



Art House Convergence 2013

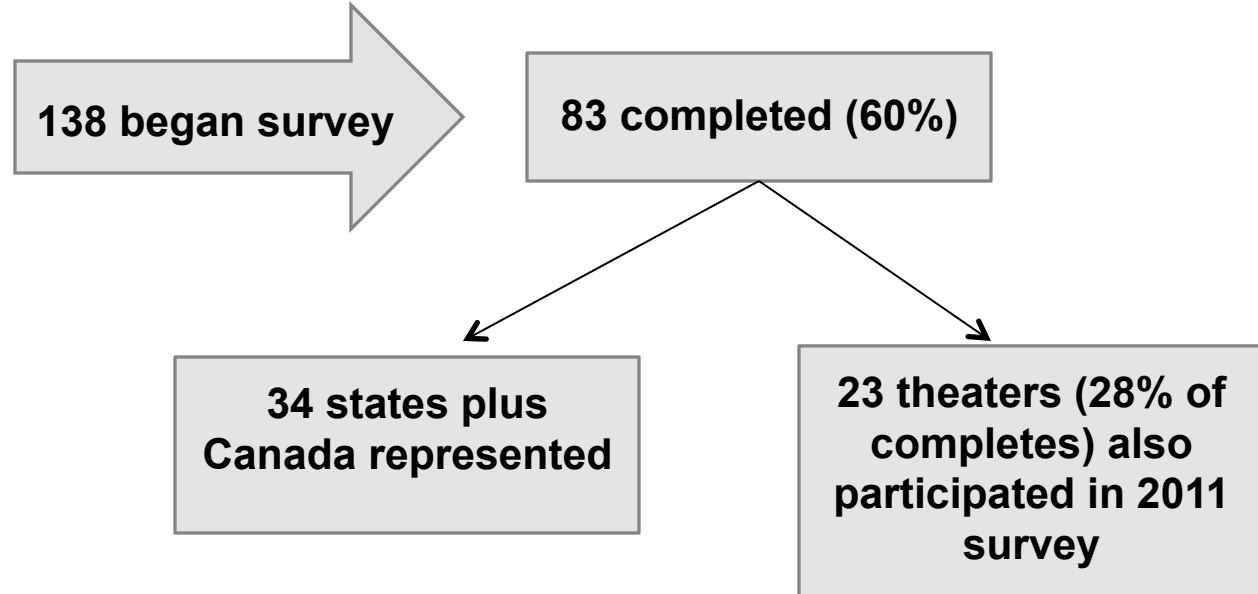
A National Survey

Conducted and Presented by

BRYN MAWR FILM INSTITUTE

Introduction

- Fourth annual online survey, conducted October-November 2012

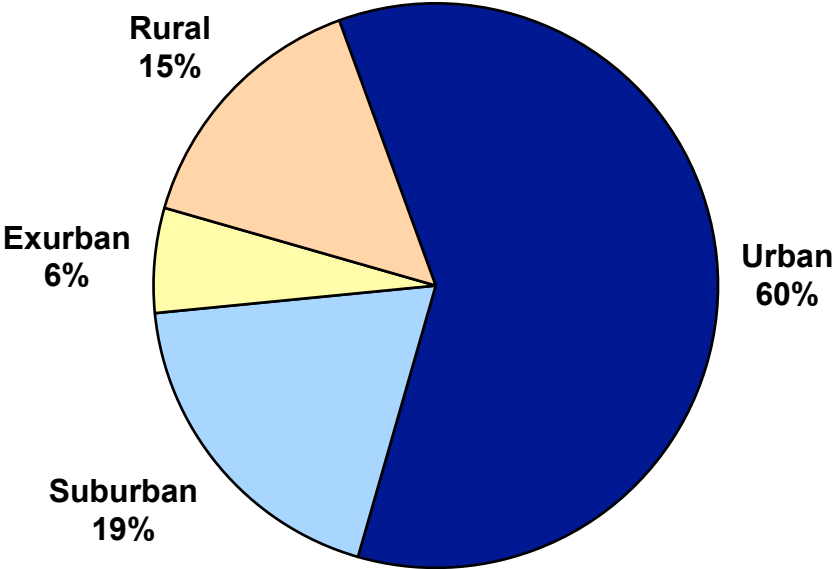


Who are we?

- 90% independent
 - 10% in chain/group consisting of 4 theaters on average
- 78% nonprofit (vs. 71% in last year's survey)
- About half (48%) own their theater buildings

- As in previous surveys, most are located in metropolitan, relatively affluent areas
 - This year's sample is more urban, less rural, vs. 2011
 - Also, somewhat more theaters in high-income areas
- Audiences are primarily adults (including many seniors)

Location of respondents' theaters

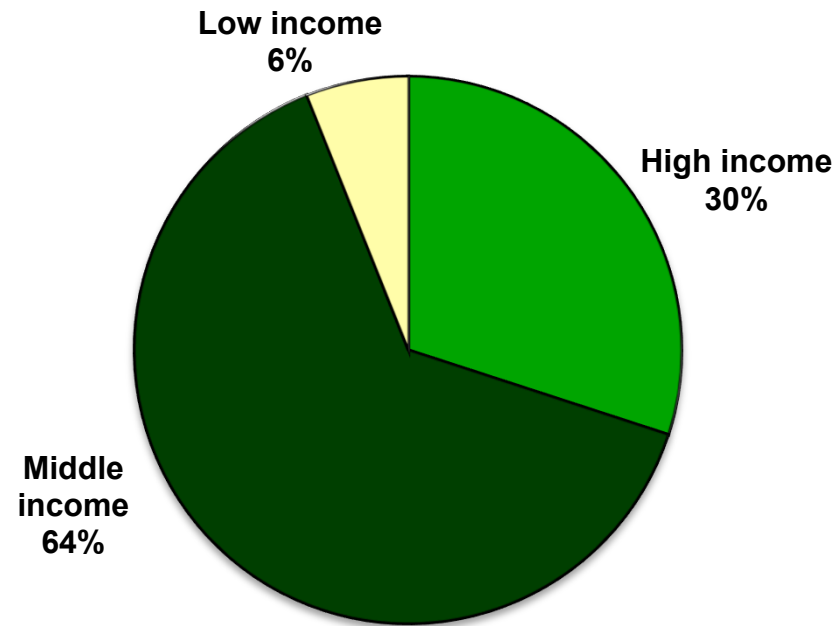


Percent of theaters

Q37: Which of the following BEST describes the area where your theater is located?

