Funded by:

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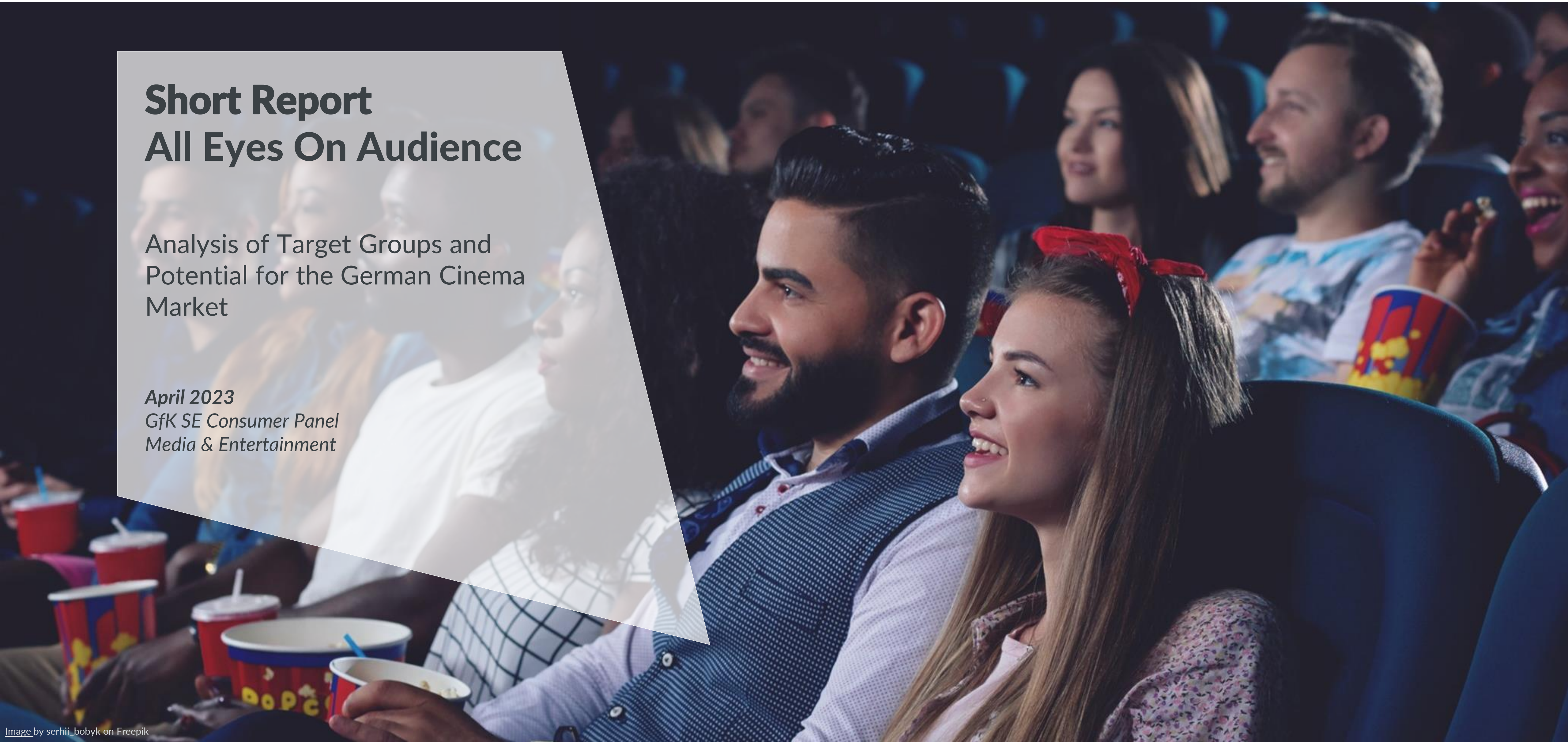
Conducted by:

Short Report
All Eyes On Audience

Analysis of Target Groups and Potential for the German Cinema Market

April 2023
GfK SE Consumer Panel
Media & Entertainment



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Content

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01

Key Results

All Eyes on Audience

Key Results (1/4)

In the years before the pandemic, the cinema market in Germany was already confronted with declining ticket numbers, falling audience reach and stagnating visiting intensity. The onset of the pandemic with temporary closures of cinemas and a lack of new films caused a significant slump in the market. The strong growth in the distribution of digital entertainment alternatives and a simultaneous reduction in willingness to spend in the context of inflation exacerbate the situation within the cinema market, whose level in 2022 is around a third below that of the pre-Covid period.

Cinema continues to have potential as an alternative leisure activity and experience and continues to have positive associations among active and potential visitors.
According to the results of the study, the **key areas of action** for the cinema industry are essentially at the **communicative level.** These must be targeted specifically at the target group:

Presence of the cinema

Cinema has **lost importance** in the (free) time budget of consumers and is **not (any longer) top of mind** in leisure activities, i.e. it is no longer as present in the consciousness of potential cinemagoers as it used to be. The **renunciation** of cinema was **learned during the pandemic** and from the consumer's point of view the incentives and the presence of cinema are missing to return to the old cinema behaviour. **Alternative digital forms** of film consumption are more present in the consumers' environment and are **often preferred to cinema**.

