The Value of a Movie Ticket: What Drives Consumers to Big-Screen Entertainment

Formats, Showtimes, and Concessions

Research study prepared in partnership with:

THE CINEMA FOUNDATION

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TheQuorum

Introduction

Over the years, when pressed about rising movie ticket prices, the industry has pointed out that going to a movie theater is one of the least expensive out-of-home entertainment options. It's a reasonable conclusion; few would deny that seeing a movie is more affordable than other events like a music concert, a sporting event, an amusement park, or live theater.

As such, the argument goes, the affordability of theatrical means that seeing a movie also offers the greatest value. But less expensive doesn't guarantee increased value to the consumer.

Overview

The overarching goal of this study is to test that idea—to see if consumers, first, recognize the price differences between seeing a movie and other available entertainment options, and second, if they feel as though going to the movie theater delivers more bang for the buck.

The second part of the study examines several components of the moviegoing experience to identify the moments of greatest value. Specifically, this study looks at price sensitivity and how it impacts consumers' decisions about concessions and when they choose to see a film during the week, and even whether they choose to see a film in a premium or standard format.

Key Findings (Part 1)

- We compared going to a movie against these four out-of-home entertainment activities to measure affordability and value:

  Music Concert
  Sports Event
  Amusement/Water Park
  Live Theater

- When it comes to affordability, most respondents would expect to pay between $10 and $30 per person to see a movie. By contrast, most people expected to pay at least $50 or more for the other options.

- Regarding value, as distinct from affordability, 30% of respondents said seeing a movie in a theater provided the most bang for the buck. The next closest was an amusement/water park at 22%.

- The results were similar when it came to a forced choice where each person was asked which event they would choose if they could only pick one. Again, going to the movies was the top choice at nearly 30%. Furthermore, seeing a film in a theater was the top choice and highly consistent across all income levels.

- The data show that the value perception is consistent even in uncertain financial times. With the economy on an unsecured footing, the data showed that going to a movie has greater resiliency in a recession than the other options.

Key Findings (Part 2)

- Study after study has shown meaningful price sensitivity in the marketplace. Among the 1,109 frequent and casual filmgoers in the survey, 30% said that price is always a factor in their decision to see a movie. Another 45% say that it is occasionally a factor. Those are big numbers.

- How does that square up with the results of Part 1? Recognizing the value of an experience can go a long way toward mitigating cost concerns. For example, even though a majority of people say price is a consideration when buying a ticket to the movies, 58% say price is not a factor when buying food at the theater and only 12% say they never buy concessions because of the price. In other words, food and drinks may be perceived as contributing a valuable component to the moviegoing experience. This may be in part because consumers think of concessions as a shared experience, with 92% saying that they generally share concessions at the theater.

- Moviegoers are aware of pricing options. Despite the aforementioned price sensitivity, 72% of consumers actively seek out premium theatrical experiences and peak showtimes for some or all movies, indicating a high value proposition for these formats.

- Moviegoers also seek out matinee prices or other discounted showtimes depending on showtime or price sensitivity, with 69% going to earlier shows or special days specifically for the discounts.

- Movie fans find ways to adapt. For example, nearly a third of moviegoers say they will only buy concessions if they can share them with a family member or friend. We also see adjustments when they choose to see a movie. While 58% say they only see a film on the weekends, the other 42% said they most often go midweek, including discount Tuesdays.

- There is reason to believe that perceived value will increase in the coming months. When asked if their feelings about seeing a movie in a theater have changed over the past few months, 42% say they have become more interested in going to the theater, while only 14% said they are less interested.

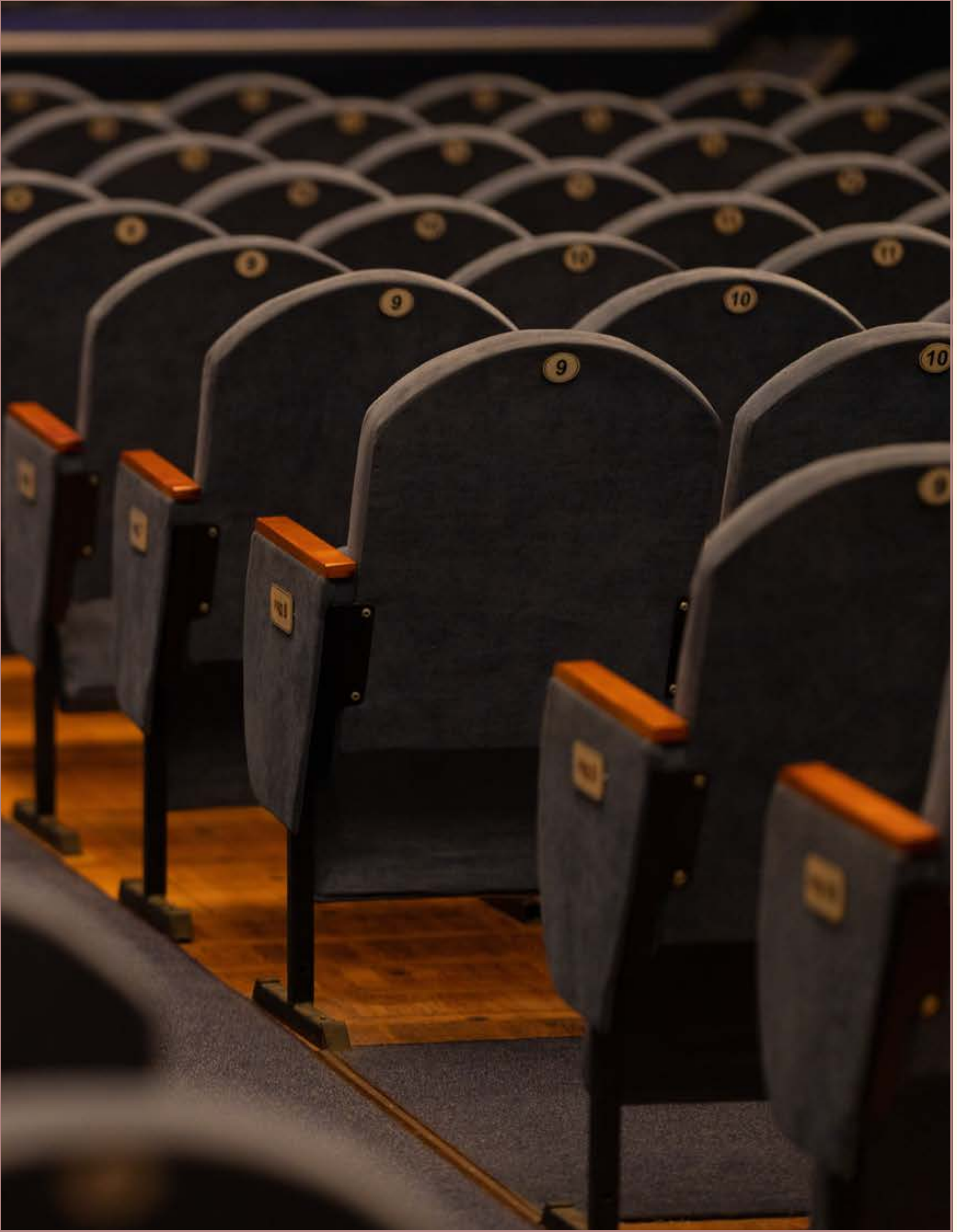
I. Methodology

Study Sample

Respondents:	1,600 (U.S. only)
Women <35:	400
Women 35+:	400
Men <35:	400
Men 35+:	400

Field Dates: 4/7/23 – 4/11/23

Part 1:
Out-Of-Home Entertainment Activities



Part 1: Overview

Consumers agree that moviegoing is a lower-cost out-of-home option relative to other entertainment choices. At the same time, they perceive going to the movies as providing high value. This is true for all demographics, including older women who have been slower to return to theaters post-pandemic.