n=84

Socioeconomic demographics of responding theaters' locations

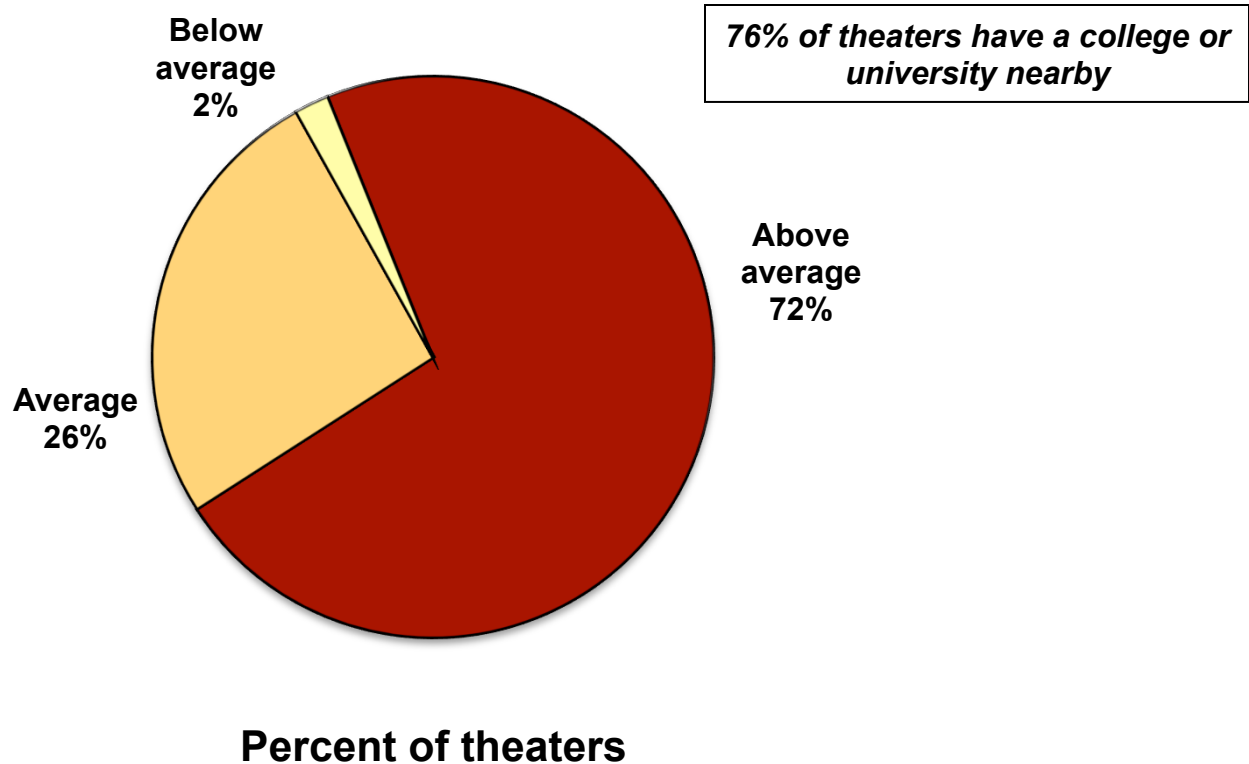


Percent of theaters

Q39: How would you describe the socioeconomic level of the area where your theater is located?

n=81

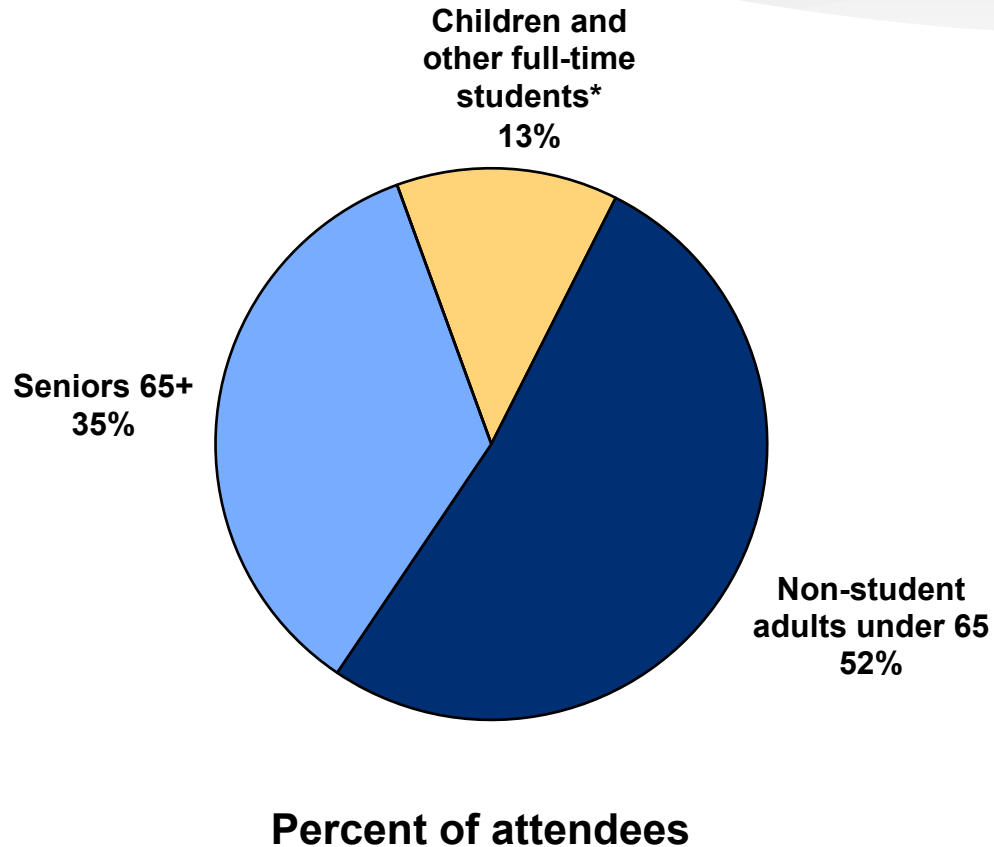
Educational demographics of responding theaters' locations



Q38/Q40: Is there a college or university near your theater?
How would you describe the educational level of the area
where your theater is located?

n=84/82

Age of theater attendees



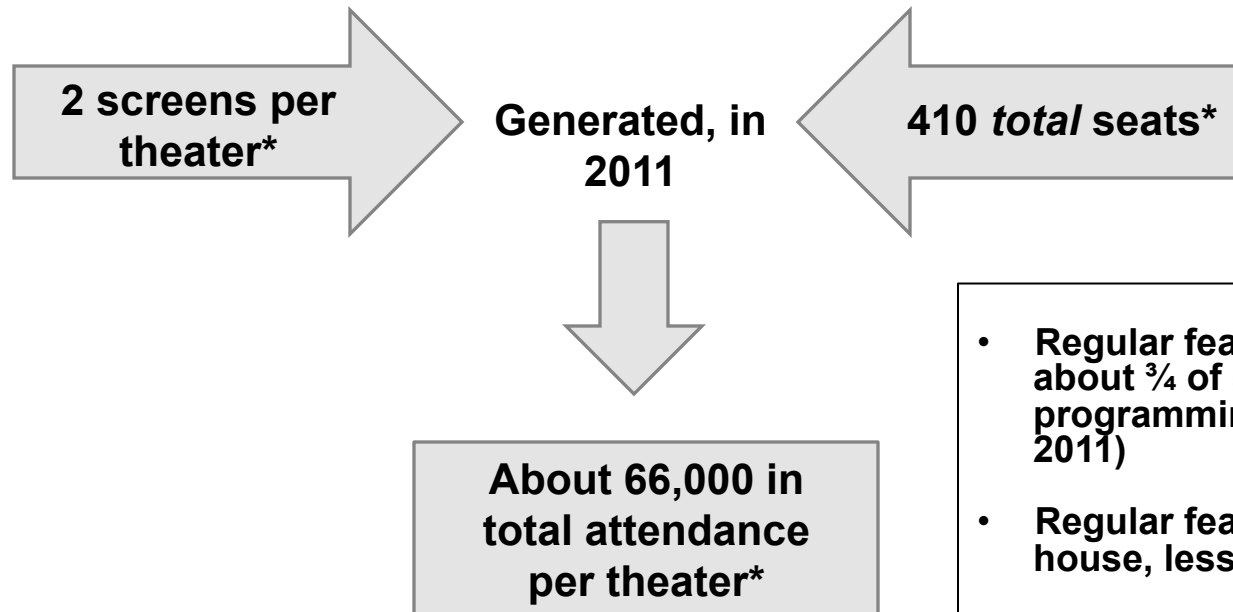
Q41: Please estimate the percent of your attendees who fall into each category.

n=83

*High school or college

What kinds of programs do we offer?