→ **Create** emotional and rational **memories of cinemas** and **make people want to go to the cinema** again via the **core drivers**: The joint experience with simultaneous recreational character is an absolutely unique selling point, but also the experience with all senses: Large pin-sharp image, a stunning sound.

All Eyes on Audience

Key Results (2/4)

More targeted, penetrating information

There is a **large information deficit** among potential visitors. **Sporadic visitors** often do not know what is currently playing at the cinema. They must **actively inform** themselves, are **not inspired** and sometimes find the information **inconvenient to reach** and **difficult to access**.

→ **Place** information on cinema films in a more **targeted and penetrating way**: more **cinema film trailers in advertising**, more **news coverage**, more **film reviews** in the media, **easily accessible** film schedule with concrete **incentives for action**.

Price-performance/value of the cinema

The price-performance barrier is **perceived as high** by all target groups considered. The **added value** compared to alternative film consumption options is currently only acknowledged to a limited extent, while the prices for tickets and concessions are **continuously rising** in times of inflation and are **perceived** by consumers as **(too) high** to choose cinema as a leisure alternative more regularly.

→ Increase value through **emotional memory** on the one hand, on the other hand **provide rational arguments** why it is personally **worthwhile** for everyone to go to the cinema despite film alternatives and inflation (via focus on drivers such as atmosphere, convincing technology, sensory experience, community, recreation, etc.).

→ **Use price as a marketing tool**, reduce price barriers through **special offers** to attract potential visitors back to the cinema: **cinema day** (same price for all screenings), lower admission price for **longer-running films**, **combined ticket** for admission + car park/public transport, cheaper **online tickets**; adequate **ticket/concession price ratio**, as the added value clearly lies in the film experience.

All Eyes on Audience

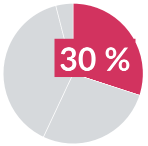
Key Results (3/4)

The objective of the study is to quantify the potential of the cinema market and to describe and analyse potential cinemagoers in order to reach them in an optimized way. For this purpose, they were divided into six target groups based on past and current cinema visiting behaviour. Depending on the target group, different levers are in the foreground.

3 % Loyal Cinema Fans

(frequent to regular cinema visits)

cinema tickets



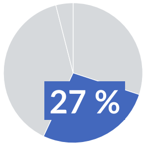
- **regularly inform** themselves about cinema
- visit **premium cinemas** more often than average
- compared to the past, they are more likely to selectively watch films at the cinema that are worthwhile for them
- in comparison, the target group has **fewer barriers**
- medial accessibility: **online**, **social media**

control lever: **increase frequency**

9 % Reducing Cinema Fans

(used to go to the cinema frequently to regularly, since Covid less or not at all)

cinema tickets



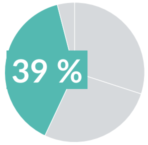
- actively inform themselves about cinema, which is no **longer as present** as it used to be
- also **save** on cinema tickets due to the increased cost of living
- the **price** for cinema seems high
- find only **few interesting cinema films**
- **Covid** was still present in this target group in 2022
- top measures: **cinema day**, special film versions, more sustainable offer
- medial accessibility: **online**, **social media**, print

control lever: **increase frequency & reach**

21 % Occasional Cinemagoers

(used to go to the cinema irregularly to sporadically, since Covid just as often or less often)

cinema tickets



- only watch films in the cinema very selectively since they have a **streaming subscription**
- are **not or insufficiently informed** about film schedules at the cinema
- **families** are represented above average in the target group
- top measures: **cheaper online tickets**, more space, flexible cancellation option
- medial accessibility: **online**, **social media**, linear TV

control lever: **increase frequency**

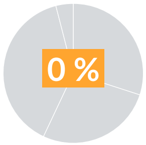
Source: GfK Media Scope Cinema Panel | GG: German population aged 10+. (66.2 m.) | period: July 2021-June 2022 (=MAT Jun '22) | n=10,410
Left: persons in % excl. n.a. | right: tickets in % excl. n.a.

All Eyes on Audience

Key Results (4/4)

20 % Pausing Cinemagoers
(used to go to the cinema irregularly to sporadically, since Covid not anymore)

cinema tickets



- would like to see **specific films** in the cinema
- cinema is a **chosen experience for** this target group (also 3D)
- cinema is **no longer as present** as it used to be
- **Covid** was still present in this target group in 2022
- top measures: **cinema day**, discount after a certain running time
- medial accessibility: **print**, **linear TV**

control lever: **achieve reach**

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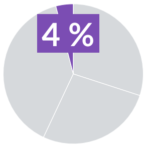
17 % Rare Cinemagoers
(rarely go to the cinema)

cinema tickets



- going to the cinema is often considered **too time-consuming and too expensive**
- prefer to watch films at home **on the sofa**
- are **not informed** what is playing in the cinema
- other leisure activities are more important
- have **lost interest** in cinema
- top measures: **discount after a certain running time**, cinema day, unobstructed view
- medial accessibility: **print**, **linear TV**

control lever: **increase frequency**

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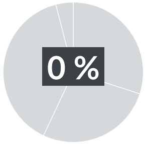
30 % Non Cinemagoers
(never go to the cinema)

cinema tickets



- No interest in cinema (any longer)
- cinema is **no longer present** and does not play a role in leisure activities
- going to the cinema is often **too time-consuming** and **too expensive**
- top measures: **discount after a certain running time**, alternative events

control lever: **achieve reach**

If, with an understanding of the motives and barriers outlined here, it is possible to bring every 5th cinemagoer back to the cinema more often in the future, a reactivatable potential of 24.1 million tickets per year is possible. This study provides the cinema industry with the necessary knowledge to implement targeted measures based on this knowledge.