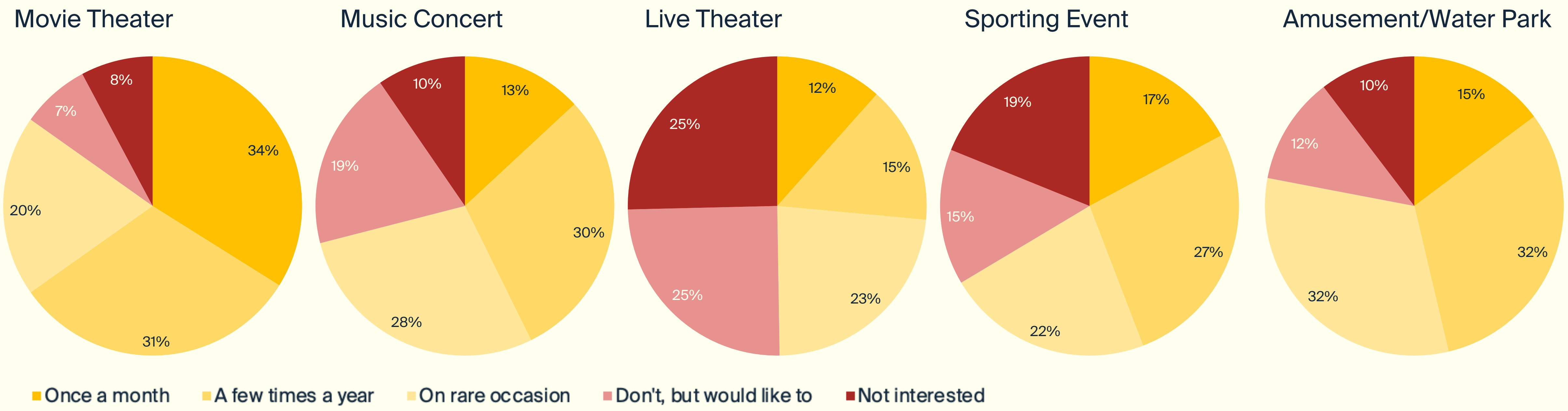
When asked to rank the five entertainment options included in this study, seeing a movie in a theater placed highest among all respondents.

Furthermore, in a forced choice where people could only choose one of these events to participate in, going to the movies was the top choice.

Not surprisingly, the combination of affordability and high value means that moviegoing is the most recession-proof option in the study. Consumers are likelier to abandon the other out-of-home entertainment options.

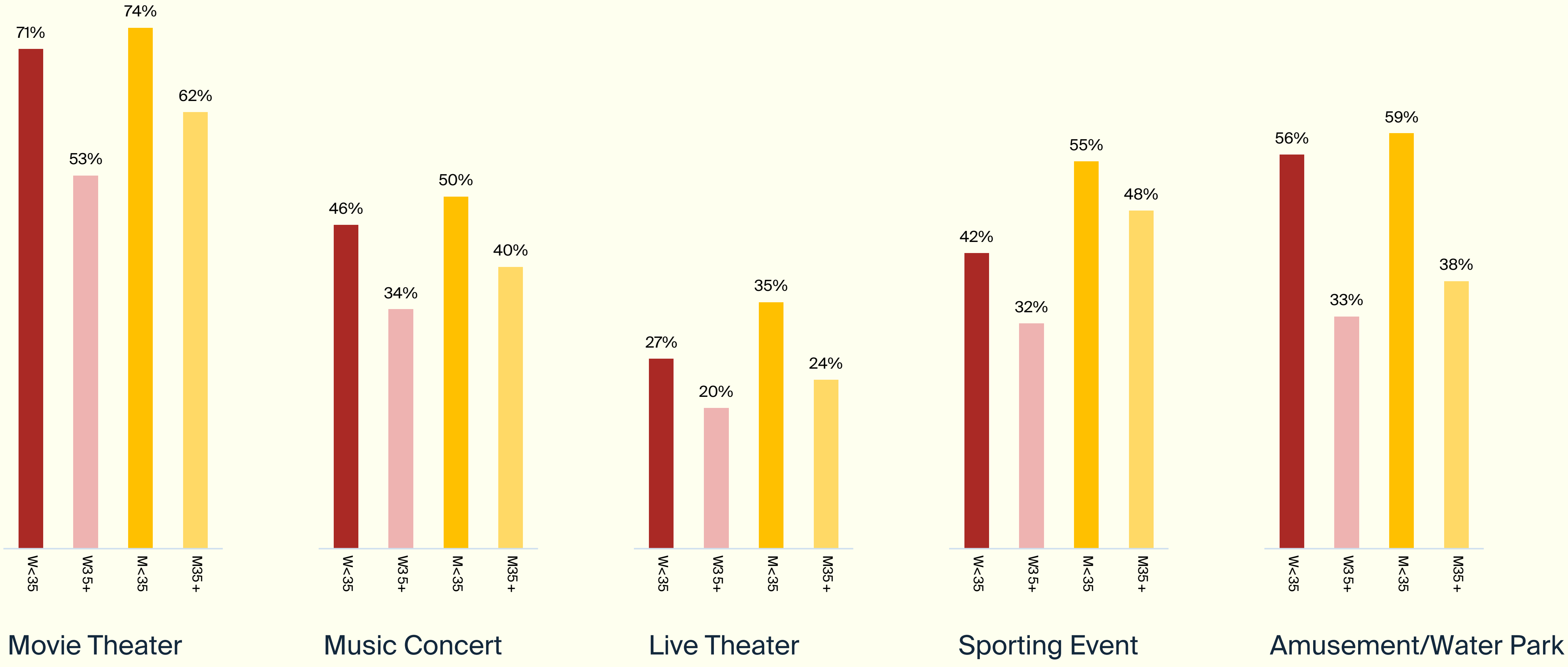
Seeing a movie in a theater remains very popular

Roughly 85% of respondents see a movie in a theater, with 65% saying they go at least a few times a year. None of the other out-of-home activities approach that level of frequency.



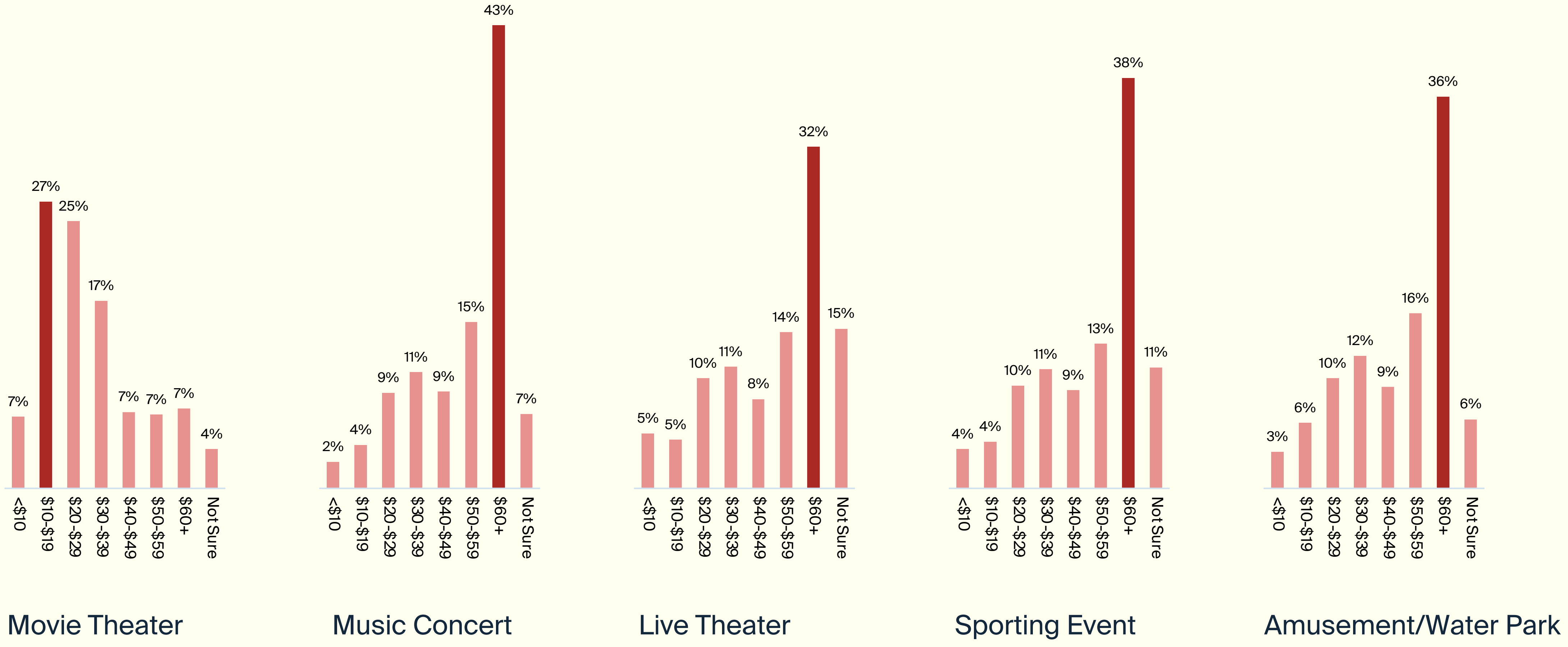
Seeing a movie in a theater is tops in all demos

The charts below show the percentage of people participating in these activities broken out by demo. Across the board, in all demos, seeing a movie outpaces the other four activities. That's also true for women over 35 (pink), the least active demo for going to a theater.



Consumers expect to pay less for movies

When asked how much they would expect to spend—just for themselves—seeing a movie in a theater was perceived as the least expensive option. While respondents agreed that the other four activities can run north of $60, the majority of respondents said that seeing a movie costs less than $30, with most saying they would expect to spend $10-$19.