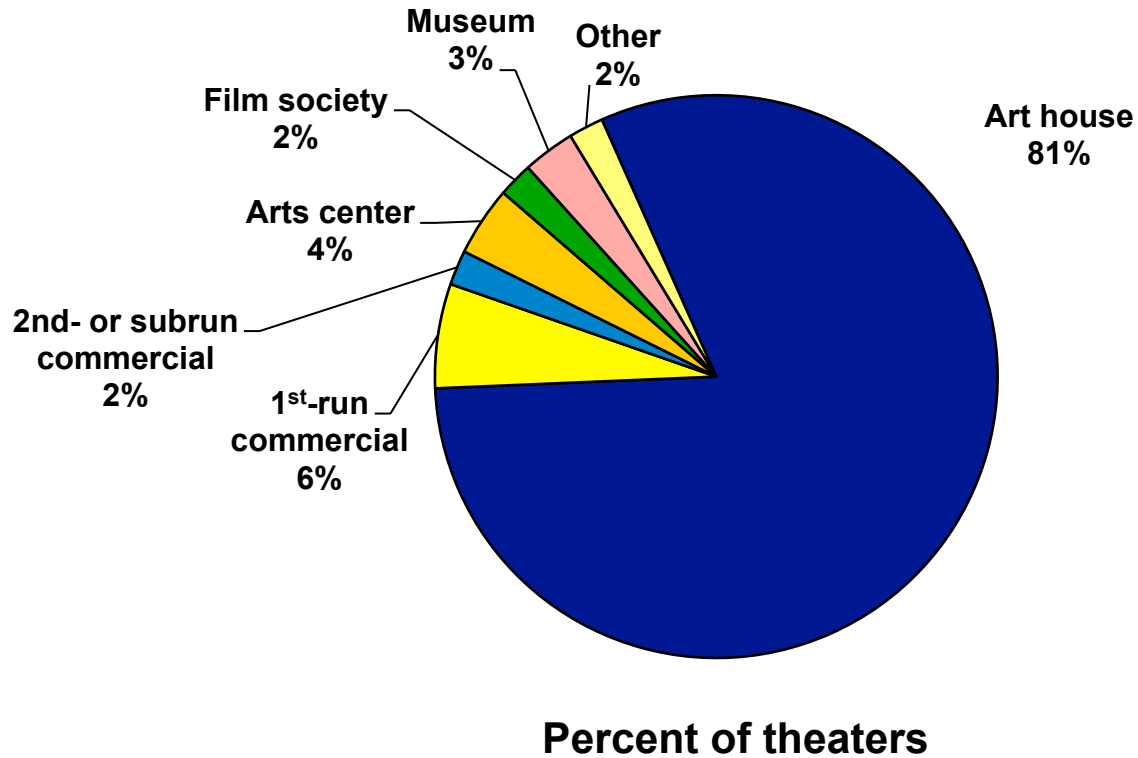
- Over three-fourths characterize their theaters as art-house cinemas (vs. just over half in 2011; fewer arts centers and film festivals this year)



- **Regular feature films** accounted for about $\frac{3}{4}$ of attendance; **special programming** for $\frac{1}{4}$ (less than in 2011)
- **Regular features** were more art-house, less commercial than last year
- **Considerably more theaters** than in 2011 offer “educational” programs