Source: GfK Media Scope Cinema Panel | GG: German population aged 10+. (66.2 m.) | period: July 2021-June 2022 (=MAT Jun '22) | n=10,410
Left: persons in % excl. n.a. | right: tickets in % excl. n.a.

02

Background and Design of the Study

Initial Situation

Initial situation of the cinema market in mid-2022

Before the pandemic

- declines in younger target groups
- tendency for ticket numbers to fall
- decreasing visitor reach
- stagnating visit intensity
- under-proportional reach and frequency in international comparison

During the pandemic

- negative effects due to temporary closures and lack of novelties
- influence of streaming and new strategies to exploit films

Further effects

- increasing competition in time budgets due to growing digital entertainment offerings and changed leisure behaviour
- rising ticket prices and reduced willingness to spend money in the context of inflation → falling spending and visitor numbers

Cinema is losing importance in the (free) time budget of consumers. Therefore, it is essential for market participants to understand the current barriers and drivers for cinema visits as well as the potentials of the cinema market.

Study Structure and Objectives

01 Identification & description of (potential) target groups

Commissioned through HDF KINO e.V.

- **Developments in the cinema market**
- **Identification** and **description** of the **(potential) target groups**

02 Qualitative exploration of drivers and barriers

Commissioned through HDF KINO e.V.

- **Reasons for changed cinema visiting behaviour** after the pandemic
- Possible **future developments**
- **Broad and deep insight into drivers and barriers** incl. **motives, values & attitudes** and their change
- Consideration of **individual** and **social motives** through a combination of **focus groups** and **video interviews**

03 Quantification of drivers and barriers

Commissioned through FFA

- **Quantitative determination of the importance of drivers and barriers to** cinema visits
- **Fulfilment of consumers' needs** by cinema operators and film distributors
- Identification of **measures** to **reduce key barriers**

Study Design

Three building blocks for a comprehensive understanding of cinemagoers

Potentials in the cinema market

Identification & description of (potential) target groups

Identification of target groups based on ad hoc survey in GfK Media Scope (July 2022)
Description of target groups based on existing panel data from GfK Media Scope

Analysis period: July 2021-June 2022 (=Moving Annual Total (MAT) June 2022)

Basis: GfK Media Scope, population: German population aged 10+ (66.2 million). (66.2 million), n=10,410

Qualitative exploration of drivers and barriers

Qualitative focus groups and qualitative individual interviews with different target groups

Implementation: September 2022

Basis: 6 focus groups in Berlin (2h, n=6-8), 6 video IDIs from rural regions (45 min.)

Quantification of drivers and barriers

Quantitative online survey in the GfK Media Scope Panel

Field period: 29.11. until 12.12.2022

Basis: German population aged 14 and over, total target group: 63.5 million, n=4.073; people with a general interest in going to the cinema: 47.2 million, n=3.267

03

Target Groups

Definition of Target Groups

Target group definition via past and current cinema visiting behaviour

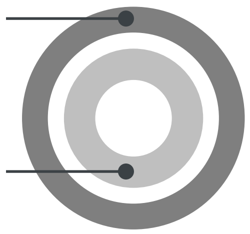
<table>
<tr><td colspan="2" rowspan="2"></td><td colspan="3">Cinema visiting behaviour in July 2021-June 2022</td></tr>
<tr><td>as often or more often than before Covid</td><td>less often than before Covid</td><td>not at all</td></tr>
<tr><td rowspan="6">Cinema visiting behaviour before Covid (before Feb 2020)</td><td>frequently (at least 7x in 12 months)</td><td rowspan="2">Loyal Cinema Fans</td><td colspan="2" rowspan="2">Reducing Cinema Fans</td></tr>
<tr><td>regularly (4-6x in 12 months)</td></tr>
<tr><td>irregular (1-3x in 12 months)</td><td colspan="2" rowspan="2">Occasional Cinemagoers</td><td rowspan="2">Since Covid Pausing Cinemagoers</td></tr>
<tr><td>sporadically (every 1-2 years)</td></tr>
<tr><td>rarely (less frequently than every 2 years)</td><td colspan="3">Rare Cinemagoers</td></tr>
<tr><td>never</td><td colspan="3">Non-Cinemagoers</td></tr>
</table>

