



MEDIA ALERT

While Box Office Numbers Dipped in 2014, PwC US Expects to See a Strong Consumer Return in 2015

High Ticket Price Concerns Could be eased by Genre, Incentive and Friend Recommendation Drivers

WHAT: Although box office numbers were down in 2014, most consumers do not believe they're going to the movies any less than they did a year prior, according to a new PwC US report titled, "[Summer 2014 movie going declines a blip on the radar?](#)" The report explores the reasons behind the decline in box office revenues in 2014 and whether it was a one-off or the start of a film industry trend. With rising ticket prices, consumers are expecting more from their theater experiences. A survey of 1,000 participants in the U.S. reveals that although ticket prices are affecting movie goers decisions to see movies, certain film genres, friends' recommendations, creative incentives and in-theater experiences are still driving consumers to theaters.

When asked how movie theaters have changed in the last five years, consumers responded with twice as many negative comments as positive. Soaring ticket prices was, by far, the number one reason for dissatisfaction across all age demographics by movie-going frequency. Despite efforts by theaters to provide better seating, advanced technology and improved concessions, price remains a pain point.

WHY: Among key consumer findings on the trend of box office declines, as well as their desires and attitudes towards the in-theater experiences:

Nearly half of consumers claim their movie going frequency did not change this year versus last. Young adults, in particular, love their movies. On average, the 18-24 and 25-34 year olds watched more movies (about six), than the other age groups.

- Despite the evolving variety of ways consumers can view movies, most people who saw a top summer movie watched it in a movie theater as opposed to another venue, although 87 percent of movie goers are willing to pay \$20 per month to watch unlimited movies at home.

Film genre is the biggest driver of movie viewing led by action/adventure, followed closely by comedies. Thrillers and dramas trailed by some distance, but viewership is higher for those genres among 50-59 year olds. Horror films resonate significantly with younger audiences (18-24 year olds) relative to older groups.

- Movie content and wanting a night out are significantly more influential to younger adults ages 18-34 than to their older counterparts ages 35-59.

Consumers are receptive to incentives aimed at motivating interest and frequency. Nothing is as motivating as lowering ticket prices. Fifty-three percent of all movie goers are interested in last-minute cheap seats.

- The monthly movie subscription has the greatest opportunity for incremental box office upside generated from less frequent movie goers who are cautiously interested.

Third party commentary, ads and social media have less influence on consumers' movie selections as they are more strongly swayed when a friend makes a recommendation. Overall, 35 percent of all respondents claim to be influenced by peer recommendations, significantly more so among the 18-34 range.

- Social network recommendations and commentary ranked last among respondents as only 17 percent noted that type of movie suggestion as influential.

In a critical time for both the movie theaters and studios, both parties as well as other industry business units will have to transform and modify business objectives to up the ante on box office numbers, including:

- **Focus on the core audience**, which lies among 18-34 year olds and frequent movie goers. As the most movie-involved groups, they are most likely to be influenced by incentives and features.
- **Consider alternate incentive programs**, such as monthly movie subscriptions and on-site “super fan” experiences, as lowering ticket prices across the board is not likely a viable option.
- **Make it a special night out** as exhibitors need to continue to promote the benefits of the in-theater experience, including the home getaway and advanced technology benefits.
- **Remember that content is still king**. Focus on interesting content in relevant genres and don’t underestimate the value of recommendations from family and friends.

WHO: Members of PwC’s entertainment, media and communications (EMC) practice are available to discuss the report findings and share further insight on the implications for companies.

CONTACT: For a full copy of the report and/or to arrange a briefing with a PwC representative, please contact:
Nancy Zakhary | Brainerd Communicators, Inc. | 212-986-6667 | nancy@braincomm.com
Ali Colangelo | Brainerd Communicators, Inc. | 212-986-6667 | colangelo@braincomm.com

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