The Value Factor

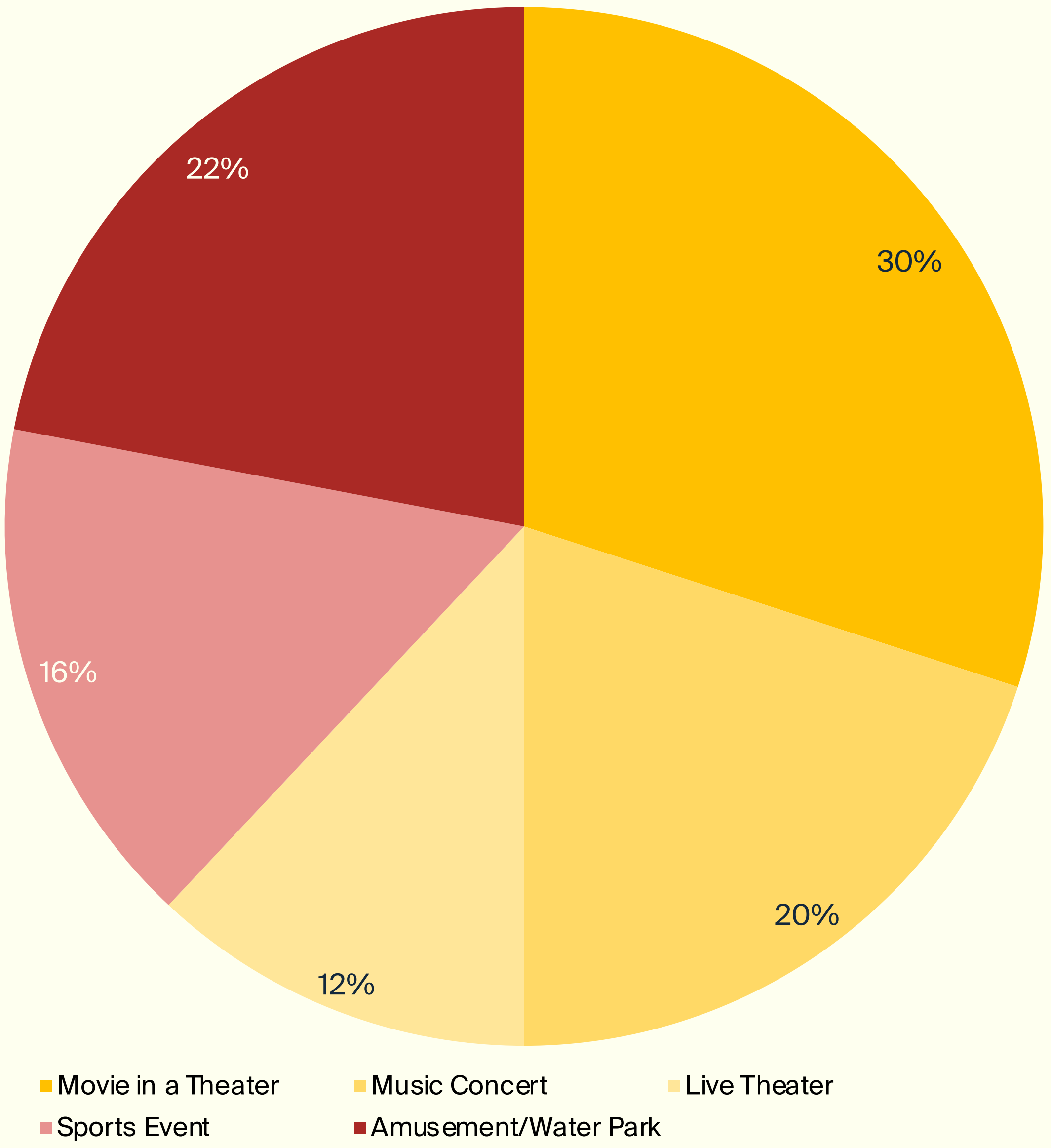
The consensus in this survey is that seeing a movie is a lower-cost out-of-home entertainment option. But does that translate to elevated customer value?

To answer that, we asked each respondent to rank the five options from highest to lowest value.

Bang For The Buck

Seeing a movie in a theater may be a less expensive option, but does it yield the same perceived value as higher-ticket activities?

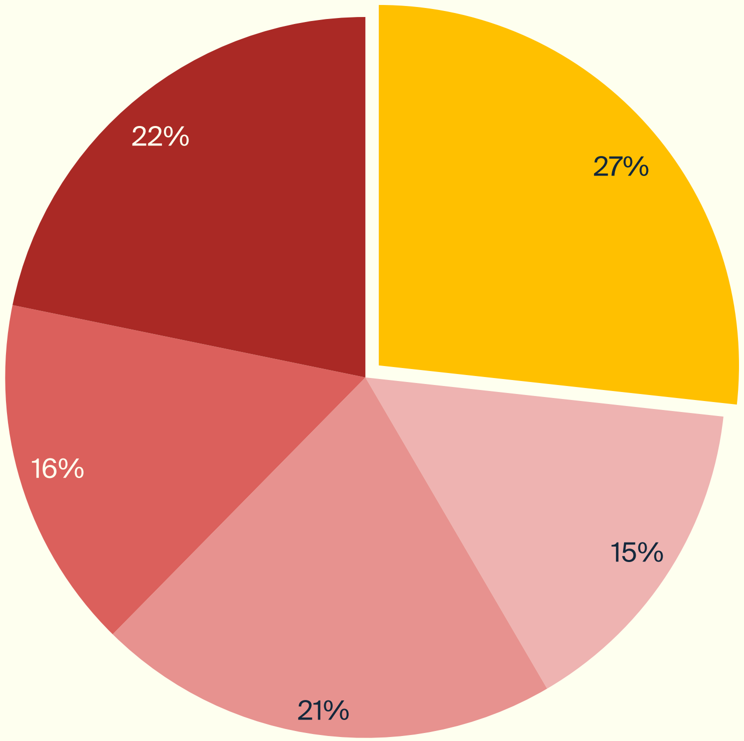
When asked to rank the five options in terms of perceived value, or “bang for the buck,” seeing a movie came out on top, with 30% saying it provided the greatest value.



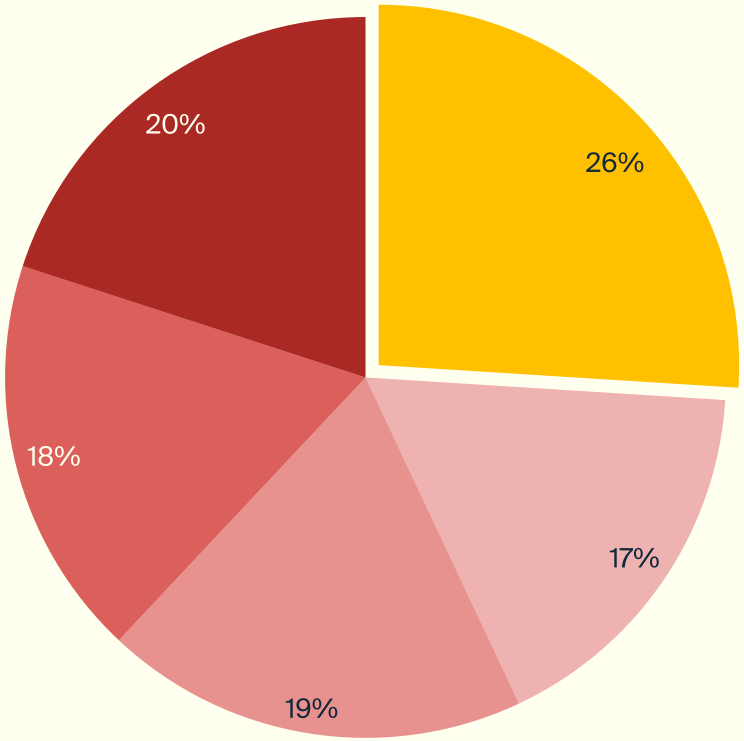
Appeal across income levels

The pie charts below show the distribution of the one-to-five rankings just for moviegoing. For example, 27% of lower-income respondents ranked seeing a movie in a theater as #1 (yellow wedge) in perceived value. Interestingly, 38% of higher-income respondents—those most able to afford the higher priced activities—ranked seeing a movie as #1 in value.