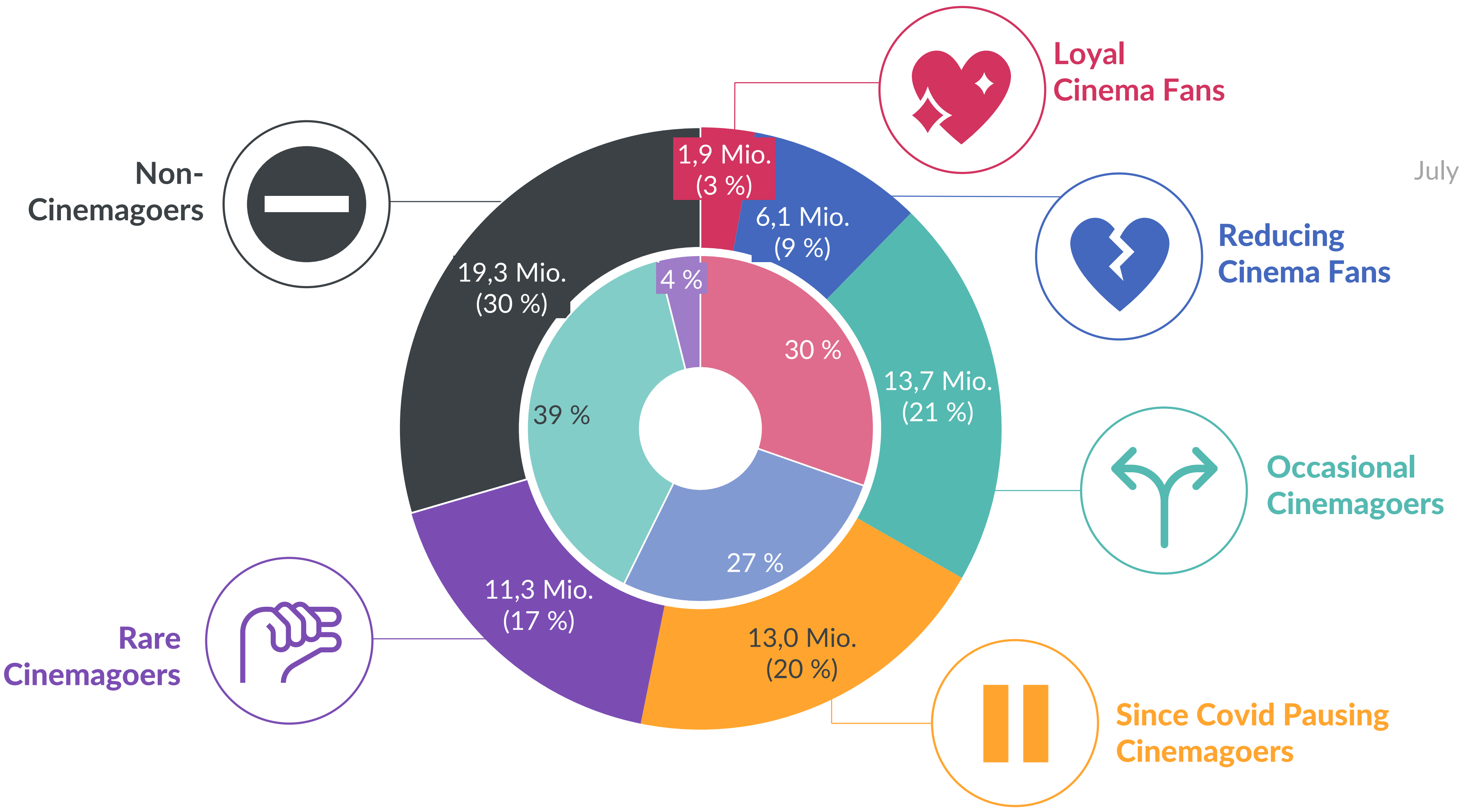
Source: GfK Media Scope Cinema Panel | survey on cinema visiting behaviour during Covid | July 2022

Icon Rare: "little" by Daniel Tacho on Noun Project

Target Groups in the Cinema Market

Definition about cinema visiting behaviour before & after Covid





Source: GfK Media Scope Cinema Panel | GG: German population aged 10+. (66.2 m) | period: July 2021-June 2022 (=MAT Jun '22) | persons in % excl. n.a. | n=10.410

Icon Rare: "little" by Daniel Tacho on Noun Project

Target Groups at a glance: Definition, Socio and Leisure Behaviour

GfK

		1.9 m Loyal Fans	6.1 m Reducing Fans	13.7 m Occasional	13.0 m Pausing	11.3 m Rare
target group definition	Cinema visiting behaviour before Covid	frequently to regularly (at least 4-6x/year)	frequently to regularly (at least 4-6x/year)	irregular/sporadic (1-3x/year to every 1-2 years)	irregular/sporadic (1-3x/year to every 1-2 years)	rare (less frequently than every 2 years)
target group definition	Cinema visiting behaviour in the last 12 months	**as often/more often** than before Covid	**less often** than before Covid or **not at all**	**as often/ more often/ less often** than before Covid	**not at all**	**more often** to **not at all**
	Life cycle	male Ø 39 y.	Ø 44 y.	Ø 41 y. Children <14 in HH	Ø 50 y.	Ø 55 y. no children in the HH
	Financial situation / living conditions	pupils/education upscale well-off urban environment	pupils/education upscale well-off urban environment	pupils/education upscale well off Ø size of town/village	education average / upscale medium income rather rural	education rather low low income rather rural
	Importance of leisure-related aspects	**over proportionately**: talk along/satisfy curiosity, experience something special, escape everyday life	**overproportionate**: Experience special	**sub-proportional**: meeting like-minded people	**sub-proportional**: Experience something special	**over proportionately**: meet like-minded people, talk along/satisfy curiosity; **Sub-proportionately**: have fun
	Hobbies	going out, concerts/festivals, clubs, surfing the internet	going out, theatre, podcasts	activities with family, affinity for audio books and podcasts	time with friends/family, reading, going to concerts	reading, gardening, watching TV