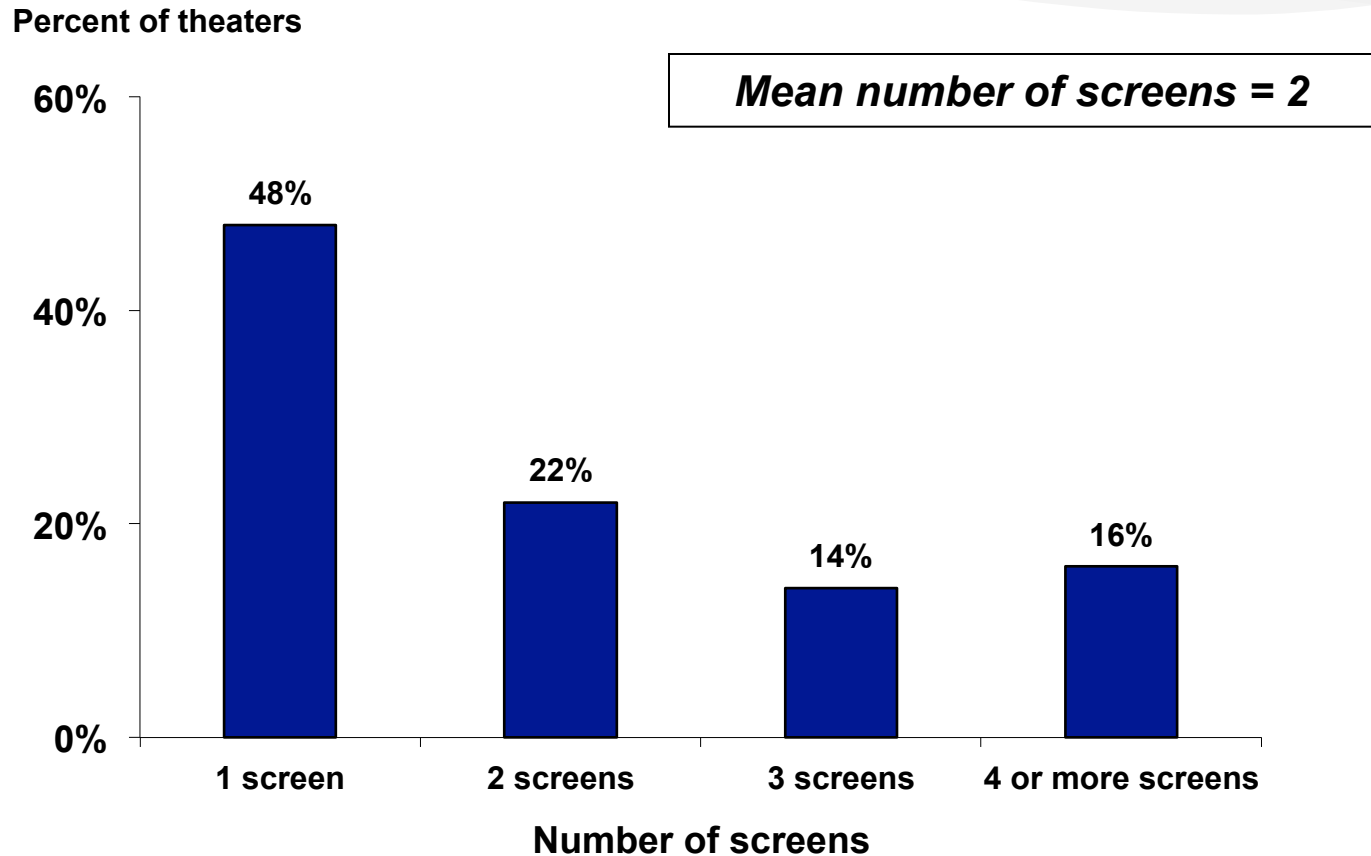
*On average

Type of theater



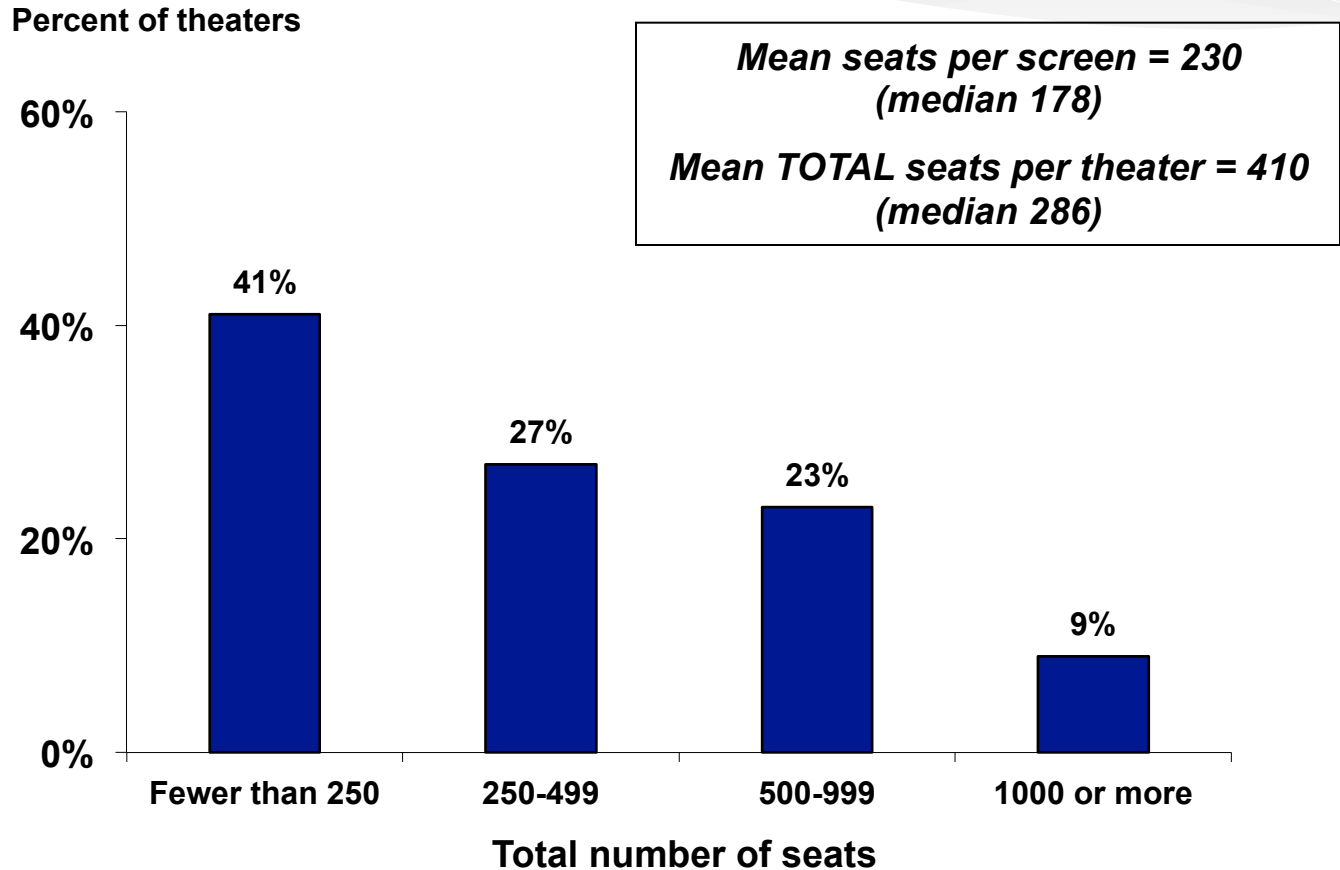
Q3: Which of the following BEST describes your theater?.
n=127

Number of screens



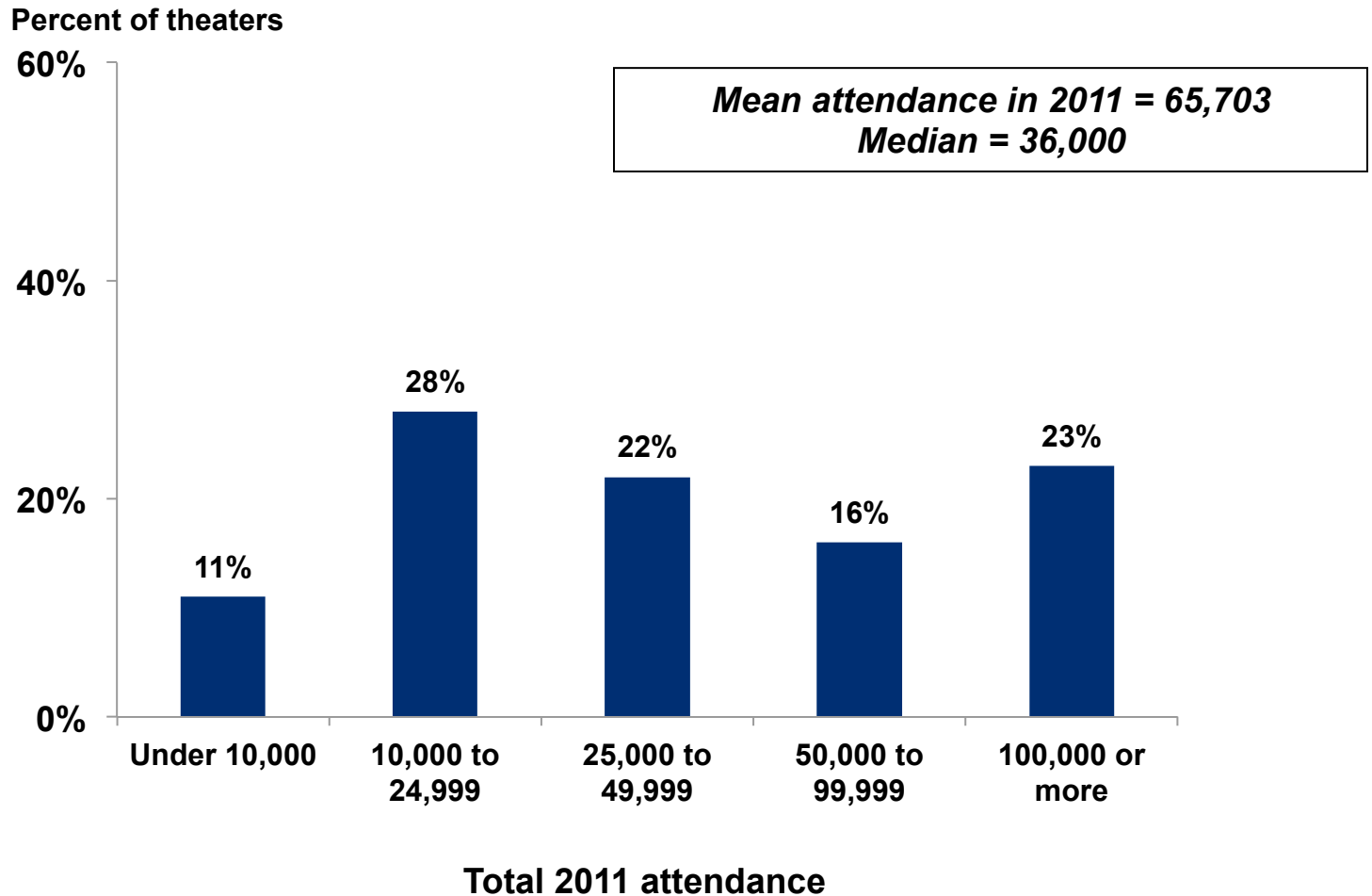
Q4: How many screens does your theater have?
n=121

Total number of seats (across all screens)