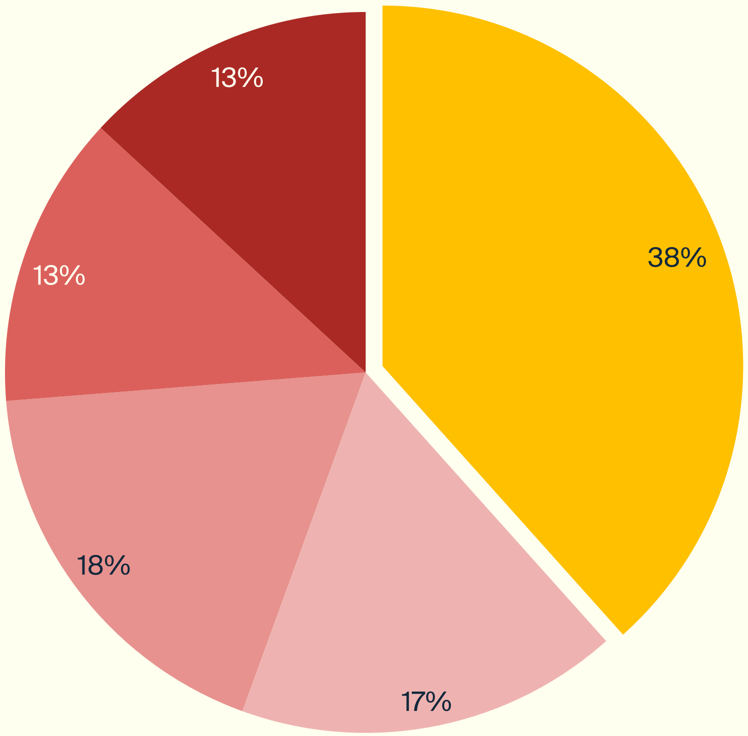
Lower Income (<$50K)



Middle Income ($50K - $100K)



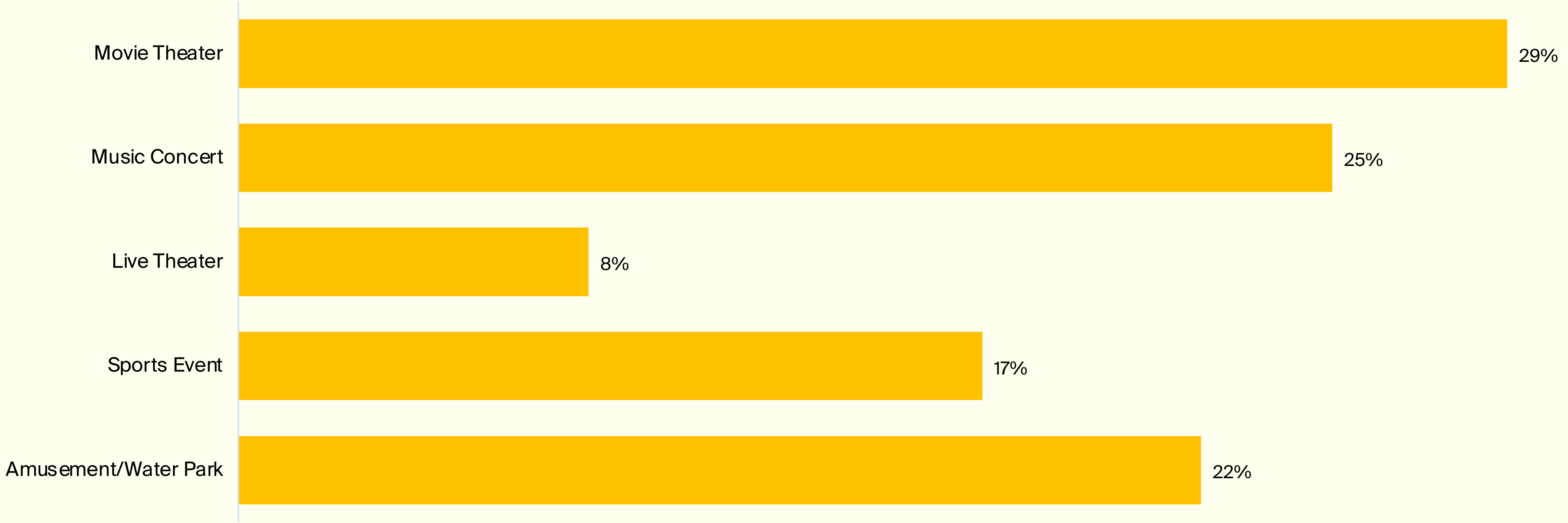
Higher Income ($100K+)



Rank 1 Rank 2 Rank 3 Rank 4 Rank 5

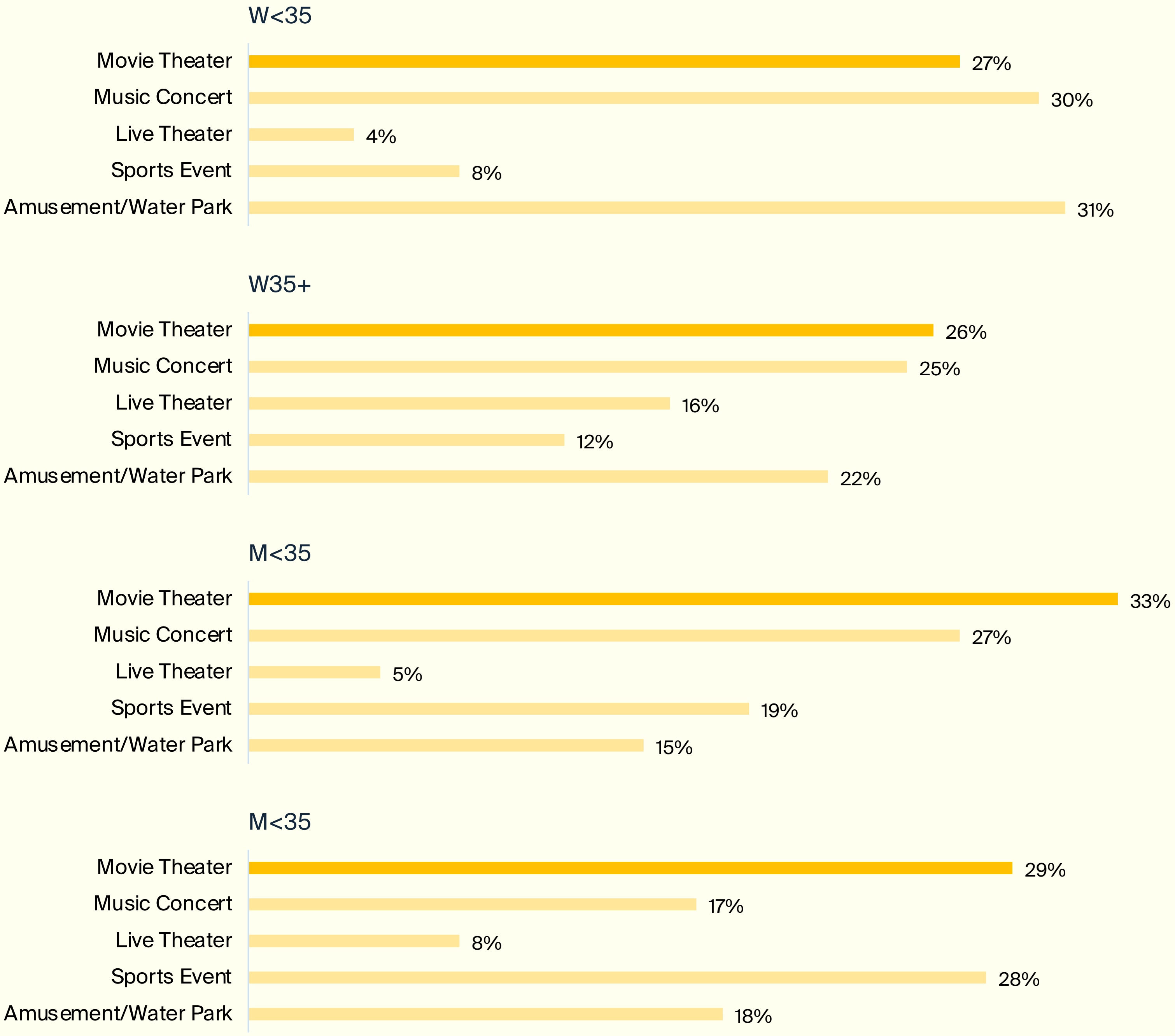
One activity to rule them all

Suppose you could only do one of these out-of-home activities, which would you choose? That's the question we asked. Seeing a film in a theater was tops, with 29% saying that would be their choice.



Forced Choice

Seeing a movie in a theater was the top choice in three of the four demos, including women over 35 – a group most reluctant to return to theaters post-pandemic.