Source: GfK Media Scope Cinema Panel | GG: German population aged 10+. (66.2 m) | period: July 2021-June 2022

Icon Rare: "little" by Daniel Tacho on Noun Project

Target Groups at a glance: Media Behaviour & Importance of Cinema

GfK

	1.9 m Loyal Fans	6.1 m Reducing Fans	13.7 m Occasional	13.0 m Pausing	11.3 m Rare
Media usage in general	online (Index 113) social media (Index 162)	online (Index 109) social media (Index 126) print (Index 100)	online (Index 110) social media (Index 126)	linear TV (Index 106) print (Index 102)	linear TV (Index 110) print (Index 103)
Importance of cinema	**70 %** (Index 269)	**65 %** (Index 249)	**30 %** (Index 114)	**21 %** (Index 81)	**6 %** (Index 23)
Share of streaming in the time budget for moving images	**35 %**	**31 %**	**27 %**	**19 %**	**13 %**
Average spending p. p. for entertainment	663 €	492 €	334 €	288 €	276 €

Source: GfK Media Scope Cinema Panel | GG: German population aged 10+. (66.2 m) | period: July 2021-June 2022

Icon Rare: "little" by Daniel Tacho on Noun Project

Target Groups at a glance: Cinema Visiting Behaviour 1/2

	1.9 m Loyal Fans	6.1 m Reducing Fans	13.7 m Occasional	13.0 m Pausing*	11.3 m Rare
Film genres (Top 3 Indices)	superheroes, anime, horror, sci-fi	anime, superheroes, drama	superheroes, children's films, fantasy	documentaries, musicals, love stories, romantic comedies	documentaries, western, musical
Film preferences (Top 3 Indices)	sequels, arthouse, films in original sound	arthouse, sequels, films in original sound	sequels, blockbusters, animated films	3D films, award-winning films, book adaptations	short films, biographies, 3D films
Attitude towards cinema	**inform** themselves **regularly**, **premium cinemas** above Ø	**inform** themselves, cinema as an **experience**	snacks & drinks are part of it, but go to **cinema less often** since they have a **streaming subscription**	**certain films** have to be seen in the cinema, cinema is an **experience** (also 3D)	going to the cinema is often considered **too time-consuming & too expensive**
Inflation effects on intention to go to the cinema	almost all Loyal Fans **do not** want to **reduce** spending on cinema visits	just under **2/3** will **increase or not change** their spending	almost **3/4 do not** want to **reduce** their spending	**43 %** want to **reduce** their spending or **not** spend **any at all**	**1/4 no longer** want to **spend money** on cinema visits

Source: GfK Media Scope Cinema Panel | GG: German population aged 10+. (66.2 m) | period: July 2021-June 2022
*Values of **Pausing Cinemagoers** for cinema genres, film preferences and attitudes towards cinema refer to the period January-December 2019

Icon Rare: "little" by Daniel Tacho on Noun Project

Target Groups at a glance: Cinema Visiting Behaviour 2/2

	1.9 m **Loyal Fans**	6.1 m **Reducing Fans**	13.7 m **Occasional**	13.0 m **Pausing***	11.3 m **Rare**
Planning of visit	2019 more often spontaneous, now plan visits **several days in advance** is something above **Ø**	cinema visits are **less spontaneous, 83 % are planned** at least one day in advance	schedule visits a little more often **on the same day** or **a day in advance**	similar to Ø, **1/5** of the tickets were bought **on the day of the visit**	
Week of visit (after cinema release)	**43 %** in **first week** after release, but **declining** compared to 2019	**1/3** in **week 1** after cinema release, **little change** to 2019	**30 %** in **week 1** after cinema release	Target group with **largest share** of cinema visits after **week 14**	
Accompanying persons	just below 1/5 of the visits take place **alone**	similar to loyal fans, they go to the cinema **alone** comparatively often	highest proportion of visits with **children under 10 years of age**	**90 %** of visits are made with **at least one accompanying person**	*low base*
Top films	view **films outside the top 10 more often** than other target groups	**2/3** of the films seen are within the **top 30**	**top 10** films with **above-average importance**	**top 10** share **slightly above Ø**	
Sources of attention	**trailers in cinema**	**trailers in cinema**, **reports**, **articles in** newspapers and magazines	**recommendation** from acquaintances, **TV commercials**	**recommendation** from acquaintances, **print media**, **TV commercials**	

Source: GfK Media Scope Cinema Panel | GG: German population aged 10+. (66.2 m) | period: July 2021-June 2022
*Values of **Pausing Cinemagoers** refer to the period January-December 2019

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04

Meaning of Cinema, Drivers and Barriers

Attitudes towards and meaning of Cinema

Key Results

Leisure

- Relaxing/recreating, spending time with friends/family and having fun/being entertained are the most important leisure needs, all of which are fulfilled by cinema from the consumer's point of view.
  - The aspect of **relaxation** is better fulfilled by cinema than by theatre, restaurant, concerts and gaming.
  - The aspect of **having fun/being entertained** is better fulfilled by cinema than by streaming, theatre, restaurant and gaming.
  - The aspect of **spending time with friends/family** is better fulfilled by cinema than by streaming and gaming.

