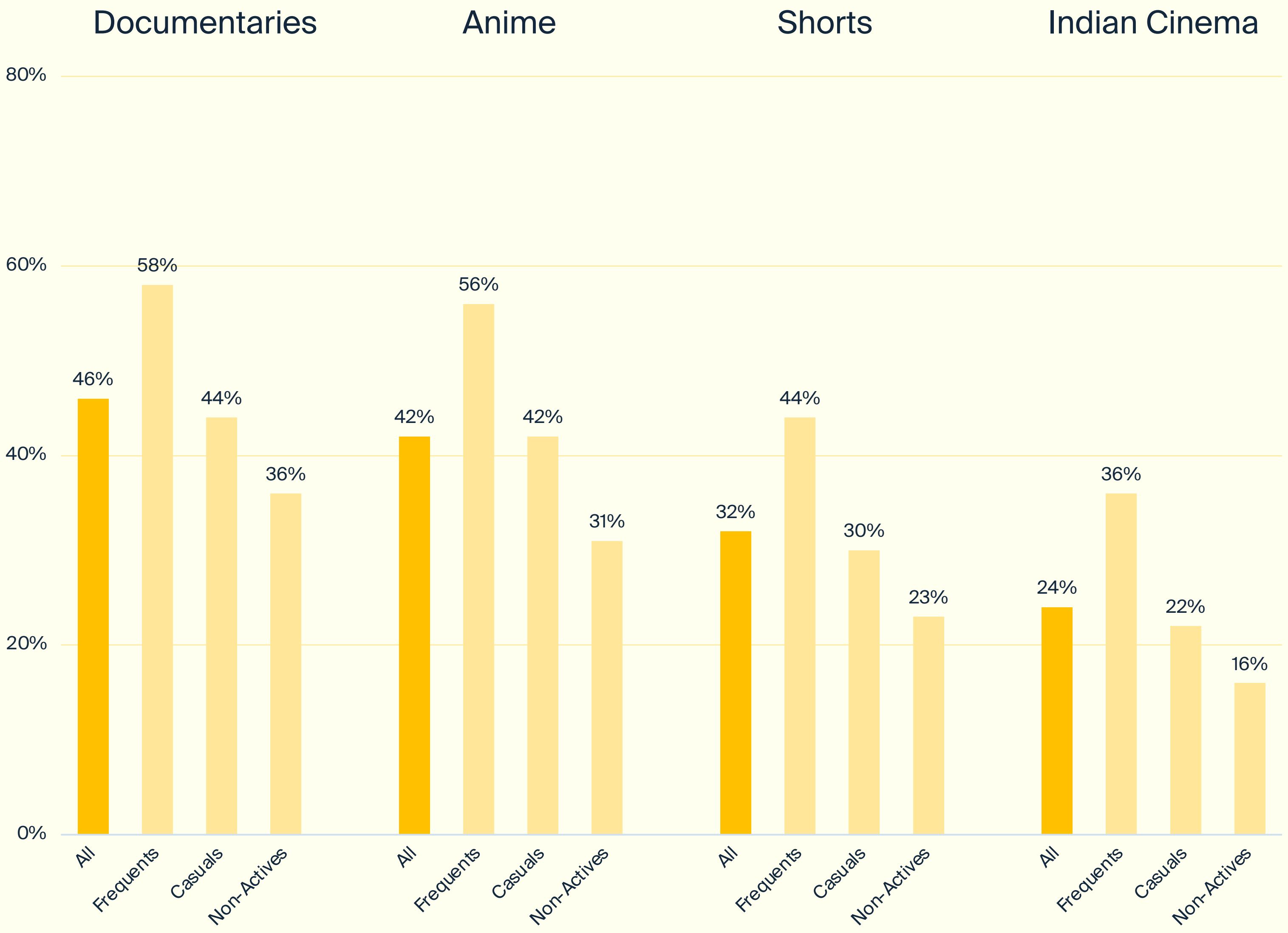


# Interest: Top 2 Boxes

Respondents were asked to measure their interest in these genres on a five-point scale from “very interested” to “not at all interested.”

These results reflect the percentage of people who selected the top two boxes (“very interested” “somewhat interested”).

Interest scores follow a similar pattern as awareness, with Documentaries scoring highest and Indian Cinema at the low end.

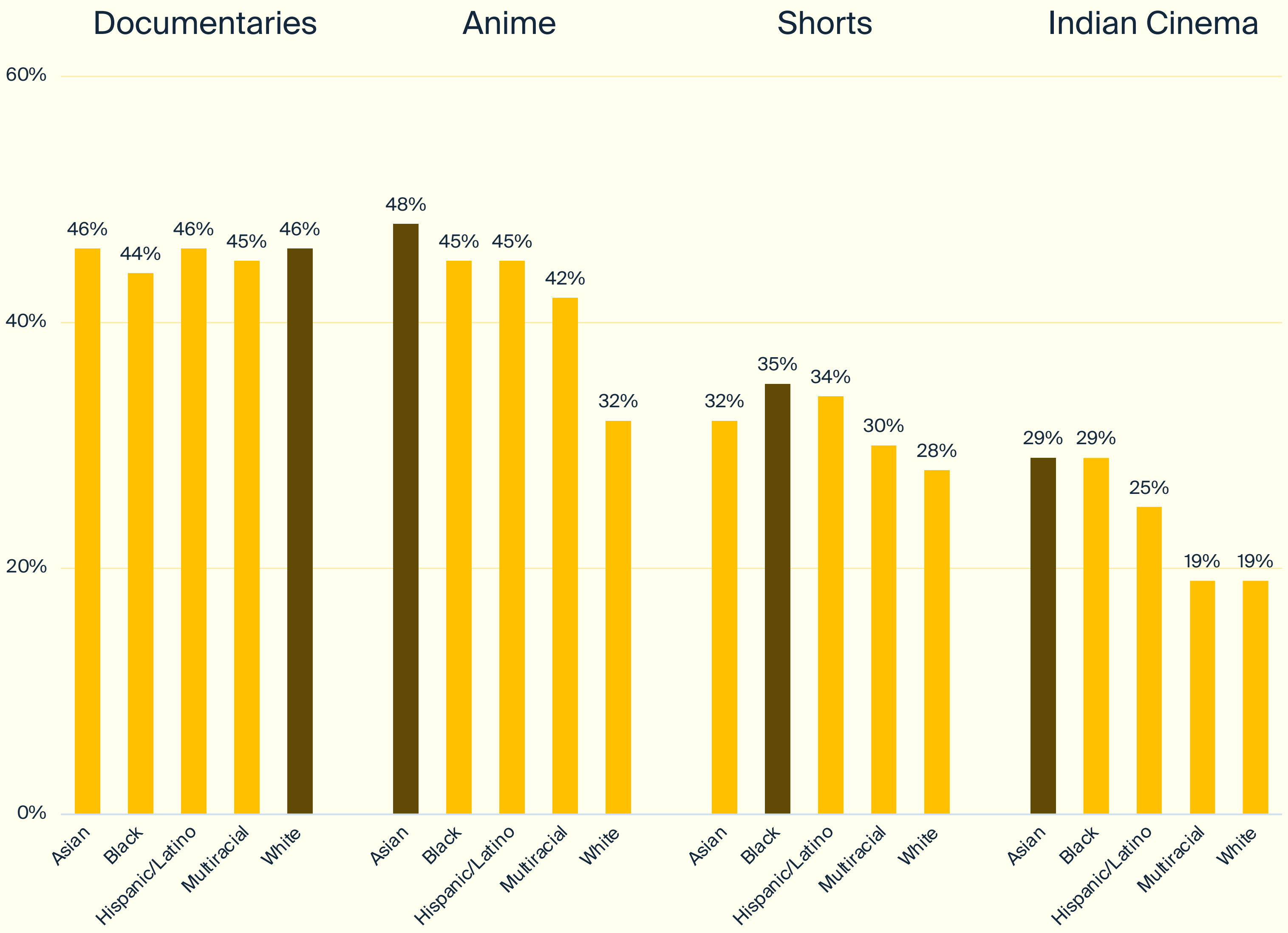


# Interest by race group

White respondents expressed the largest interest (top two boxes) in Documentaries.

Asian respondents expressed the largest interest in Anime and Asian Cinema genres.