Forced choice across income levels

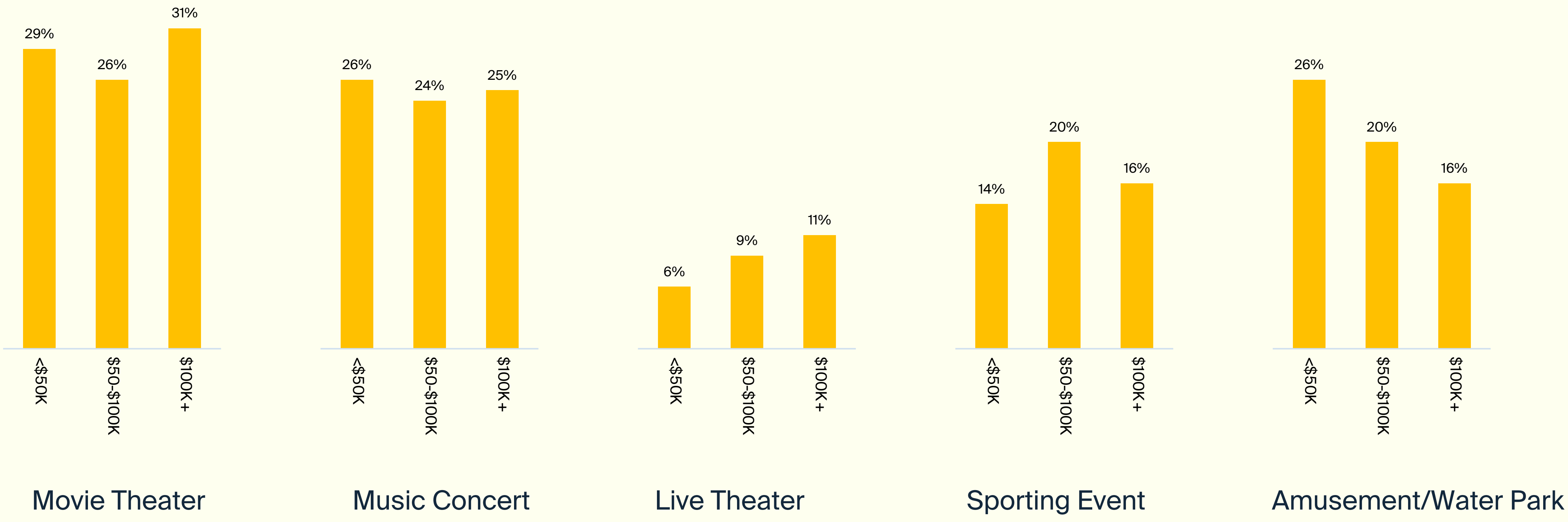
Do the forced choice numbers change by income level?

We know, for example, that 29% of all respondents chose seeing a movie in a theater as their forced choice among the five activities, but do the number rise or fall based on income?

Choice even across income levels

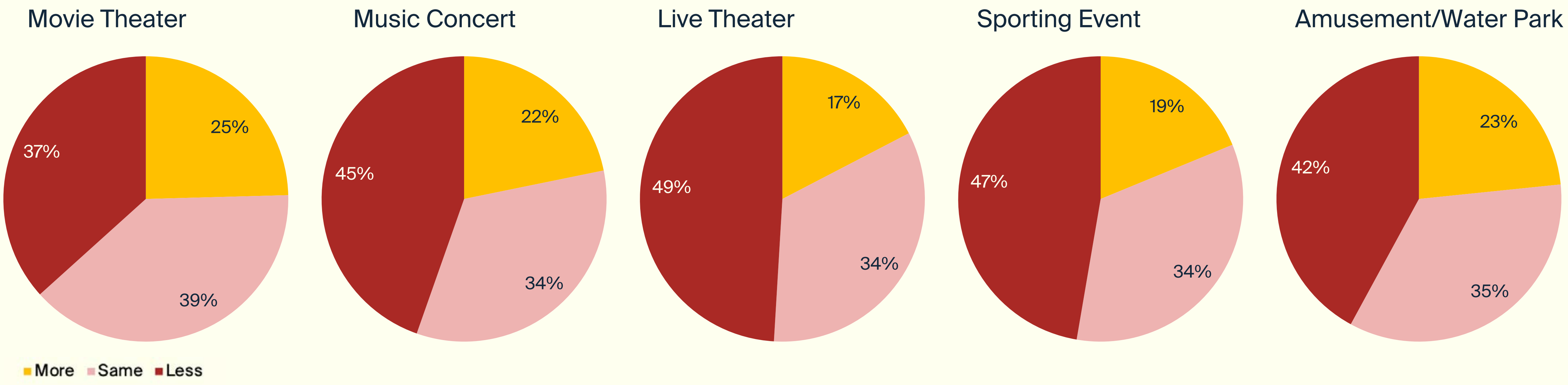
For the most part, the forced choice scores are similar across income levels, though there is some nuance in the data. For example, seeing a movie in a theater is the first choice for 29% of people earning less than $50K per year, 26% among middle income respondents, and 31% among those earning over $100K.

But we do see the numbers shift along income lines for some activities. Those selecting live theater was the least popular of the activities, though the numbers increase slightly among higher income respondents. Conversely, going to an amusement or water park scored best among lower income respondents.

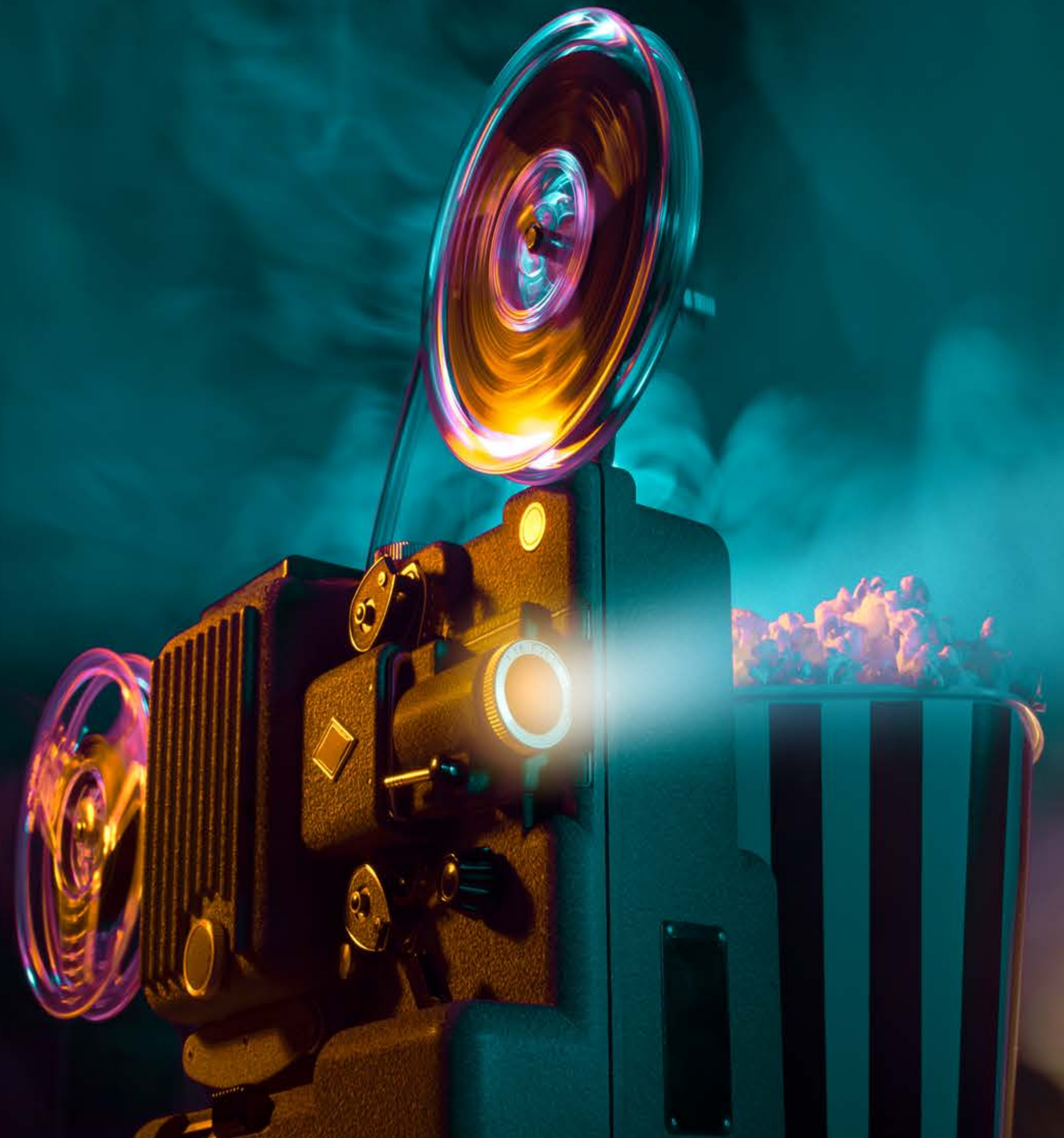


Are movies recession-proof?

Not necessarily, though the data shows that seeing a movie in a theater can withstand an economic downturn better than the other options. While 25% said they would go to the movies more often in a recession, 37% said they would go less often. That's the smallest erosion of the five options. By comparison, nearly half of all respondents said they would go to live theater less often in a recession.



Part 2:
Theatergoing Experience



Overview

We know there is price sensitivity when it comes to moviegoing. Study after study has demonstrated that. The same holds in this study, with 30% of theatergoers saying that price is an important factor in their decision to see a film.