Rational/emotional associations

- Rationally, cinema is the **opportunity to consume films** on a **bigger screen** and with **better sound than at home**. At the same time, it is an alternative primarily to streaming and live events (theatre/concerts), but also to other activities such as going to restaurants and gaming.
- On an emotional level, cinema is perceived as a **sensual/holistic experience** of films, which includes a certain **atmosphere**, popcorn and also nostalgia. The renunciation of cinema was literally "learned" during Covid.

Cinema visits in context

- 78 % of those who are basically interested in cinema **only watch selected films in the cinema**, for 60 % cinema is no **longer as present as it used to be** and 58 % state that there are **too few films of interest** to them. Insufficient information, the increasing relevance of other leisure activities and the cost of going to the cinema are also relevant barriers for the respondents.

Focus on cinema

- Various cinema-related aspects are **similarly important** for a visit to the cinema: **appealing film offer, excellent picture and sound quality, cleanliness/well-maintained environment, high level of comfort (e.g. comfortable seats, legroom, unobstructed view), good value for money, (feel-good) atmosphere.**

Drivers for Cinema Visits

Key Results

Diversity of drivers

- When looking at the key drivers for cinema, it becomes clear that going to the cinema is about **more than just watching a film**.
- The focus is on a **special experience with all senses** in the context of a **unique atmosphere**. **Emotions** play a central role and are an important driver for cinema visits.

What makes cinema?

- A visit to the cinema is usually planned and ideally a **journey** in which **several components** are relevant: Anticipation, experience with accompanying program, subsequent exchange.
- Cinema thus has a **connecting, interactive character** and usually takes place in **company**, only few go to the cinema (even sometimes) alone.

Top driver

- Cinema has an obvious added value **especially for those films** where **sound** and **big screen** make a difference.
- For 67 % of those who are basically interested in cinema, **outstanding sound** and an **optimal picture** are the biggest drivers for a visit to the cinema.
- For films that cannot score with sound and image, added value must be conveyed through other aspects.

Reasons for visit

- An interesting theme/exciting story is the main reason for going to the cinema for all target groups.
- **Occasional Cinemagoers** are comparatively more **extrinsically motivated** (by accompanying person(s)), while the topic/story is relatively less crucial.
- **Topic/story** is by far the **top reason for visiting among Pausing Cinemagoers**.
- For **Loyal Fans, topic/story** stand out. In comparison, the accessibility of the cinema is also seen as an important reason.

Barriers to Cinema Attendance

Key Results

Barriers on the part of the visitors	▪ For the needs of some potential visitors (or their environment), cinema has **little relevance**, is **too costly** or **not active enough in** balancing the pandemic. ▪ Sometimes there are simply **no accompanying persons** and there is little incentive to go to the cinema alone.
Barriers due to general developments	▪ In addition to an **unsatisfactory range of films**, **selection** and **shorter waiting times for the release in streaming** reduce the added value of cinema. ▪ The **forced renunciation by Covid is still having an effect** and leisure spending is also being put under greater scrutiny due to **inflation.**
Barriers on the part of cinemas	▪ On the part of cinemas, the **core barrier** is the **price-performance ratio**. The **time required**, **short running times** of the films and their **selection** also play a role. The **unappealing range of films is** also perceived as a notable barrier. ▪ Cinema is also experienced as **impractical** and **mentally demanding**: instead of being inspired, one has to **inform** oneself **specifically and sometimes laboriously**. In some cases, the **atmosphere,** the **film experience** itself or the **staff** are also **perceived as critical**.
Top issues in the perception of cinema	▪ For 60 % of the respondents, cinema has significantly **less relevance and presence than before**. Other leisure activities are paramount, **cinema** has become comparatively **less important** (56 %). ▪ 57 % of those who are basically interested in cinema are often **not really informed at all** about what is currently showing at the cinema. Based on this **information deficit,** the perception arises that there are **too few interesting cinema films** (58 %). ▪ Going to the cinema is often perceived as too expensive (56 %). 78 % of respondents say that they now only watch selected films at the cinema that are worth it.

05

Fields of Action and Measures

Key Fields of Action

Three key fields of action result from the core barriers

Increasing the presence of cinema

Cinema is simply not as present in my life as it used to be.

Other leisure activities are more important to me than cinema.

More targeted and penetrating information

There are too few cinema films, that are of interest to me.

I'm usually not really informed about what's on at the cinema at the moment.

Increase in price-performance/value

I only watch selected films in the cinema that are worth it.

Going to the cinema is often too expensive.

How can cinema **positively influence** the key **fields of action**?

Which **measures** are suitable for reducing barriers for consumers?

Increasing the Presence of Cinema

Not in mind/ in the relevant set

Other things are more important

Renunciation learned

Not matching (changed) needs

Not inspired by cinema

Going to the cinema must again **be top of mind** and be established as a **real leisure alternative.**

*You have to lure **yourself to** the **cinema.***
(Fan, 50-70)

02

03

Source: GfK study "Potentials in the cinema market".

More targeted and penetrating Information

Information deficit

Information difficult to access

Active search necessary

Cinema must **offer 'inspiring', permanent, easily accessible information** without consumers having to actively search for it.

*It's more the **advertising** that needs to be done than changing cinema that much. On Instagram **you don‘t see anything from cinema**. (Fan, 25-45)*

Source: GfK study "Potentials in the cinema market".