Black respondents expressed the largest interest in the Shorts.

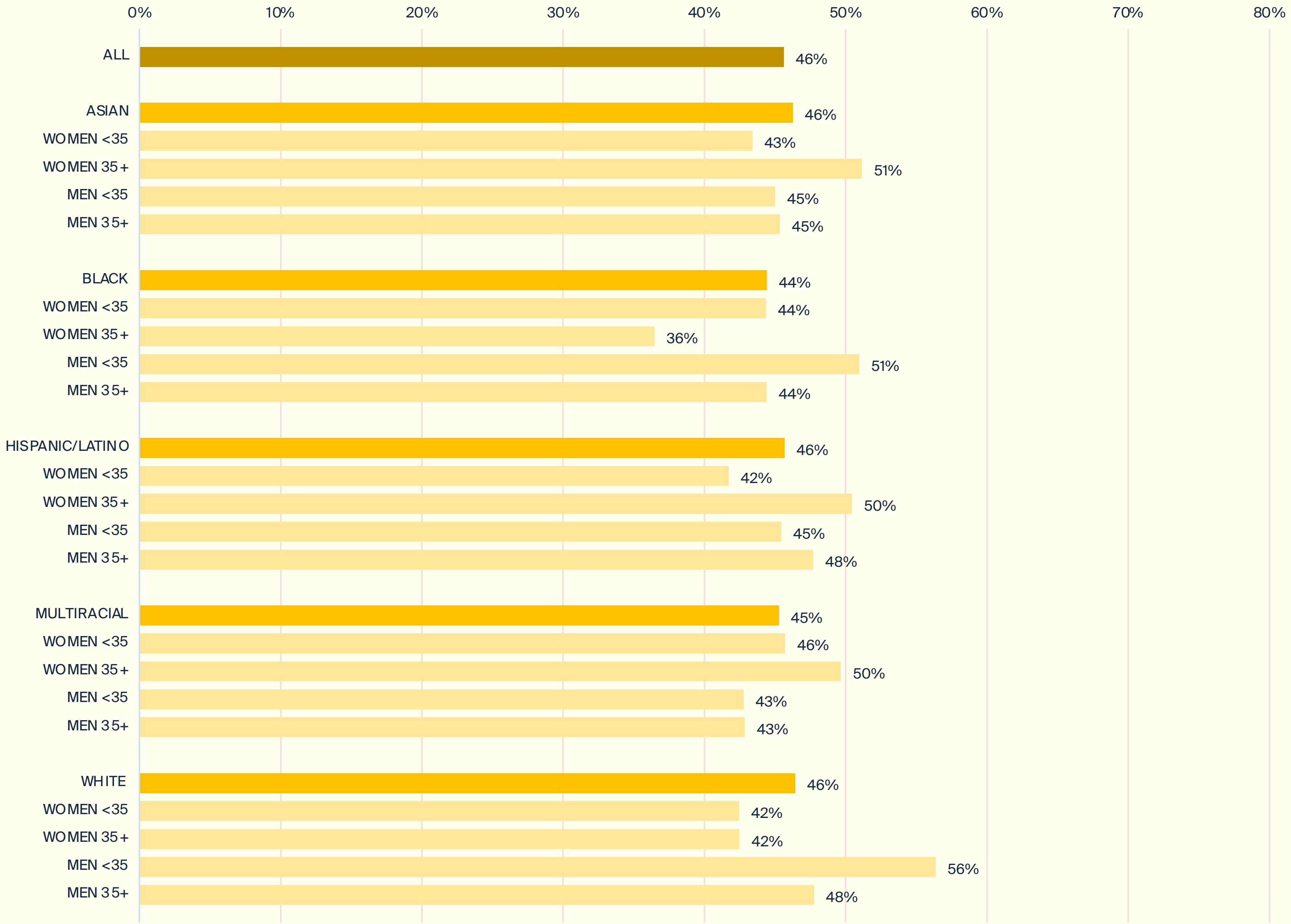


# Documentary

## Overall interest: 46%

Five strongest demos:

White M<35
Black M<35
Asian W35+
Hispanic/Latino W35+
Multiracial W35+

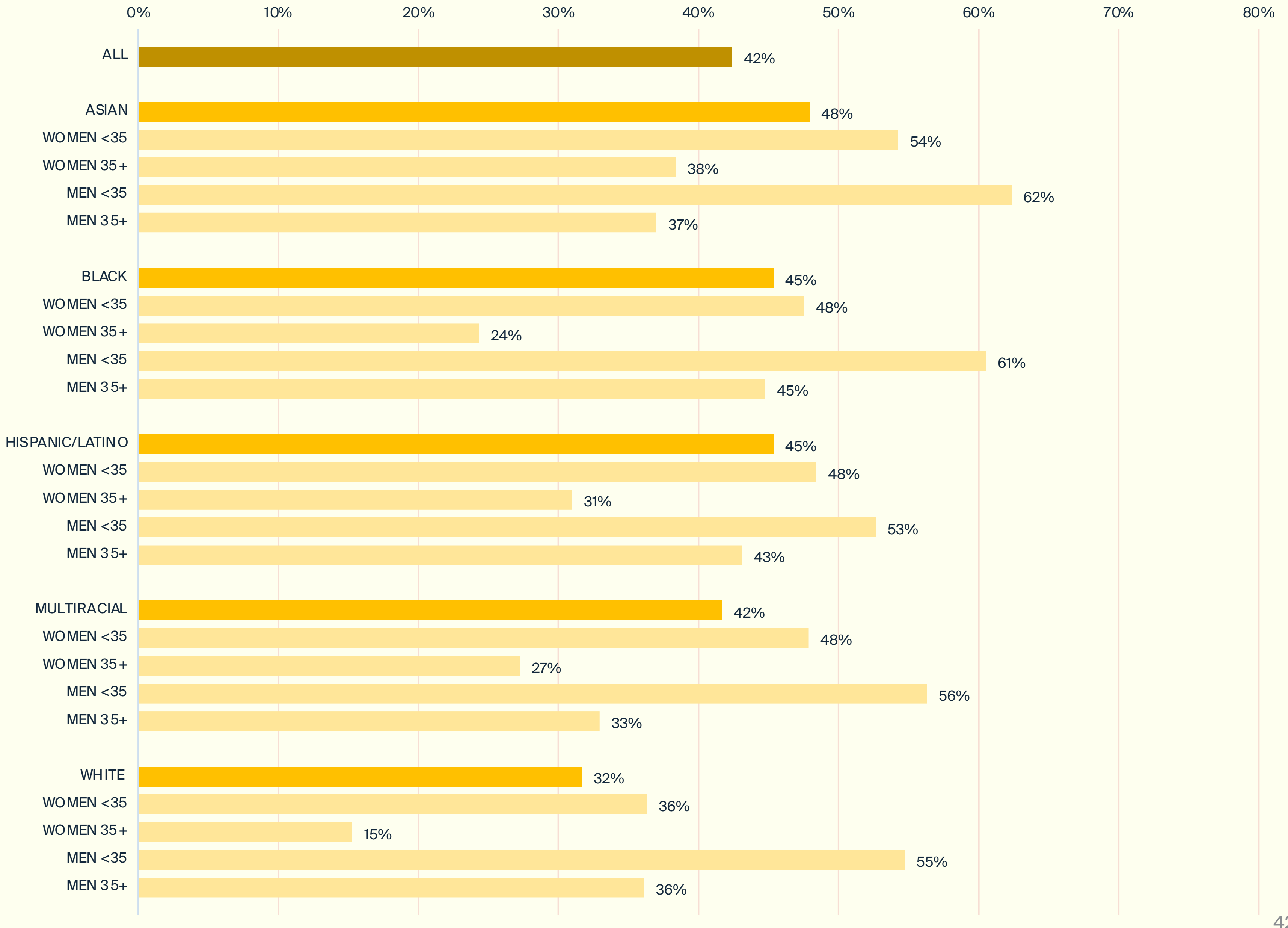


# Anime

## Overall interest: 42%

Five strongest demos:

Asian M<35
Black M<35
Multiracial M<35
White M<35
Asian W<35

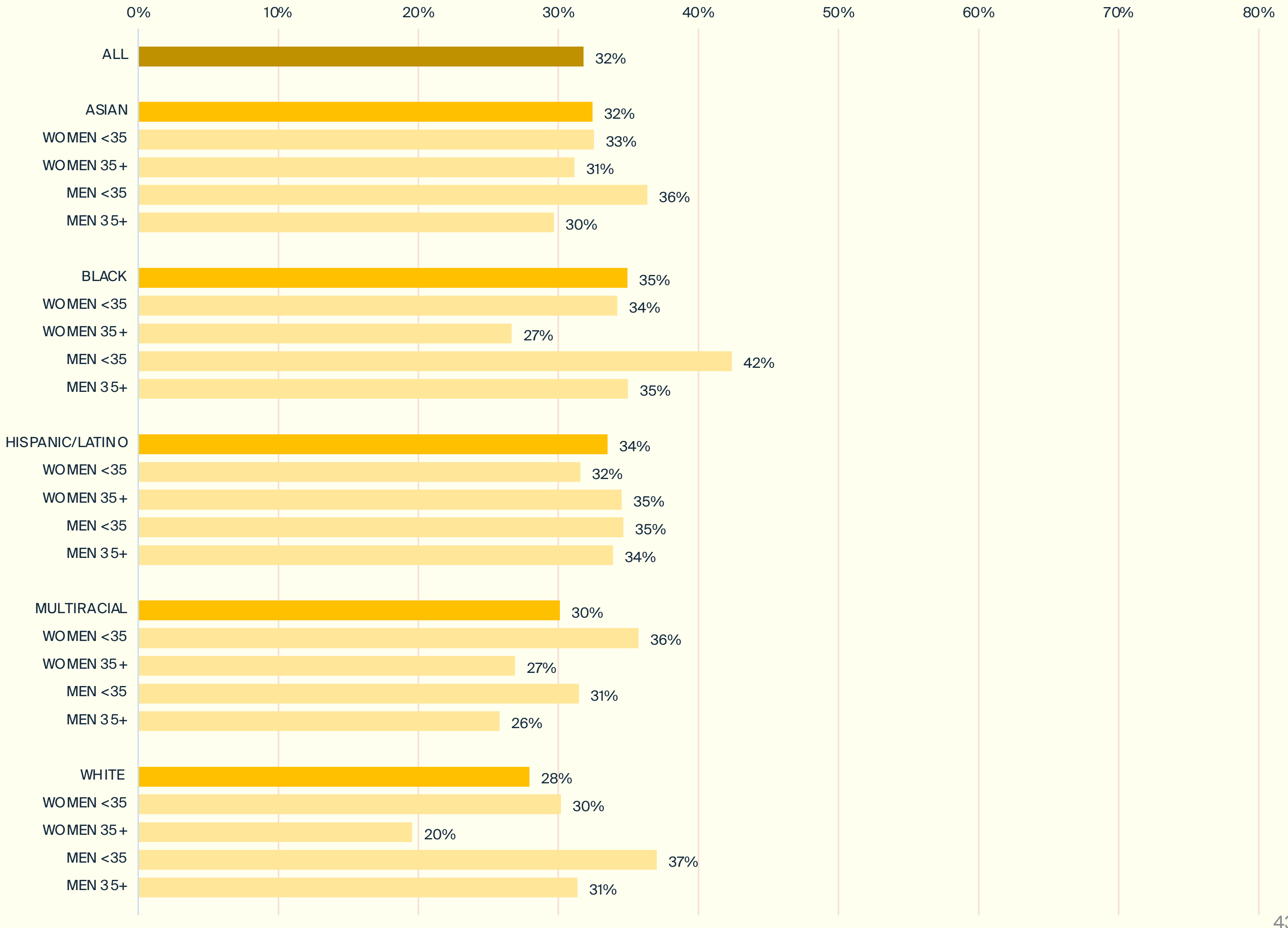


# Shorts

## Overall interest: 32%

Five strongest demos:

Black M<35
White M<35
Asian M<35
Multiracial W<35
Black M35+

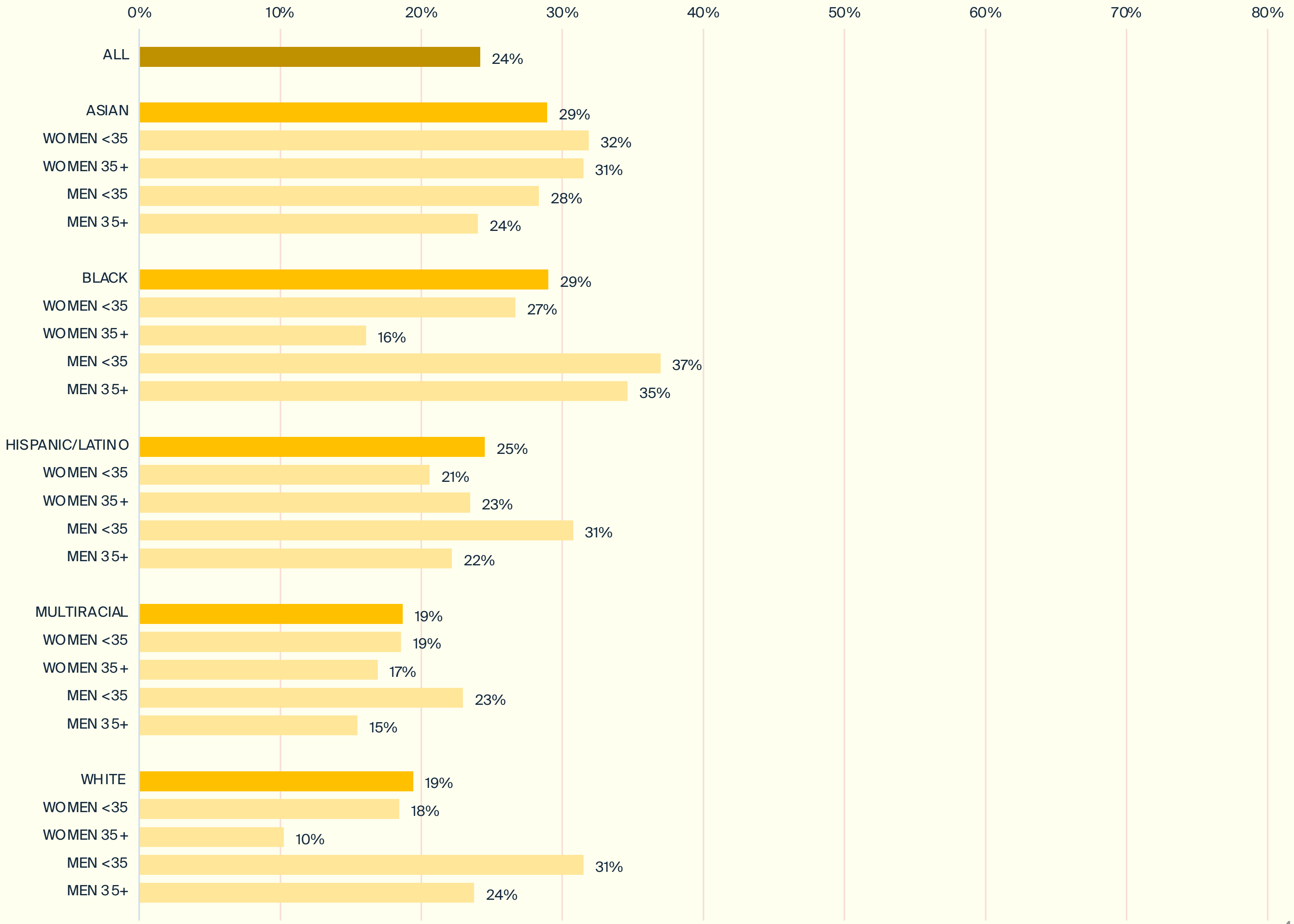


# Indian Cinema

## Overall interest: 24%

Five strongest demos:

Black M<35
Black M35+
Asian W<35
Asian W35+
Hispanic/Latino M<35



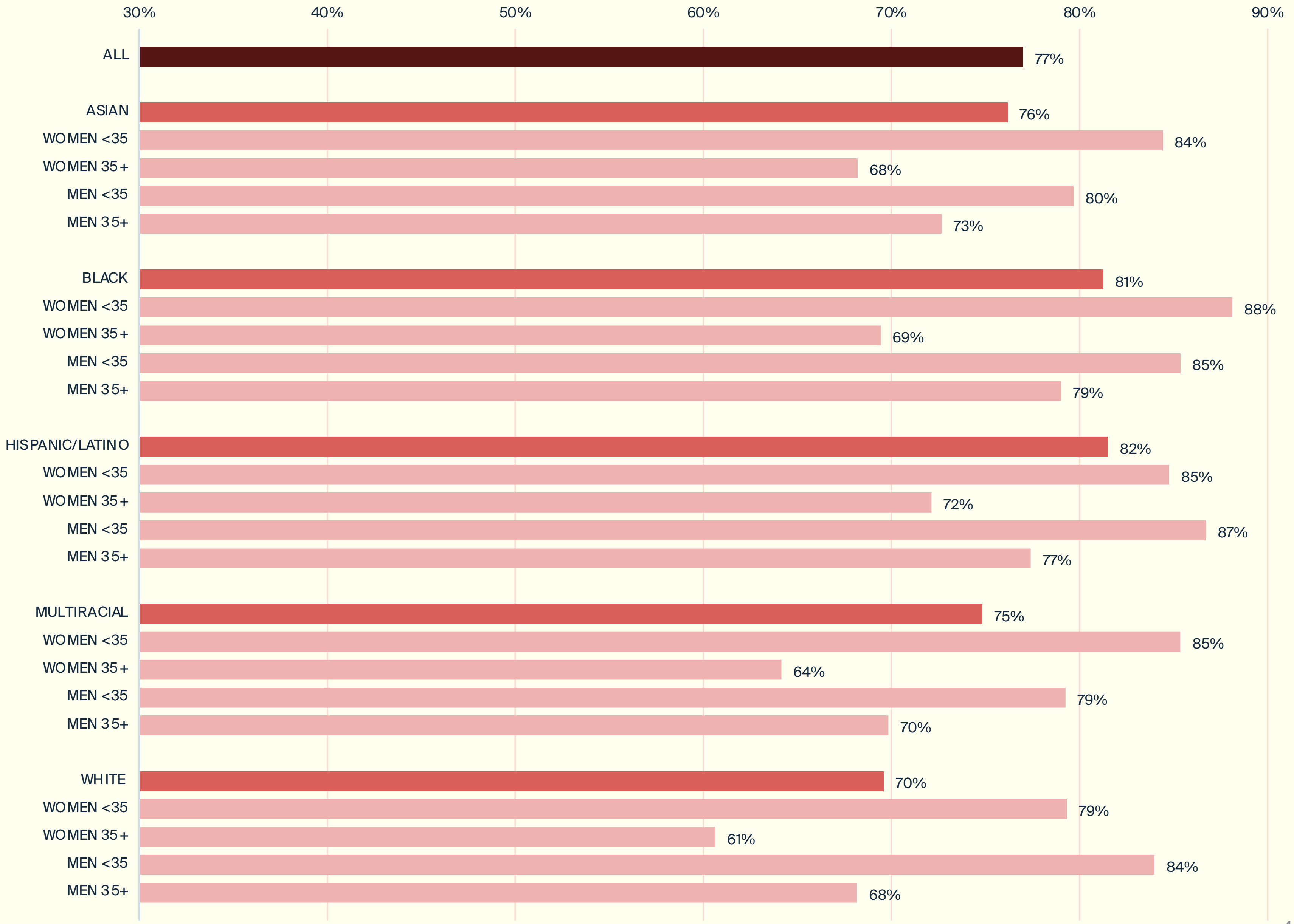
# Appendix

# Television

## Overall interest: 77%

Five strongest demos:

Black W<35
Hispanic/Latino W<35
Black M<35
Hispanic/Latino W<35
Multiracial W<35

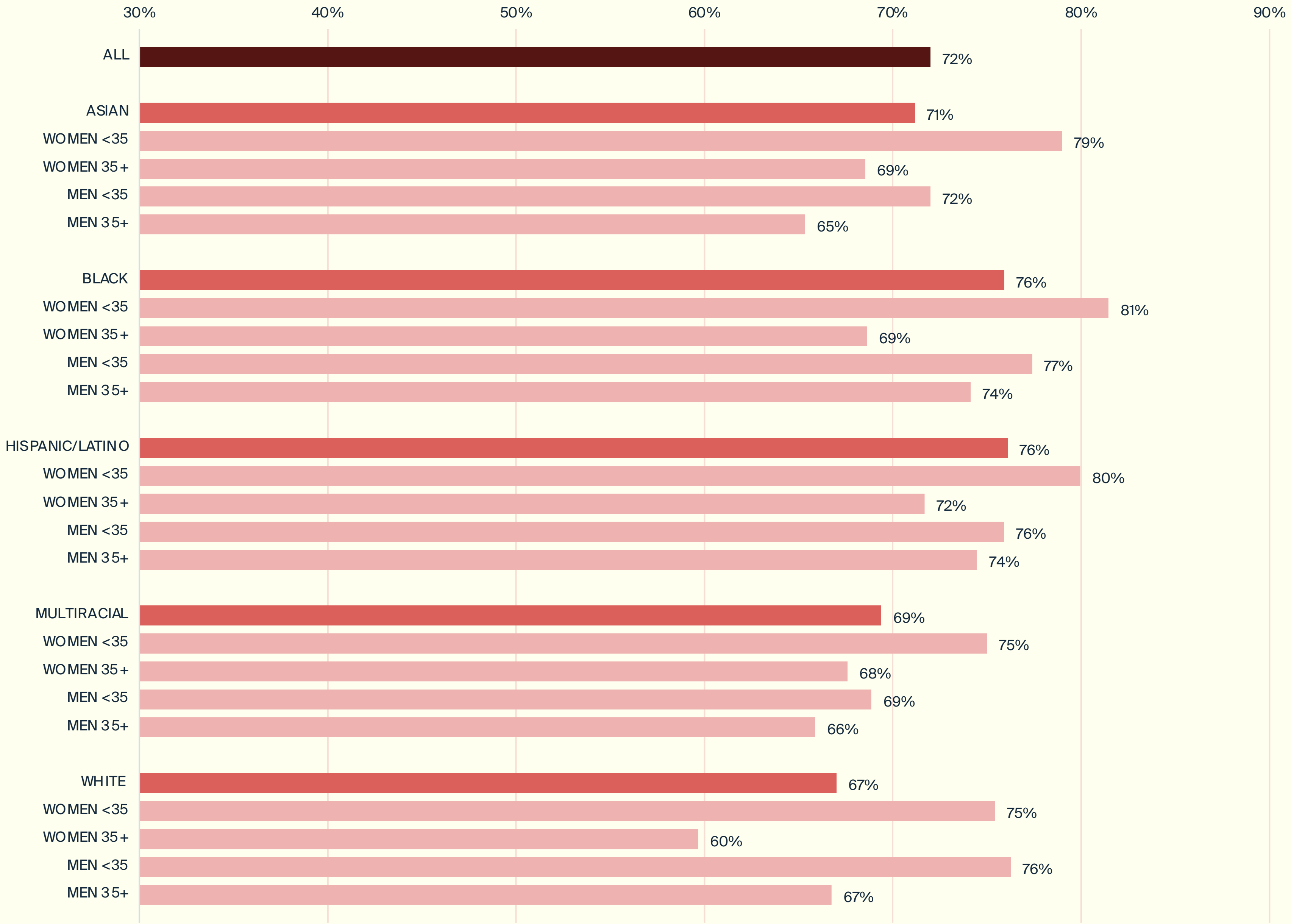


# Concert

Overall interest: 72%

Five strongest demos:

Black W<35
Hispanic/Latino W<35
Asian W<25
Black M<25
White M<25

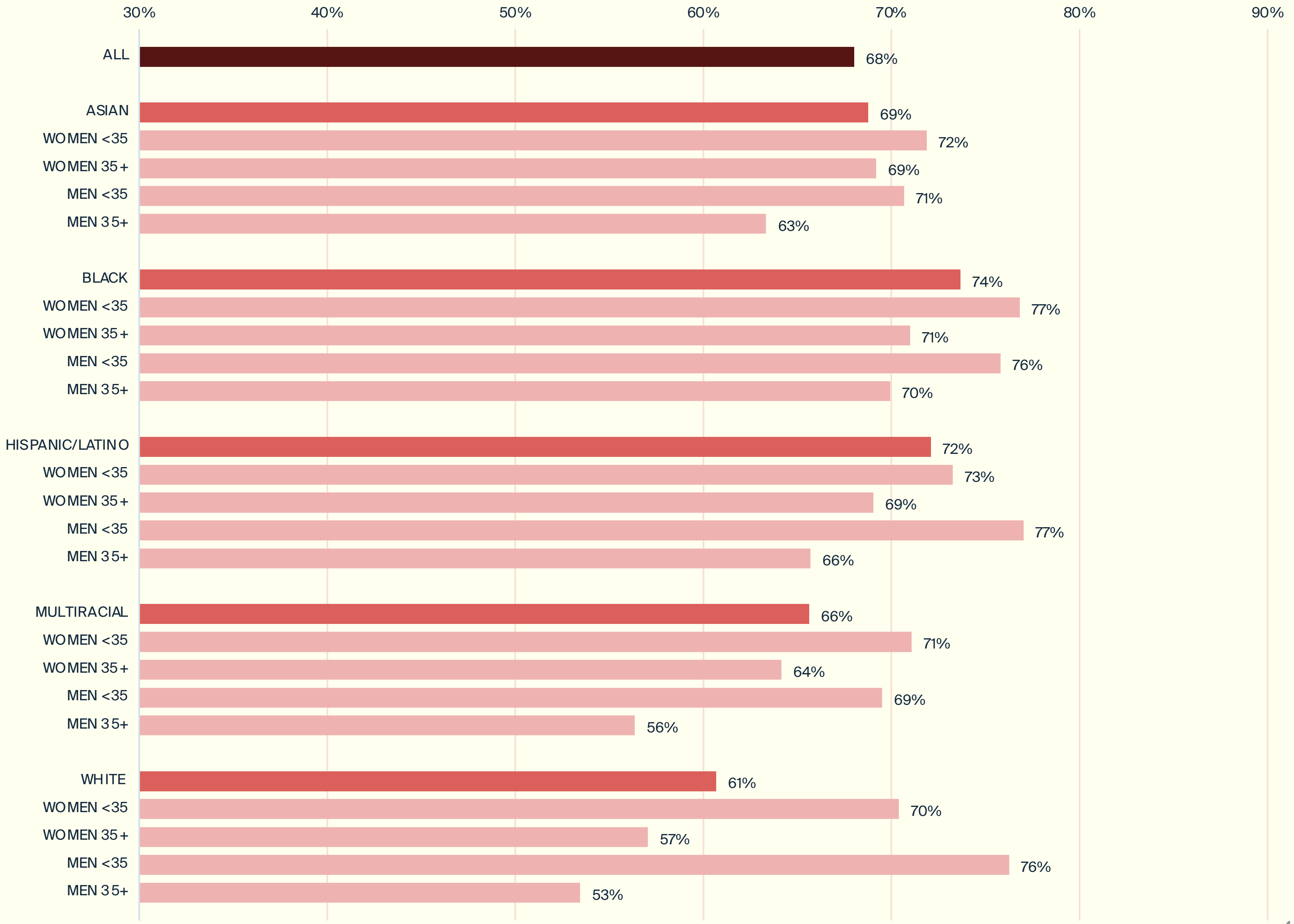


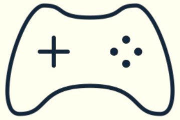
# Cooking Class

## Overall interest: 68%

Five strongest demos:

Black W<35
Hispanic/Latino M<35
Black M<35
White M<35
Hispanic/Latino W<35



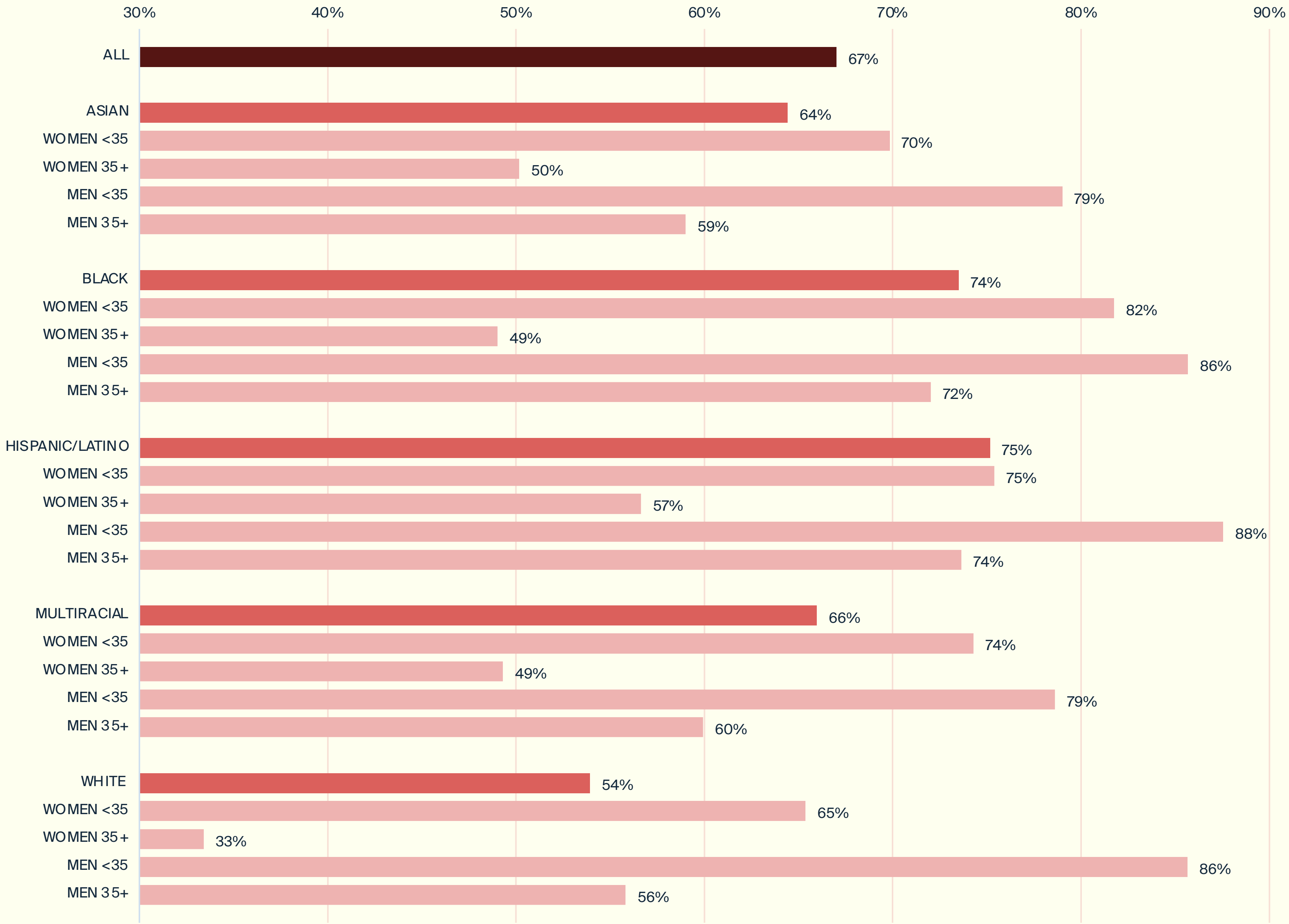


# Video Game

## Overall interest: 67%

Five strongest demos:

Hispanic/Latino W<35
White M<35
Black M<35
Black W<35
Asian M<35

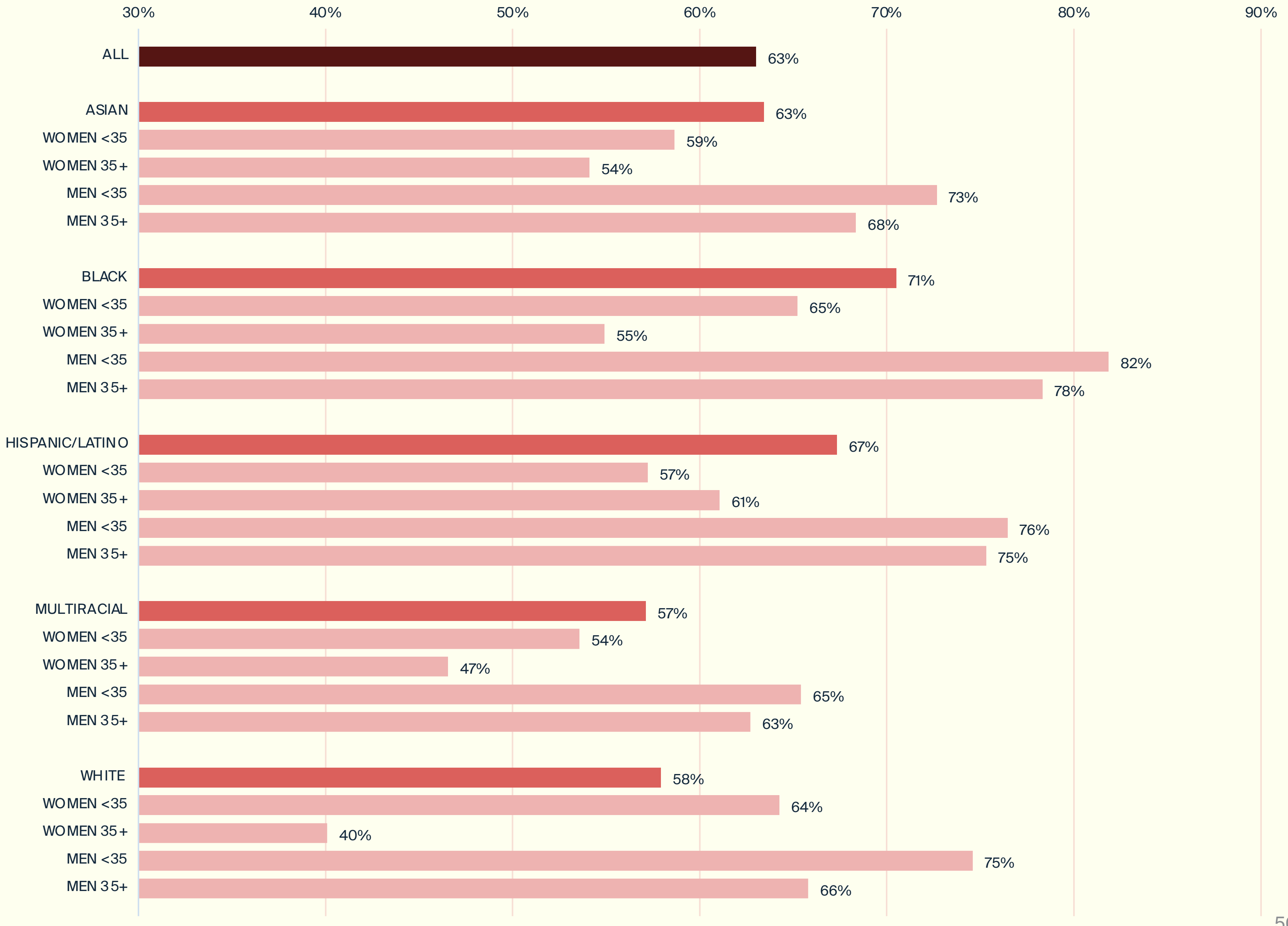


# Live Sports

## Overall interest: 63%

Five strongest demos:

Black M<35
Black M35+
Hispanic/Latino M<35
Hispanic/Latino M35+
White M<35

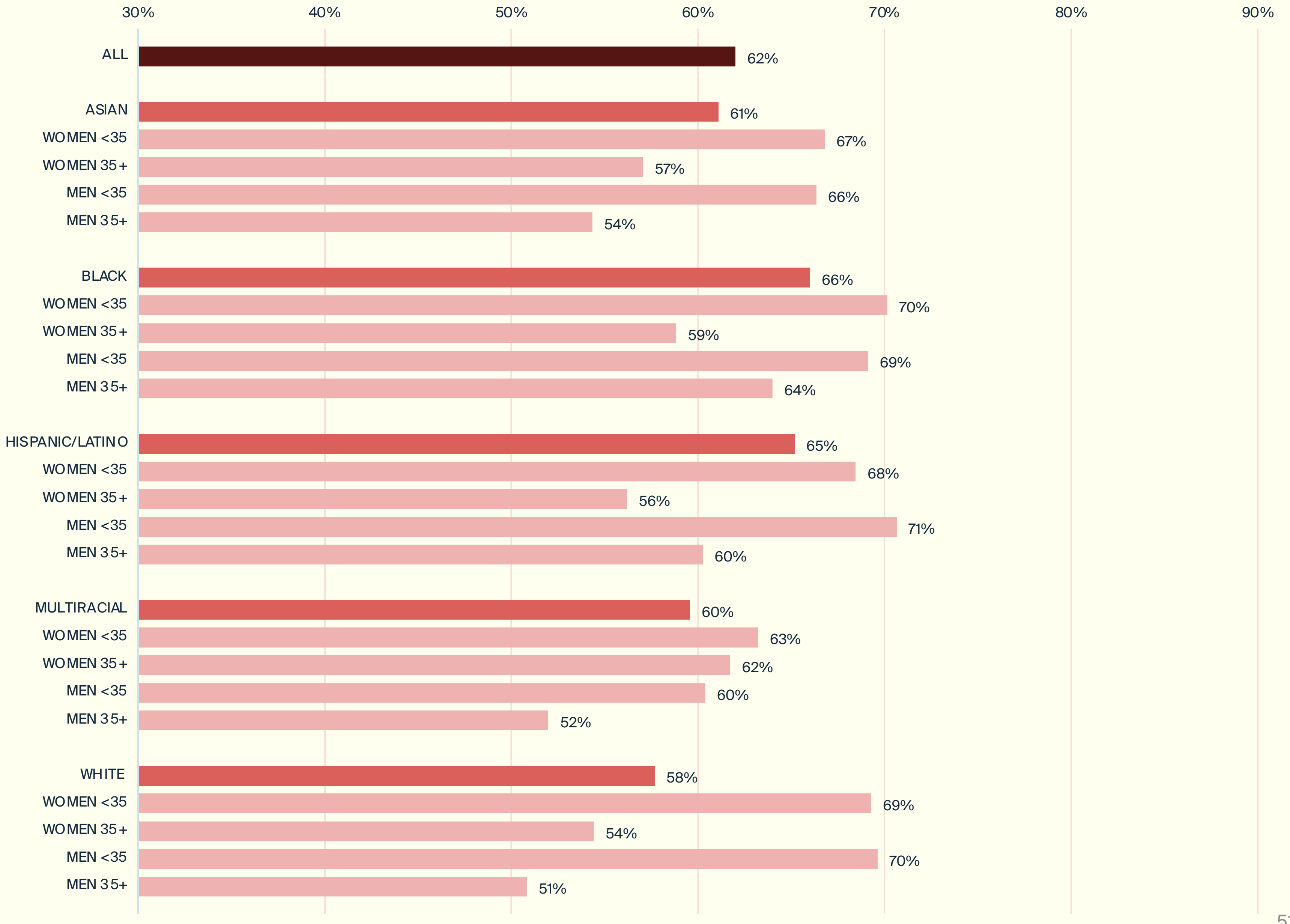


# Book Reading

## Overall interest: 62%

Five strongest demos:

Hispanic/Latino M<35
White M<35
Black W<35
White W<35
Black M<35

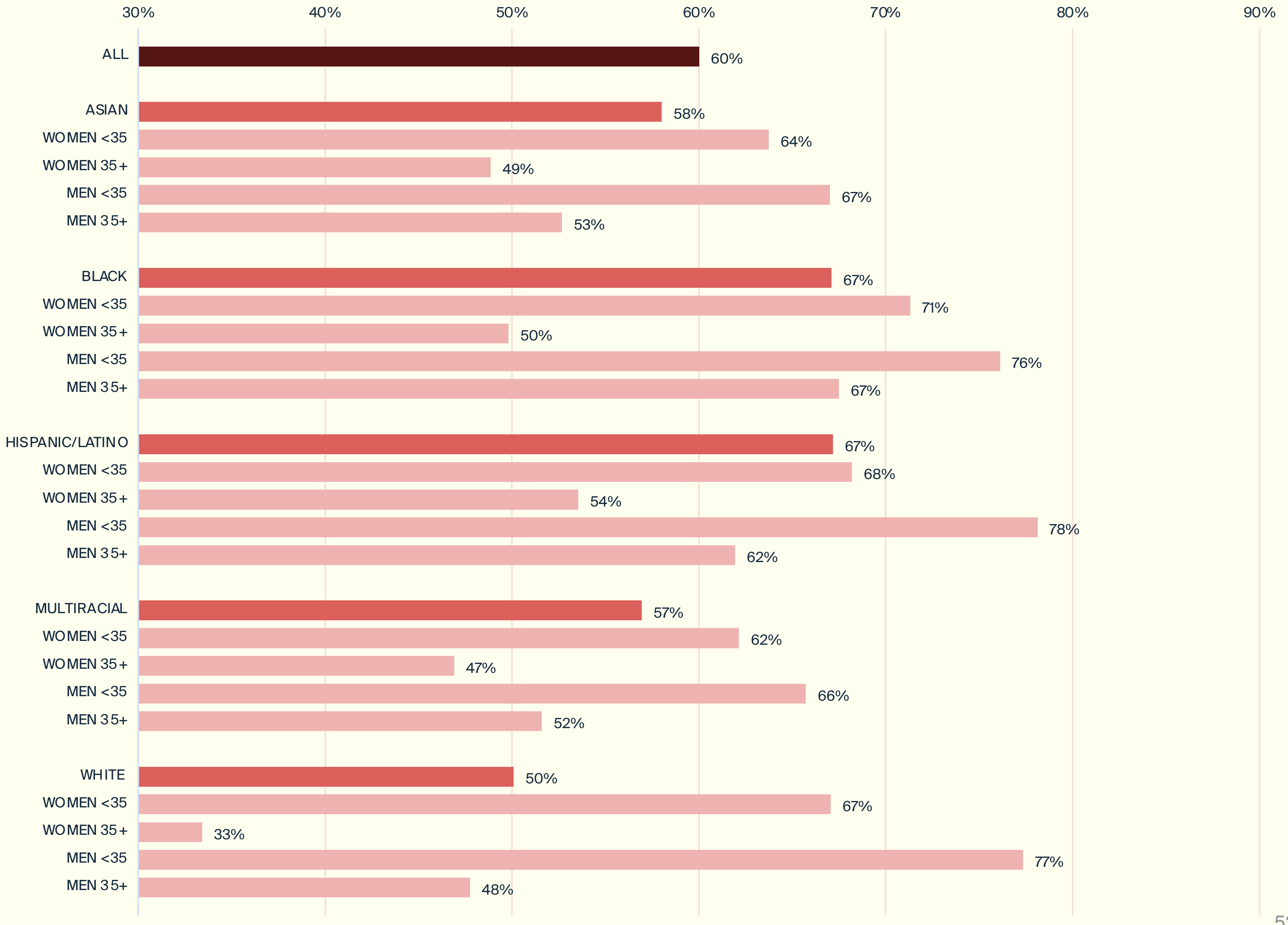


# Game Night

## Overall interest: 60%

Five strongest demos:

Hispanic/Latino M<35
White M<35
Black M<35
Black W<35
Hispanic/Latino W<35

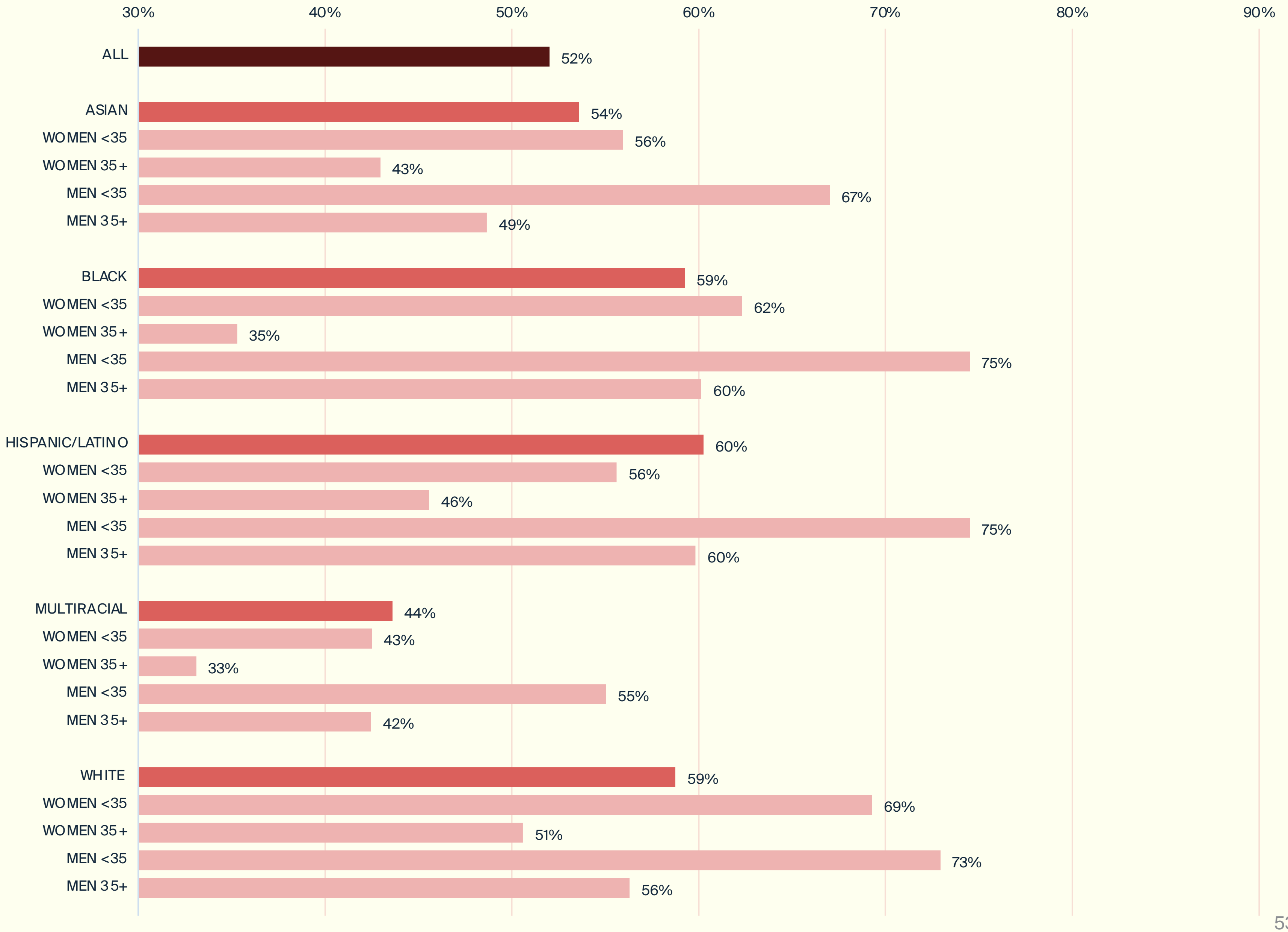


# E-sports

## Overall interest: 52%

Five strongest demos:

Black W<35
Hispanic/Latino W<35
White M<35
White W<35
Asian M<35

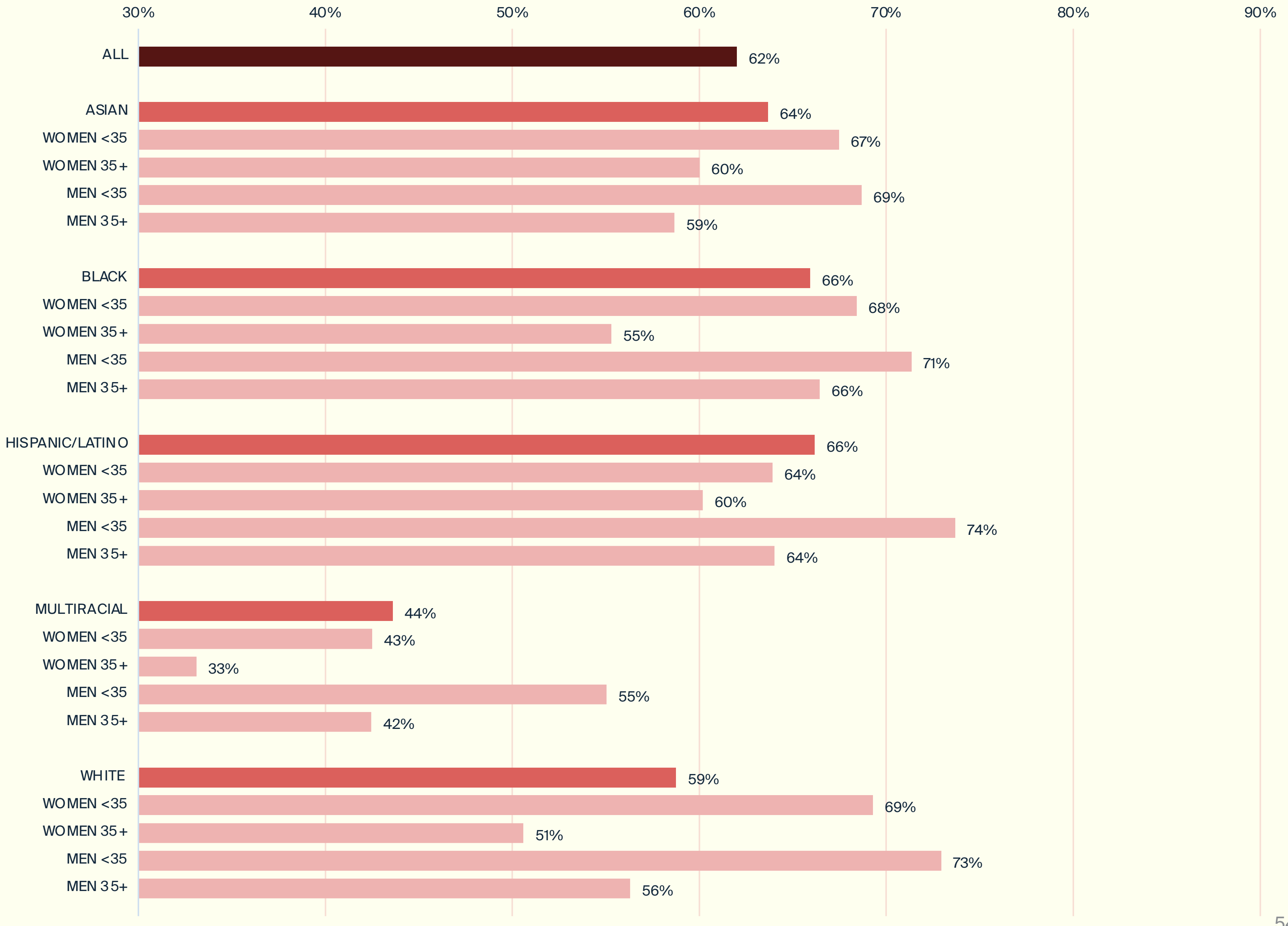


# Live Theater

## Overall interest: 51%

Five strongest demos:

Hispanic/Latino M<35
White M<35
Black M<35
White W<35
Asian M<35

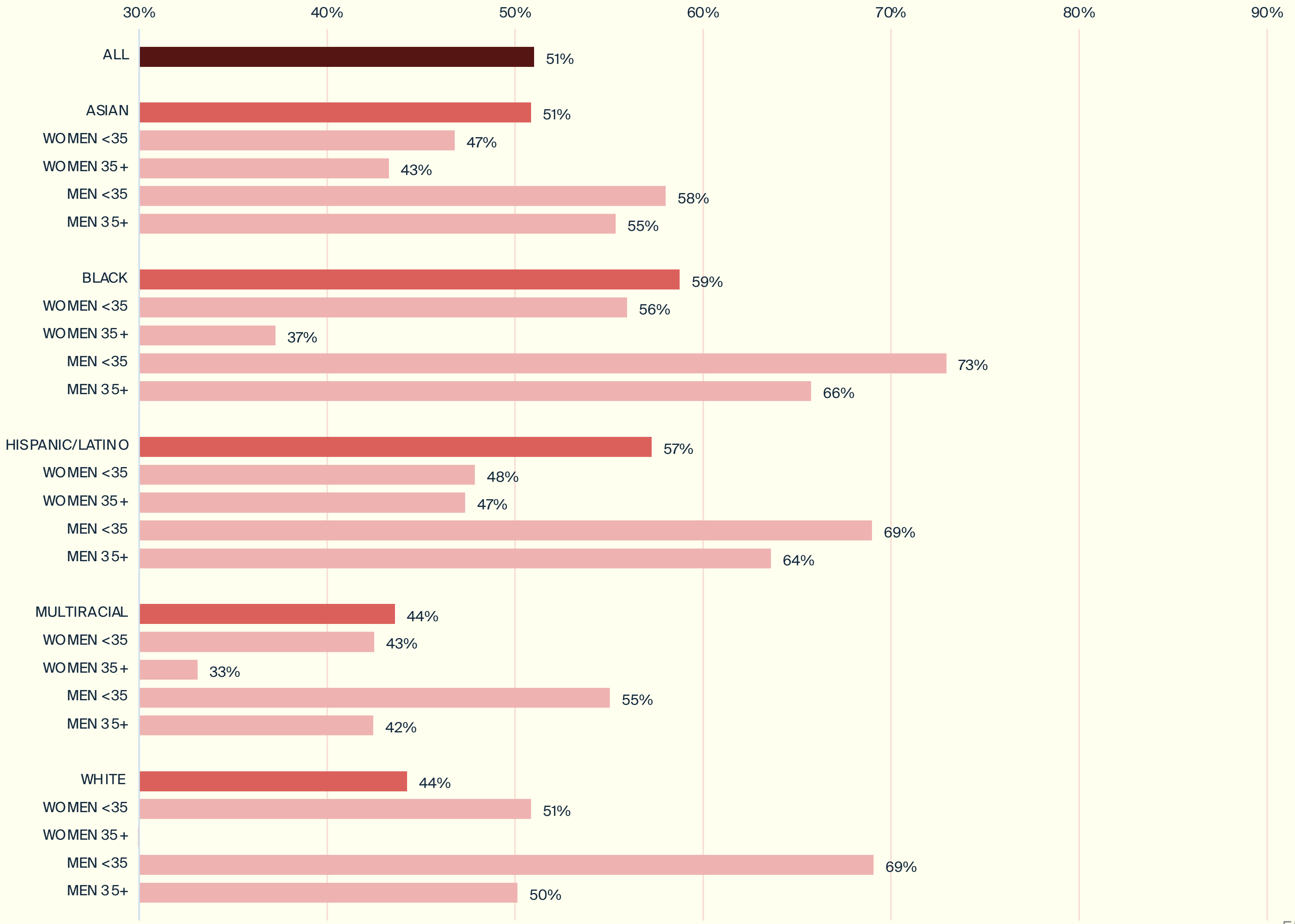


# Sports Betting

## Overall interest: 51%

Five strongest demos:

Black M<35
Hispanic/Latino M<35
White M<35
Black M35+
Hispanic/Latino M35+



# Other Metrics

| | Frequents | Casuals | Non-Actives |
|---|---|---|---|
| Rural | 18% | 117% | 21% |
| Suburban | 47% | 53% | 47% |
| Urban | 31% | 31% | 31% |
| Total | ***100%*** | **100%** | **100%** |
| New England | 4% | 4% | 3% |
| Middle Atlantic | 13% | 13% | 12% |
| South Atlantic | 23% | 23% | 24% |
| East North Central | 12% | 13% | 12% |
| East South Central | 5% | 5% | 6% |
| West North Central | 4% | 4% | 5% |
| West South Central | 13% | 14% | 13% |
| Mountain | 5% | 6% | 5% |
| Pacific | 19% | 19% | 19% |
| Total | ***100%*** | ***100%*** | ***100%*** |
| <High School | 5% | 5% | 5% |
| High School | 37% | 35% | 40% |
| Vocational | 14% | 14% | 16% |
| University | 31% | 32% | 27% |
| Postgraduate | 14% | 14% | 13% |
| Total | ***100%*** | ***100%*** | ***100%*** |
| Live alone | 18% | 15% | 22% |
| Live with one other | 28% | 25% | 30% |
| Live with two other | 22% | 23% | 20% |
| Live with three or more | 32% | 36% | 28% |
| Total | ***100%*** | ***100%*** | ***100%*** |

# Theatrical Audience and Growth Opportunities

TheQuorum

Date

August 2022