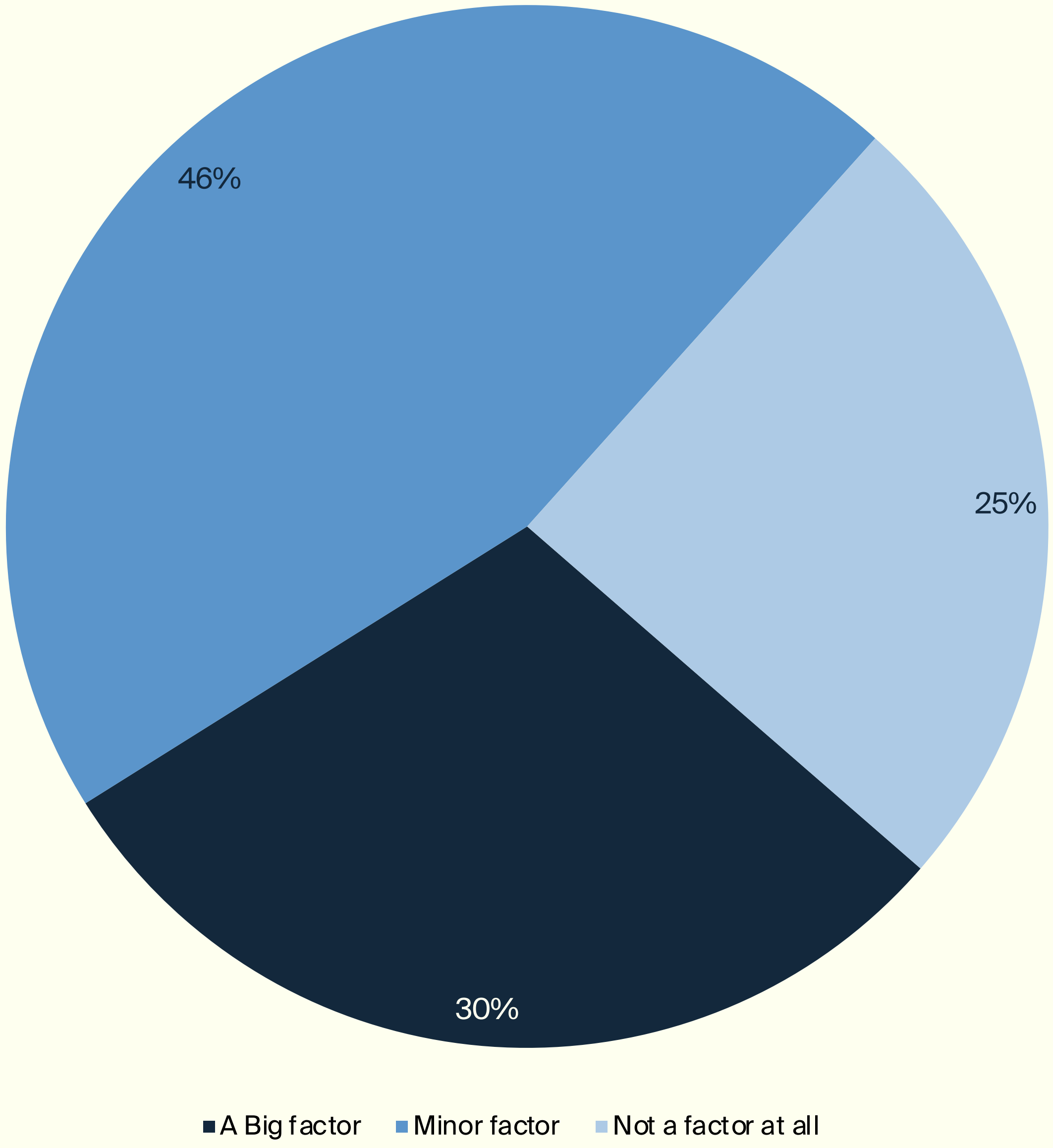
And yet, because people place a high value on seeing a movie in a theater, people still go. They do so by adjusting their experience accordingly. For example, 96% buy concessions, and the majority say they share their food and drink.

Theatergoers also adjust their experience based on when they go to the theater and the type of screening they attend. While most theatergoers go to the movies during the weekend, many people go mid-week and on discount Tuesdays.

Those looking for a high-end experience take advantage of the growing Premium Large Format screens, with 13% saying they choose PLF exclusively, while another 72% do so depending on the movie.

When was the last time you saw a movie in a theater?

Across the 1,600 respondents in the survey, 1,109 are active theatergoers, while 491 either watch movies exclusively at home or don’t watch movies at all. Those 491 were excluded from the remainder of the study.

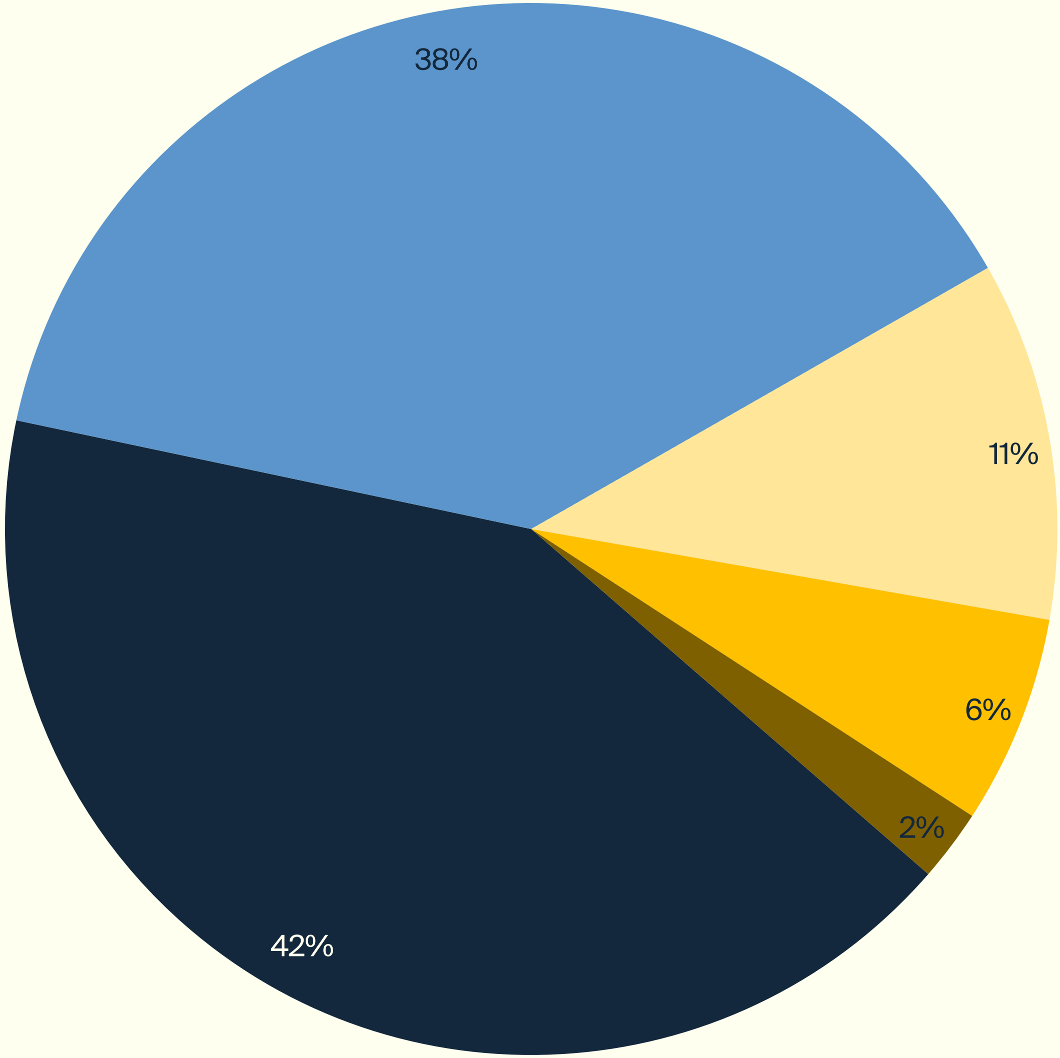


**The remainder of this study includes responses only from the 1,109 active moviegoers.

Is price a factor in your decision to see a movie in a theater?

Film researchers have known for some time that price sensitivity exists in the marketplace—even among active theatergoers.

On one end, 30% say price is a significant factor in their decision to see a movie. On the other, 25% say it's not a factor at all. In between, 46% say price is a minor factor.