Increasing the Price-Performance/Value of Cinema

Little **added value** compared to alternatives of film consumption

Cinema as something special, streaming as everyday life

Perceived **high price** especially in times of inflation

You can invest the money in other ways, it ***adds up, parking ticket, food and drink, cinema ticket****.*
(Fan, 25-45)

Against the backdrop of film alternatives and inflation, the **added value** of cinema must be **highlighted and upgraded** so that the perceived high price seems **justified.**

At the same time, the **price** must be used **as a marketing tool** to attract more cinema visitors.

Source: GfK study "Potentials in the cinema market".

Measures for Barriers in the Cinema

Top measures per barrier

Good price-performance ratio

- cinema day (same price for all shows)
- cheaper ticket for longer-running films
- combi-ticket admission + car park/public transport
- online tickets for 1€ less

Film offer

- more cinema classics on the big screen
- fewer films based on sequels
- films exclusively in the cinema
- more niche films

Comfort/ atmosphere

- unobstructed view of screen
- more space (legroom/free space to the side)
- more comfortable seats

Uncomplicated planning

- convenient accessibility of the cinema
- only cinema trailers, no advertising
- cancellation options

Events

- after-work cinema with drinks and snacks
- visits from actors/filmmakers
- alternative events (concert/reading)

Targeted information

- more cinema trailers in advertising
- more media coverage
- more film reviews and critiques in the media

Good service offer

- higher quality food/drinks
- more friendly/competent staff
- more varied snack offer
- restaurant in the cinema to be able to go out for dinner

06

Analysis of Potential of the Cinema Market

Analysis of Potential of the Cinema Market (1/2)

OBJECTIVES

Estimation of a quantitative size for the cinema market in terms of ticketing potential.

The estimate of potential is based on the assumption that the cinema industry succeeds in bringing existing potential target groups back to the cinema or activating them to visit the cinema more frequently.

APPROACH /1

- To estimate the potential, the target groups defined within the study (Loyal Cinema Fans, Reducing Cinema Fans, Occasional Cinemagoers, Cinemagoers who have paused since Covid, Rare Cinemagoers, Non-Cinemagoers) were projected with regard to their activation potential considering their respective cinema visiting intensities (time frame July 2021-June 2022).
- This estimate is based on the conservative assumption that suitable activation measures by the industry will encourage one in five cinemagoers to switch to the next intensity class.
- Example: Through activation by the cinema industry, every fifth Occasional Cinemagoer adopts the cinema behaviour of the next higher intensity level, in this case the behaviour of the Reducing Cinema Fans.
- With regard to Non-Cinemagoers, it was assumed that only one in five of those who are generally interested in going to the cinema (38 %) could be motivated to go to the cinema again “rarer".

Analysis of Potential of the Cinema Market (2/2)

APPROACH /2

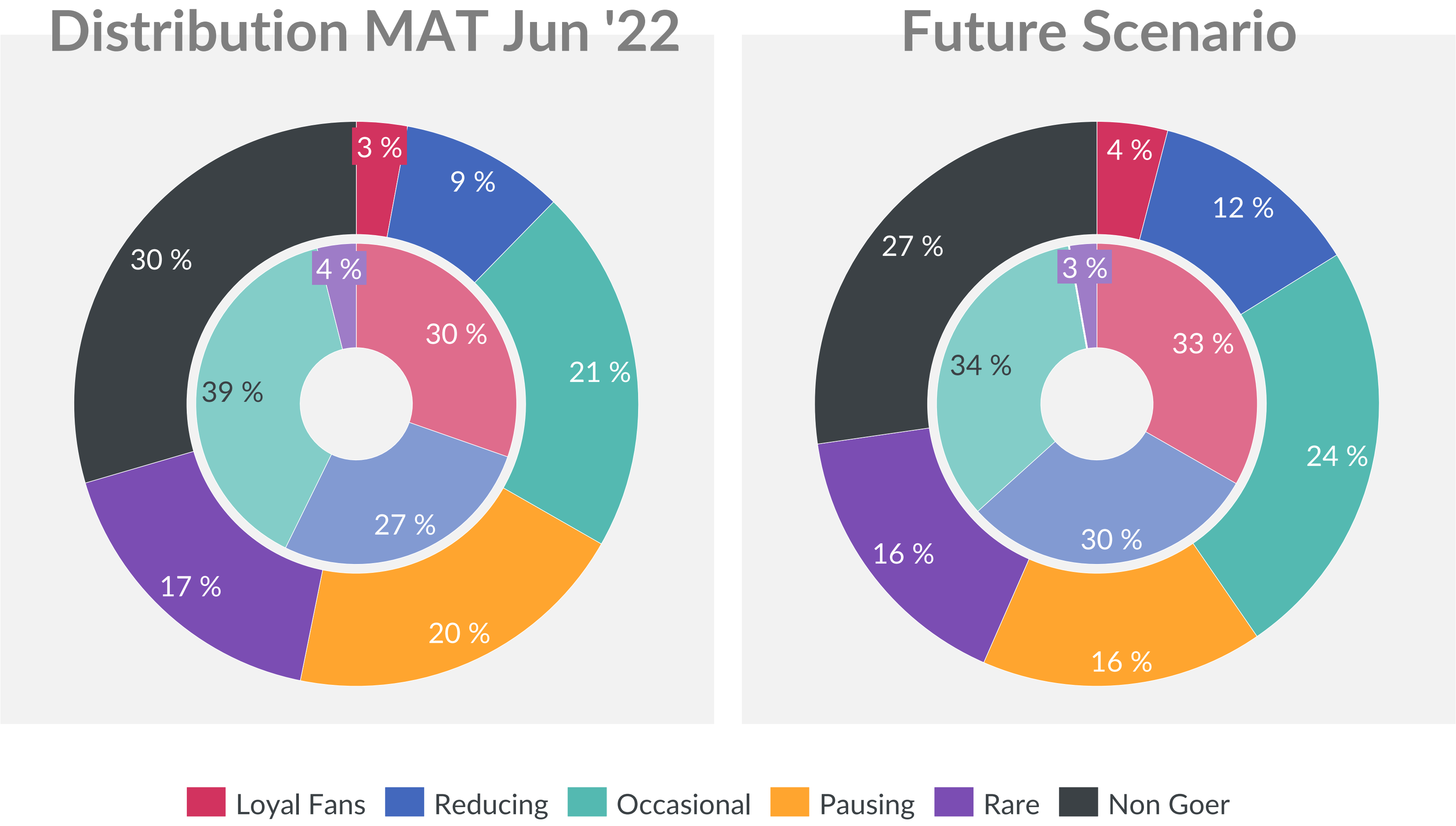
- The information used for the target group definition, cinema visiting behaviour before and after Covid, was collected via ad hoc survey within the GfK Entertainment panel Media Scope, in which the cinema behaviour is also continuously surveyed.
- Since retrospective surveys over a longer period of time, in this case 12 months, slightly overestimate visiting behaviour, the final forecast ticket volumes were calibrated accordingly using the data continuously collected as part of the cinema panel.