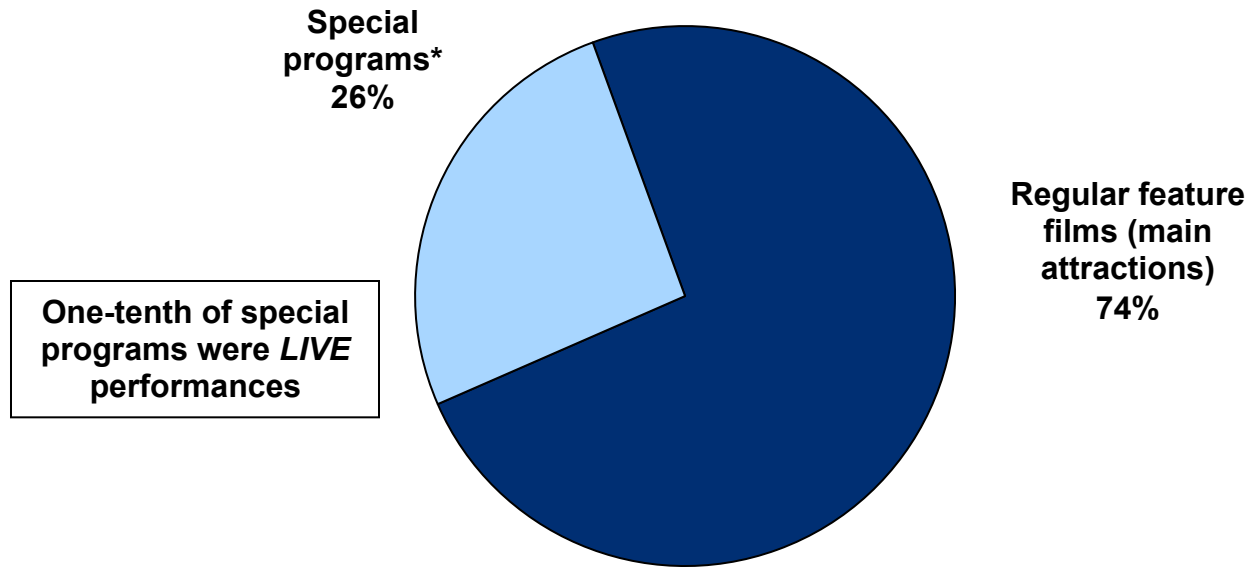


Q5: How many seats for each screen?
n=121

Total attendance in 2011 for all screenings and other programs



Types of programming offered in 2011



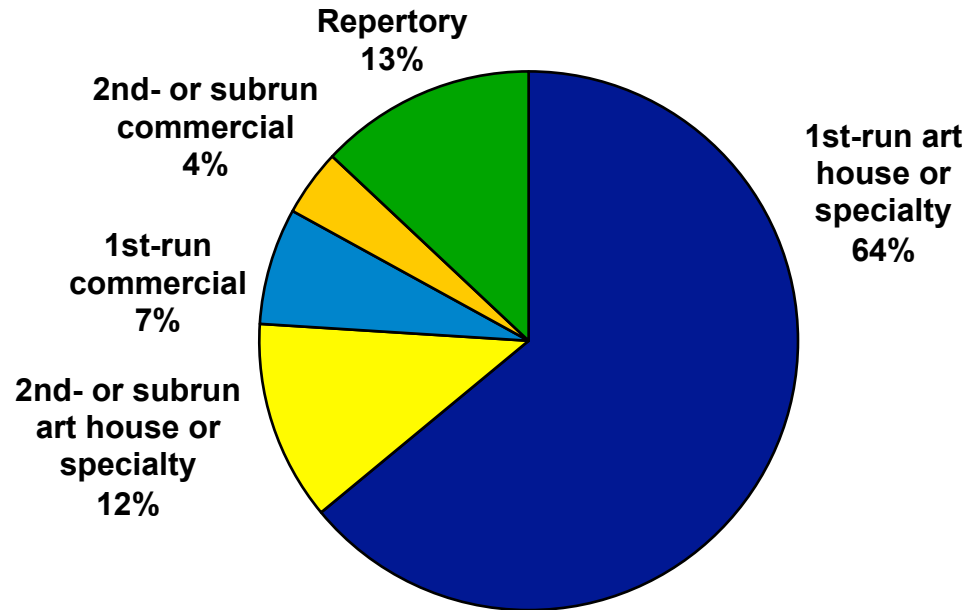
Percent of total 2011 attendance

Q7/Q9: Of your total 2011 attendance, estimate the percent that was in each category. Of all special programs in 2011, what percent were live performances?

n=95/89

*E.g., short runs, "one-night stands," live performances, etc.

Types of regular feature films (main attractions) shown in 2011



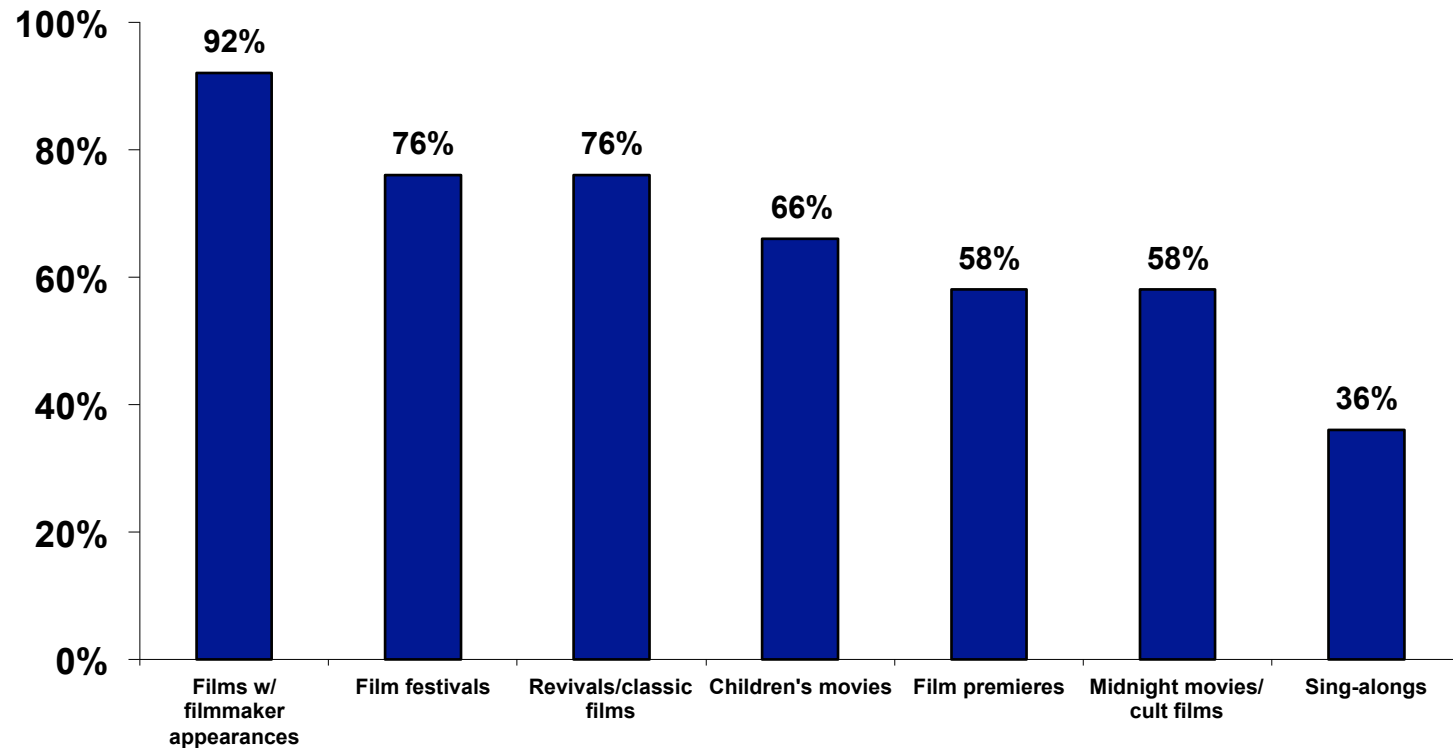
**Percent of regular feature films
(main attractions)**