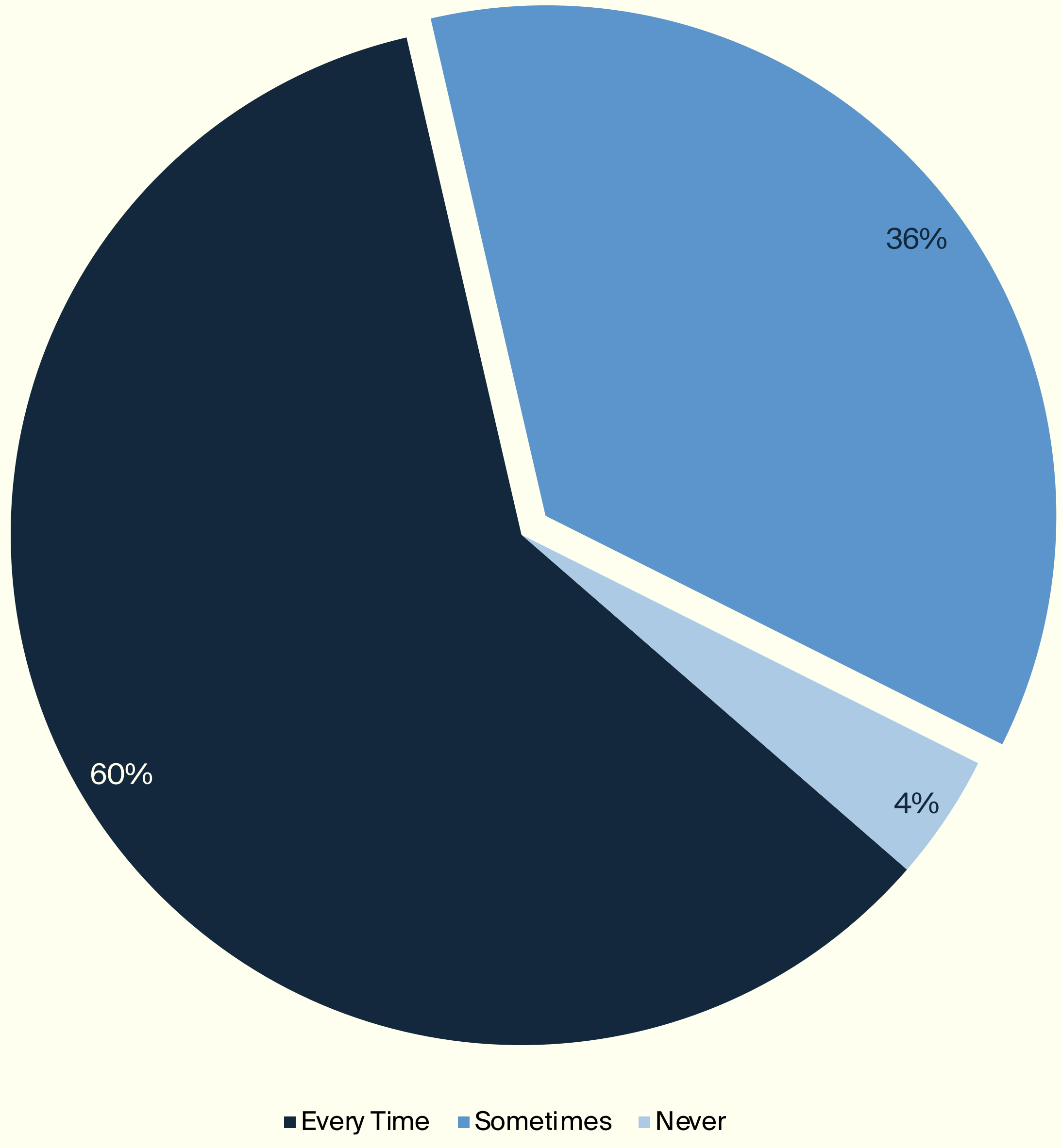


Strongly Agree   Somewhat Agree   Neither Agree Nor Disagree
Somewhat Disagree   Strongly Disagree

Going to the movies brings family and friends together

When asked if seeing a movie is a reasonably priced option that brings friends and family together, 80% of theatergoers agree with the statement. This confirms the strong value proposition for families and groups of moviegoers.

Theatergoers have adapted their behaviors based on their price sensitivity. We see this at the concession stand and the times during the week when they choose to see movies.



Moviegoers agree, movies are better with concessions

The majority of moviegoers (60%) buy concessions *every time* they see a movie in a theater, while 4% never buy food or drinks.

Another 36% buy food and drinks on occasion. But why? For this group, what determines when they buy concessions?

Why moviegoers love concessions

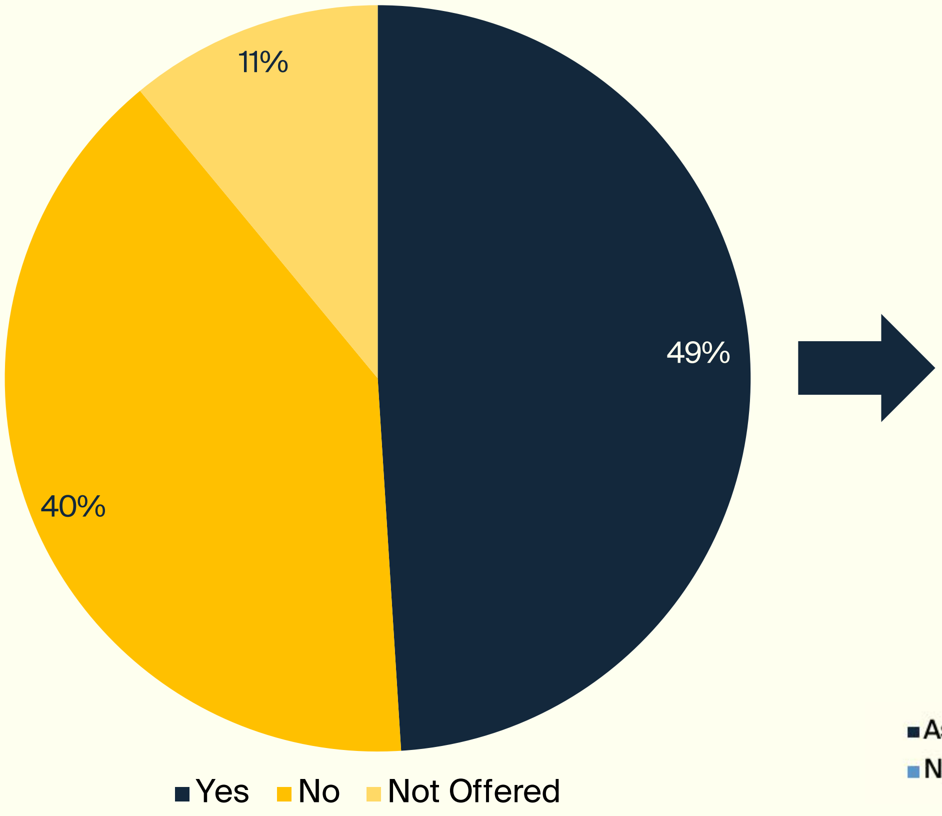
Among those that occasionally buy concessions (N: 402), the largest driver of that decision is if they're hungry for a snack during the movie.

But there are other reasons as well. Finances can impact the decision, with 38% saying they buy food if they have the funds or the rewards points to do so. Another 36% buy food if they have someone to share it with.

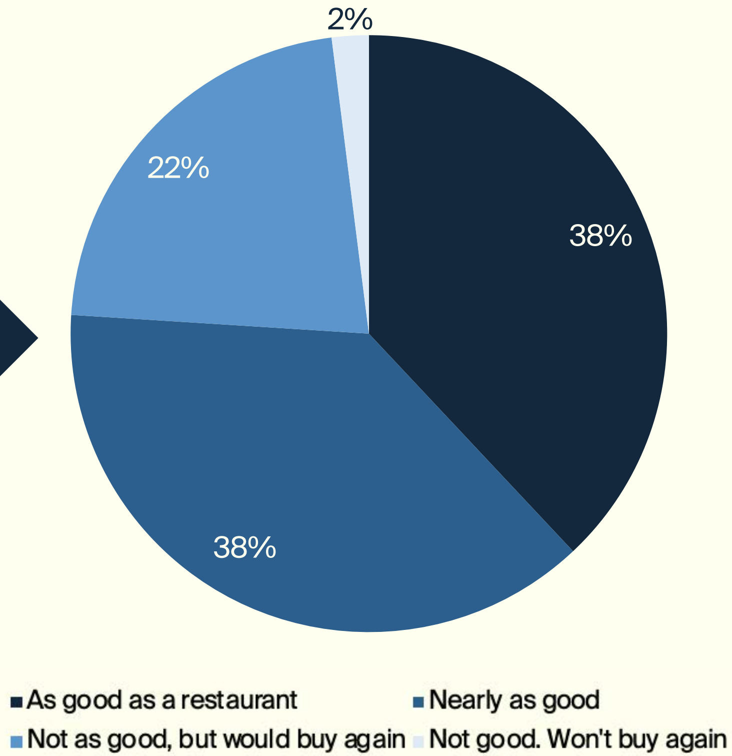
For some, the decision depends on the offerings. 34% said they buy food if there are unique food offerings.

Restaurant-style offerings at the theater

Have you purchased restaurant-style food at a theater?



How would you describe the quality of this food?