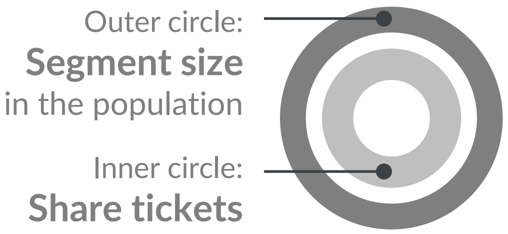
RESULT

The result of the projection shows the potential of a possible activation of existing potentials based on tickets.

The results are based on certain assumptions mentioned above, so that the figures are intended to show a range of the possible potential for the cinema market, which of course includes corresponding ranges of fluctuation.

Example Scenario: Reactivatable Potential of Cinema





If **every 5th** (potential) cinemagoer visits the cinema **more often** again, this will lead to an increase of around

24.1 million tickets

per year.

Source: GfK Media Scope Cinema Panel | GG: German population aged 10+. (66.2 m) | period: July 2021-June 2022 (=MAT Jun '22) | persons in % | n=10,410

07

Excursus: Cinema vs. Streaming

Cinema vs. Streaming

Key Results

Spending	▪ The spending for **streaming** is basically **on a higher level** than that for cinema. ▪ **Only the Loyal Fans spend more money on cinema than on streaming and have the highest Ø spending** on SVoD and cinema.
Fulfilment of important leisure needs	▪ Relaxing/recreating, spending time with friends/family and having fun/being entertained are the most important leisure needs, all of which are also fulfilled by cinema. ▪ The aspects of **relaxation, good value for money** and **spontaneity** are **better fulfilled by streaming** than by cinema. **Cinema can fulfil all other aspects better** than streaming.
Perception of cinema compared to streaming	▪ The growing range of alternatives to film consumption makes it increasingly difficult for the cinema to play out its added value. ▪ Cinema fits less well into the **fluidity, multi-optionality, simultaneity** of today's everyday life - but is a welcome change to it because of its commitment and prescribed concentration on one thing. **Cinema** thus tends to **embody the special**, while **streaming functions as an everyday activity.**
Publication deadlines/offer	▪ 38 % of people who are interested in cinema **no longer** go to see **every film in the cinema** because films are **available more quickly digitally.** 28 % of **Loyal Fans** and 47 % of Non-Cinemagoers partially forgo cinema visits because of faster online availability. ▪ 37 % go to the cinema less often because of sufficient home video offerings.
Exclusivity of films in the cinema	▪ The lack of an appealing film offer in the cinema is a barrier for 12.1 million people: The measure of being **able to see films exclusively in cinemas** would help 2.3 million people (out of the 12.1 million people) to reduce the barrier. ▪ The largest proportion of these are **Occasional** and **Pausing Cinemagoers** (0.6 million persons each).

08

Information on the GfK Consumer Panel Media Scope

GfK Consumer Panel Media Scope

GfK Consumer Panel Media Scope

Sample of **20 thousand** private individuals

Population

German population aged 10 years and older
As of 2022: 66.2 million

Panel data

Collection of panel data with the help of a **media diary**, in which the panel participants independently and continuously enter their purchases in the entertainment product groups:

Cinema | Home video | Games | Music | Books

Ad hoc surveys

Additional questioning of the panel participants on

- **Cinema specific topics** (cinema visiting behaviour after Covid, genre/film preferences)
- **General topics** (views on things in daily life, leisure time behaviour, etc.)

09

Contact Persons

Contact

Please feel free to contact us in case of any questions!

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