Q8: Of all your regular feature films in 2011, what percent were in each category?

n=92

Types of *SCREENED* special programs offered

Percent of theaters

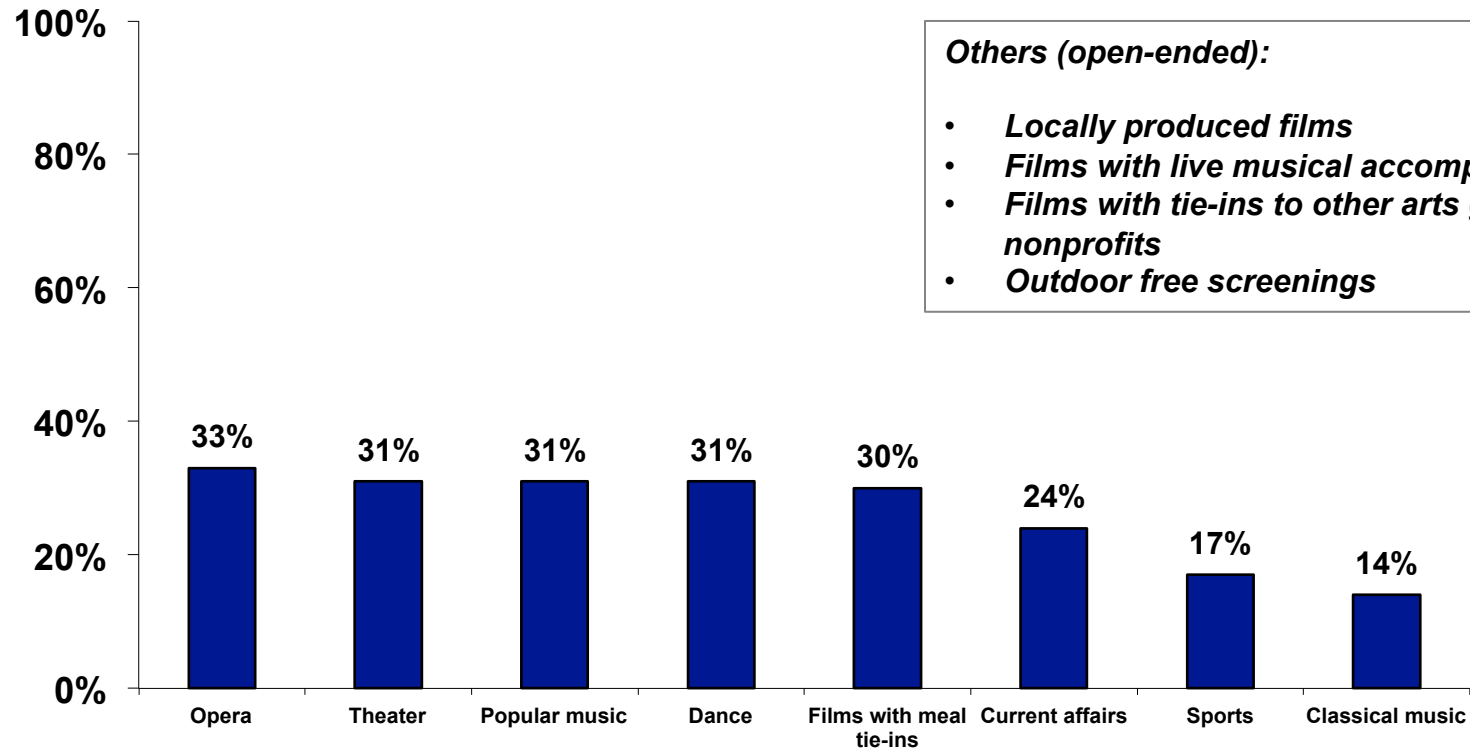


Q10: Which of the following kinds of *SCREENED* special programs does your theater offer?

n=88

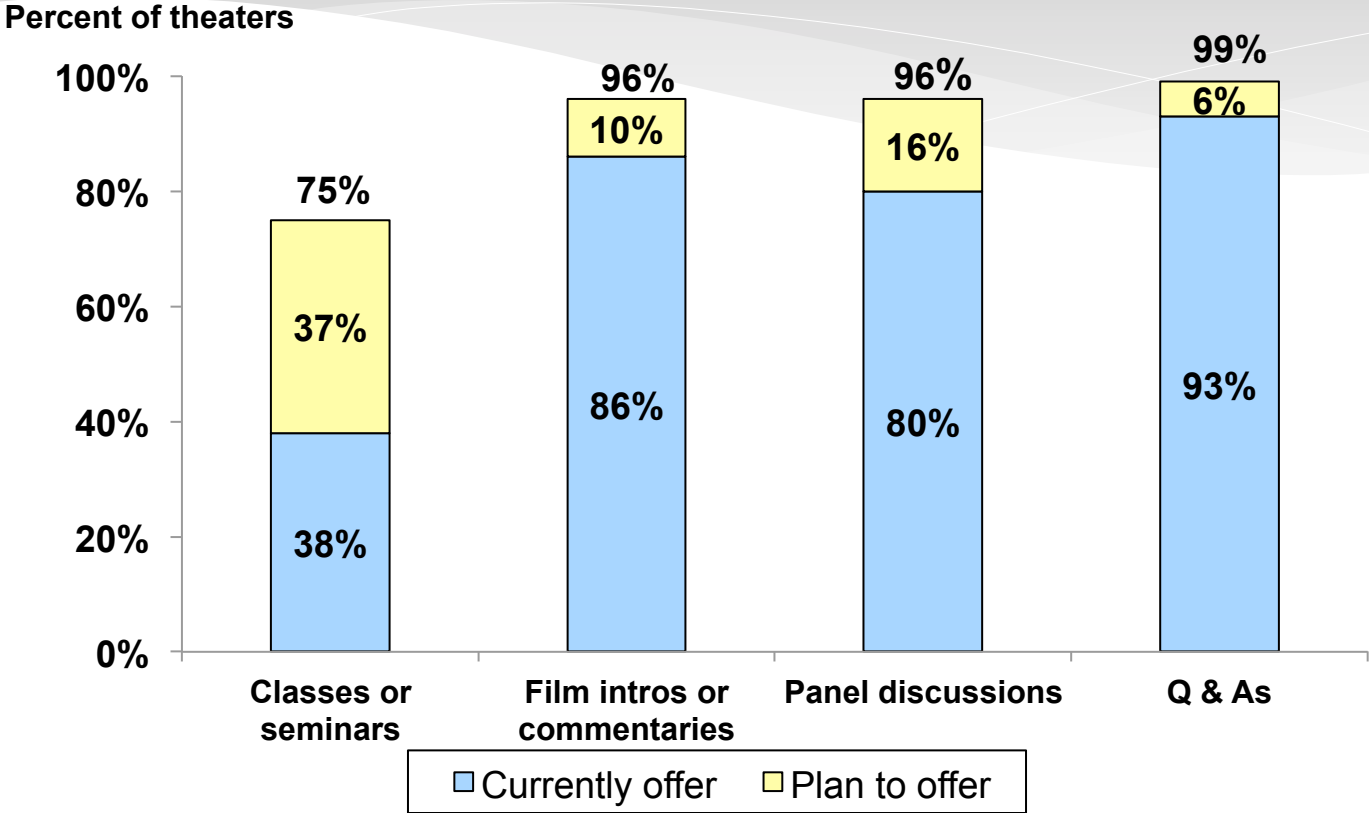
Types of **SCREENED** special programs offered (cont'd.)