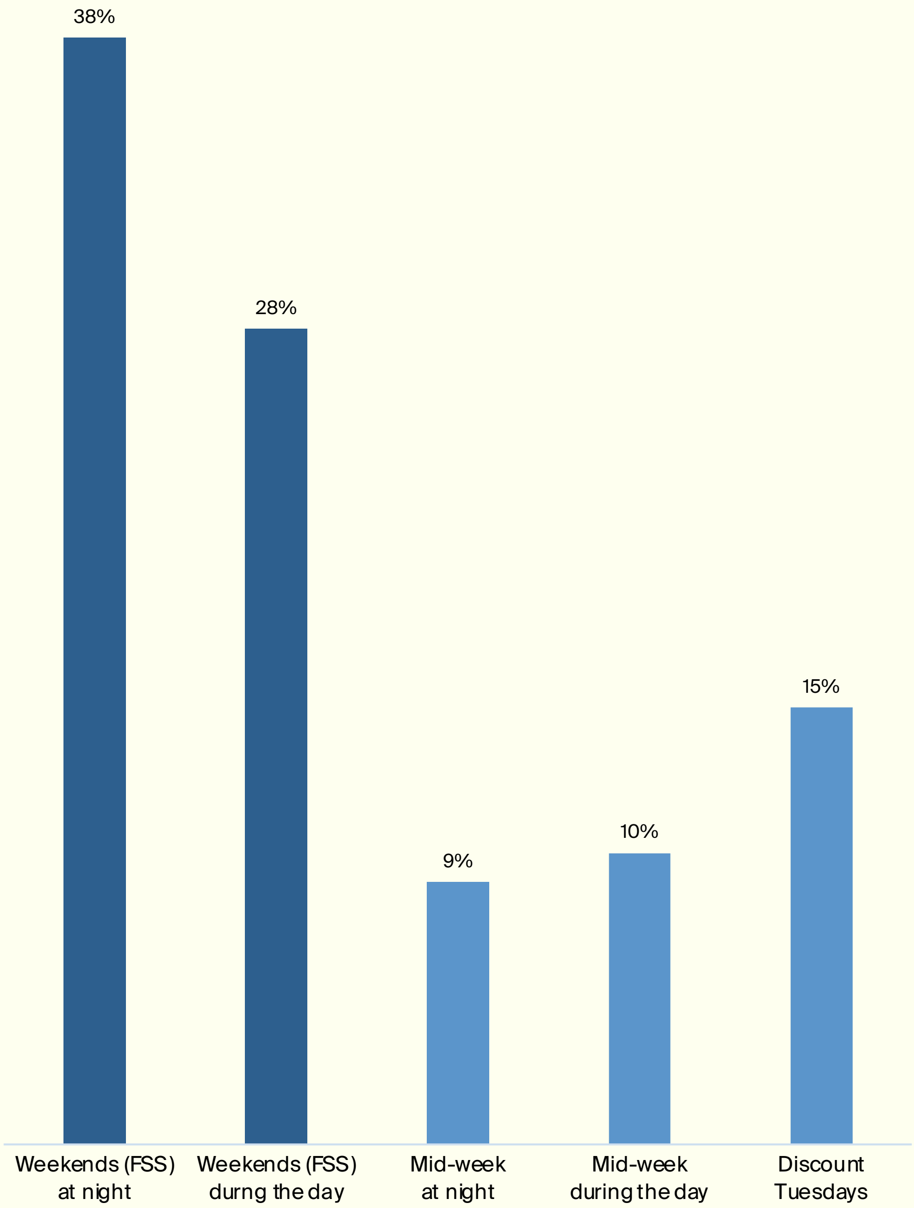
With more and more theaters offering restaurant-style foods (burgers, fries, salads), we wanted to know how many theatergoers have purchased these items (left pie chart). Nearly half said they have, 40% said they have not, and 11% said these items aren't offered in their theater.

But do those who have purchased these items (N: 542) like these offerings? For the most part, they do (right chart). 38% (navy) said the food at the theater was as good as a restaurant, and another 38% (dark blue) said it was nearly as good. That's not to say there isn't room for improvement. 22% (light blue) said the food wasn't great, though they would still order it again. Only 2% said they wouldn't rebuy these items.

Not all people go to the movies on the weekend

When asked when they are most likely to see a movie in a theater, nearly 60% said they go on the weekends (dark blue). But there's a significant group of people who most frequently go to the theater mid-week (light blue).

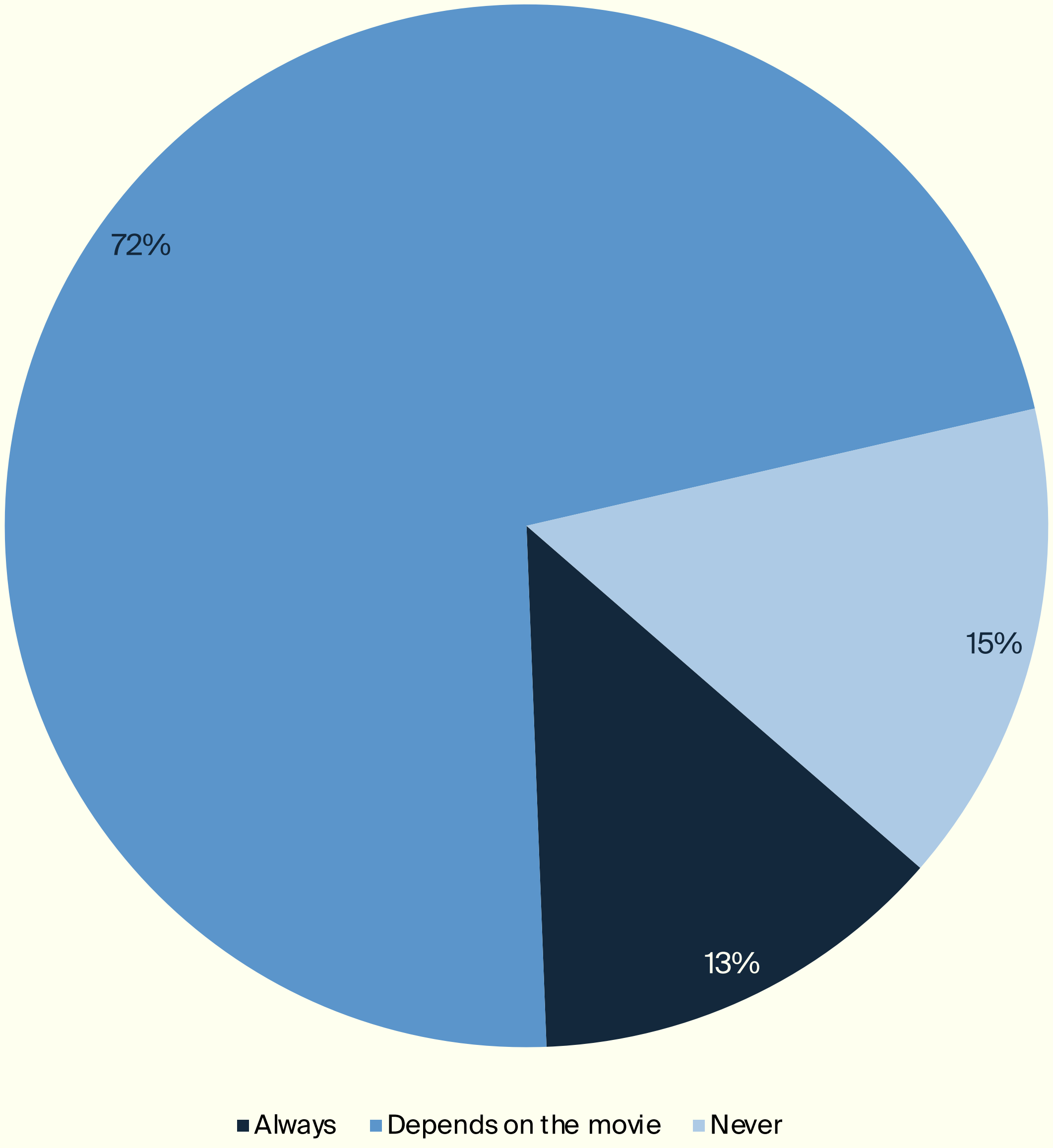
A sizable number (15%) say they will most likely see a movie on discount Tuesdays.



The rise of PLF

Premium Large Format's enormous popularity keeps on growing. They are frequently the first screens to sell out. As this data shows, there is a rabid fanbase, with 13% saying they always choose PLF. Another 72% select PLF based on the movie.

In other words, the PLF experience has touched a wide swath of filmgoers. More importantly, it is an important option for those seeking a higher-end moviegoing experience.



67%

Of theatergoers feel that there is a wide assortment of movie types and genres to see. Only 15% say all the movies feel the same.

42%

Of theatergoers say they have become more interested and excited about going to the movies in recent months. That's more than 3x as many who said they feel less excited about going to a theater.

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