Percent of theaters



Q10: Which of the following kinds of SCREENED special programs does your theater offer?
n=88

“Educational” programs offered



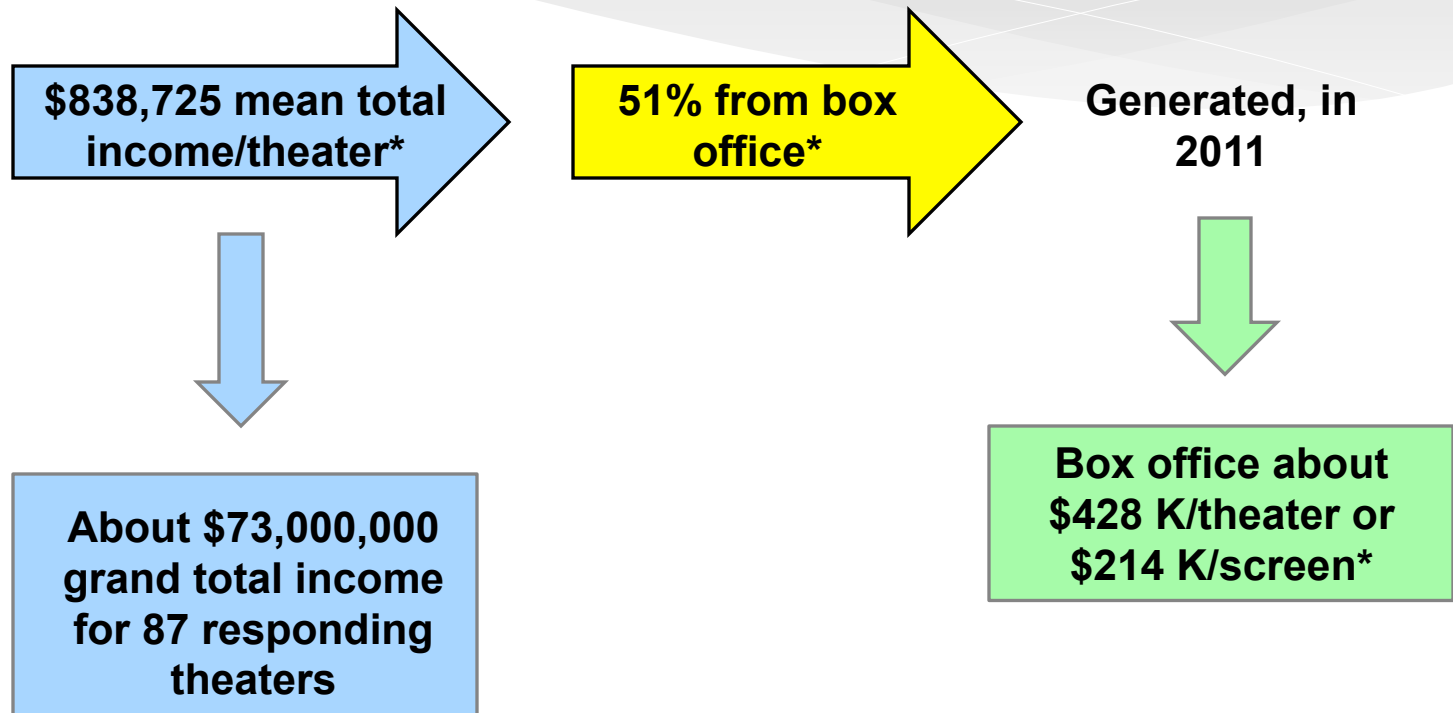
Q11: Which of the following does your theater offer?
n=100

Other types of educational programs*

- Film classes for elementary, middle-school or high-school students
 - Film literacy
 - Classic films
- Special screenings for area schools (sometimes with filmmakers or other speakers)
- Film-making workshops/summer camps
- “Young film critics” programs
- Filmmaker visits to classrooms

*Open-ended

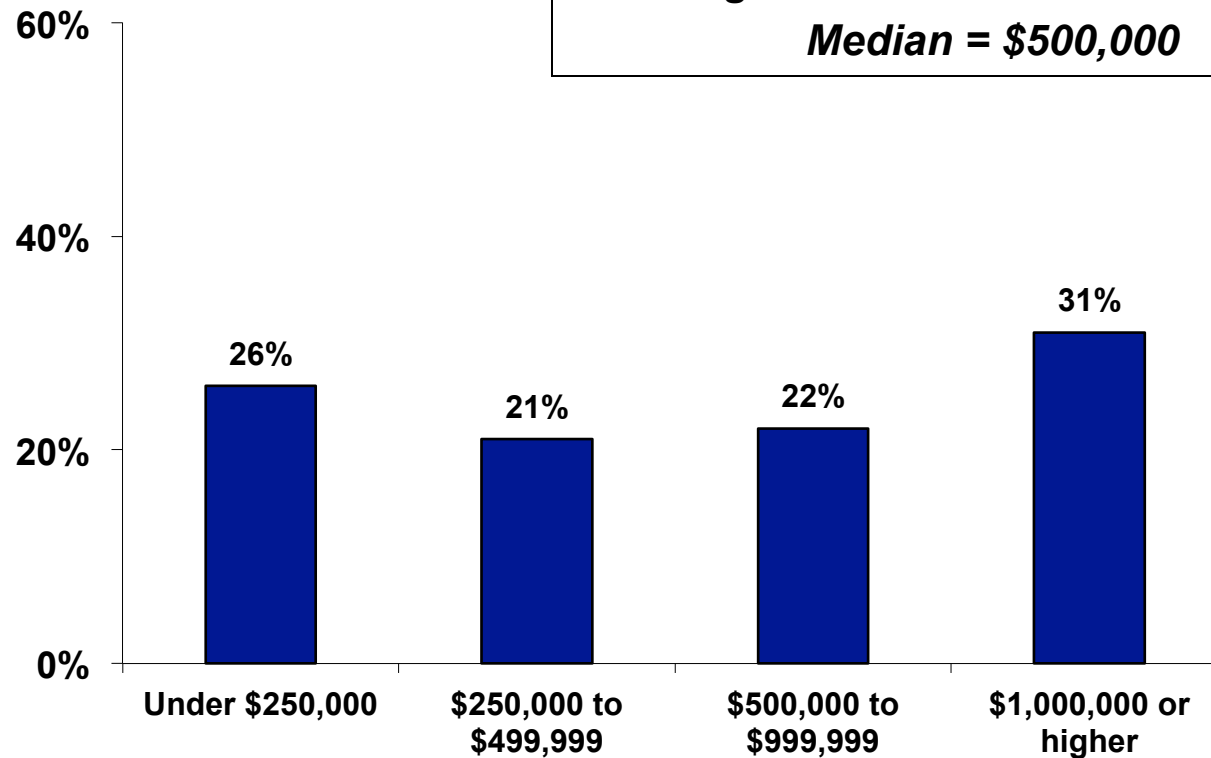
How much do we make?



*On average

Total gross income in 2011

Percent of theaters



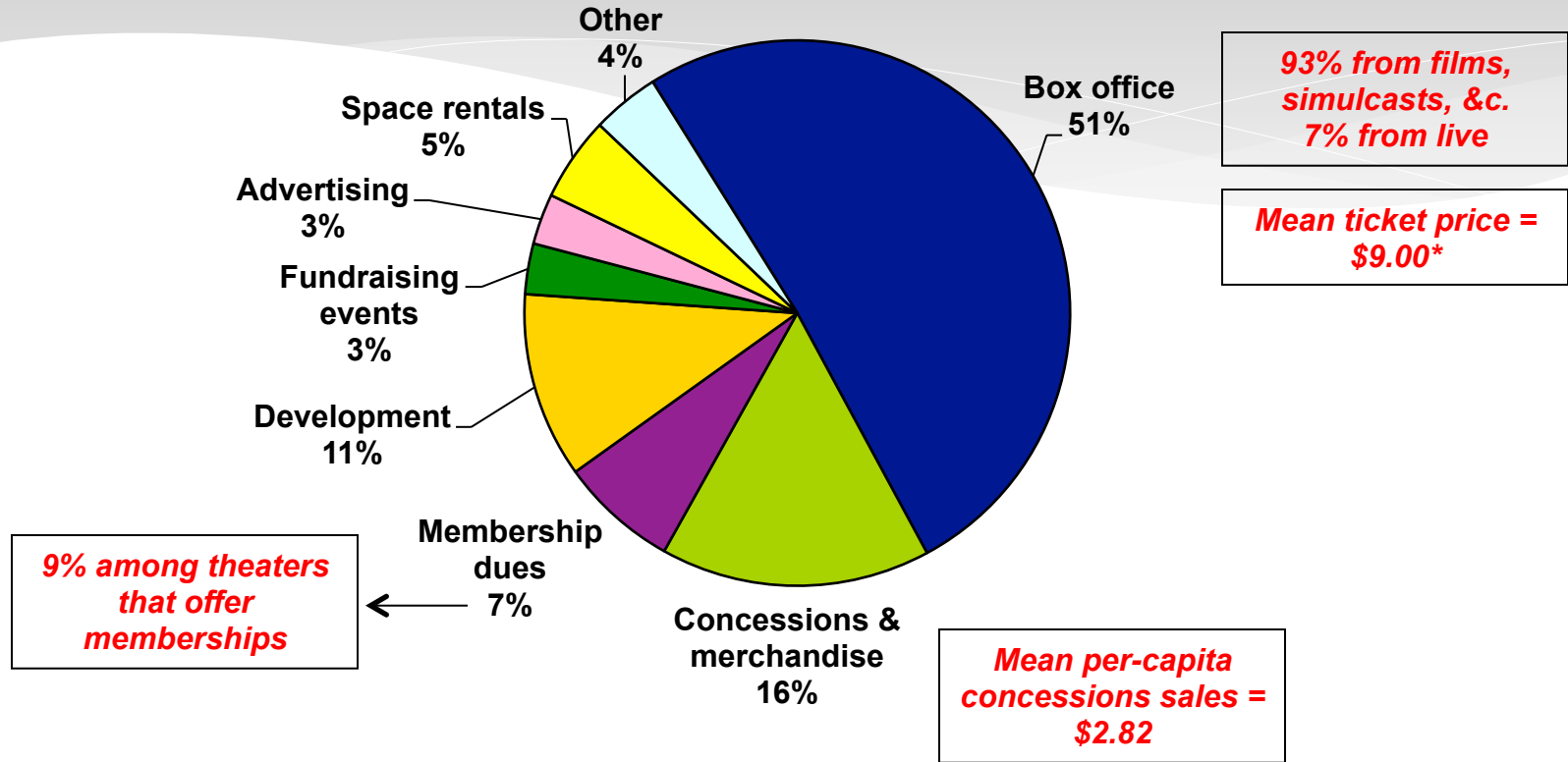
Q13: Please estimate your total gross income in 2011.
n=87

Where do we make money?

- 51% box office
 - Mean adult (non-senior) evening admission = \$9.00 (range \$5 to \$14)
- 16% concessions
 - Mean per-capita concessions = \$2.82 (range less than \$1 to \$7)

- 14% development and fundraising
 - About half of donations come from individuals
- Most theaters do not have an endowment or a planned giving program

Sources of income in 2011



Percent of total 2011 income

Q14/Q15: What percent of all 2011 income came from each source?
 What percent of 2011 BOX OFFICE income came from each source?

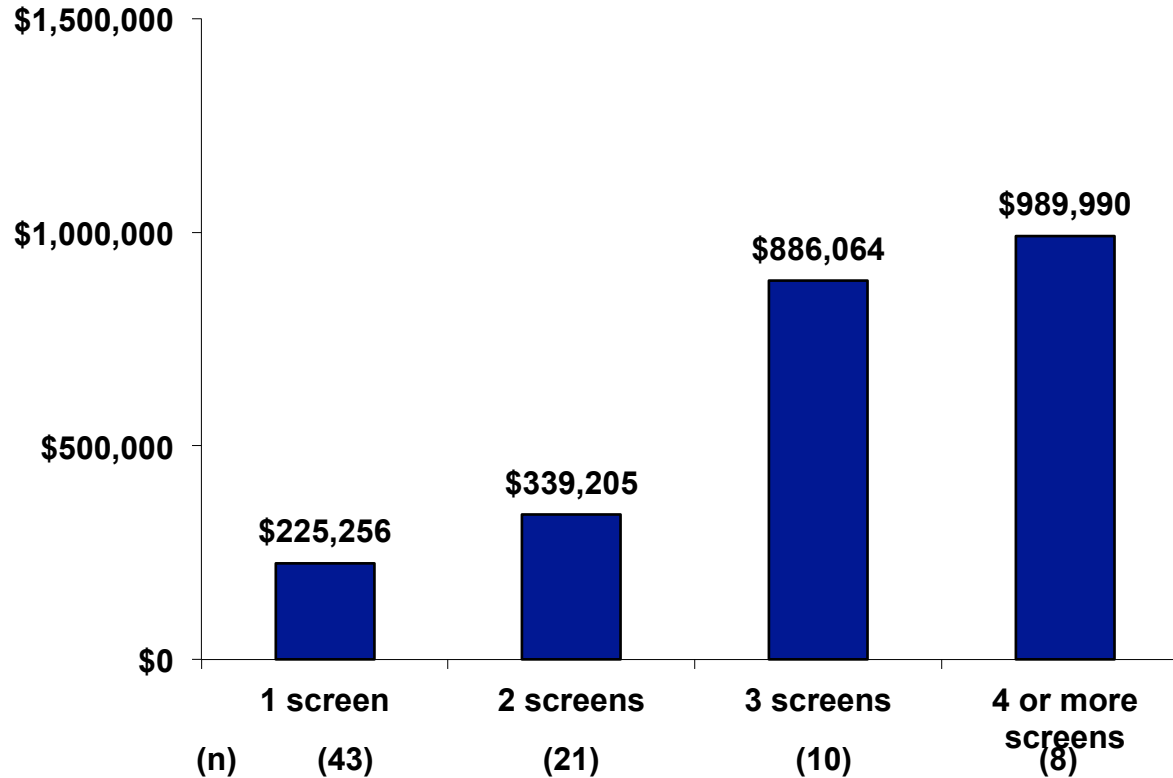
n=86

*Adult (non-senior) evening general admission

Gross income in 2011: Box office ONLY

- By Number of Screens -

Mean box office income



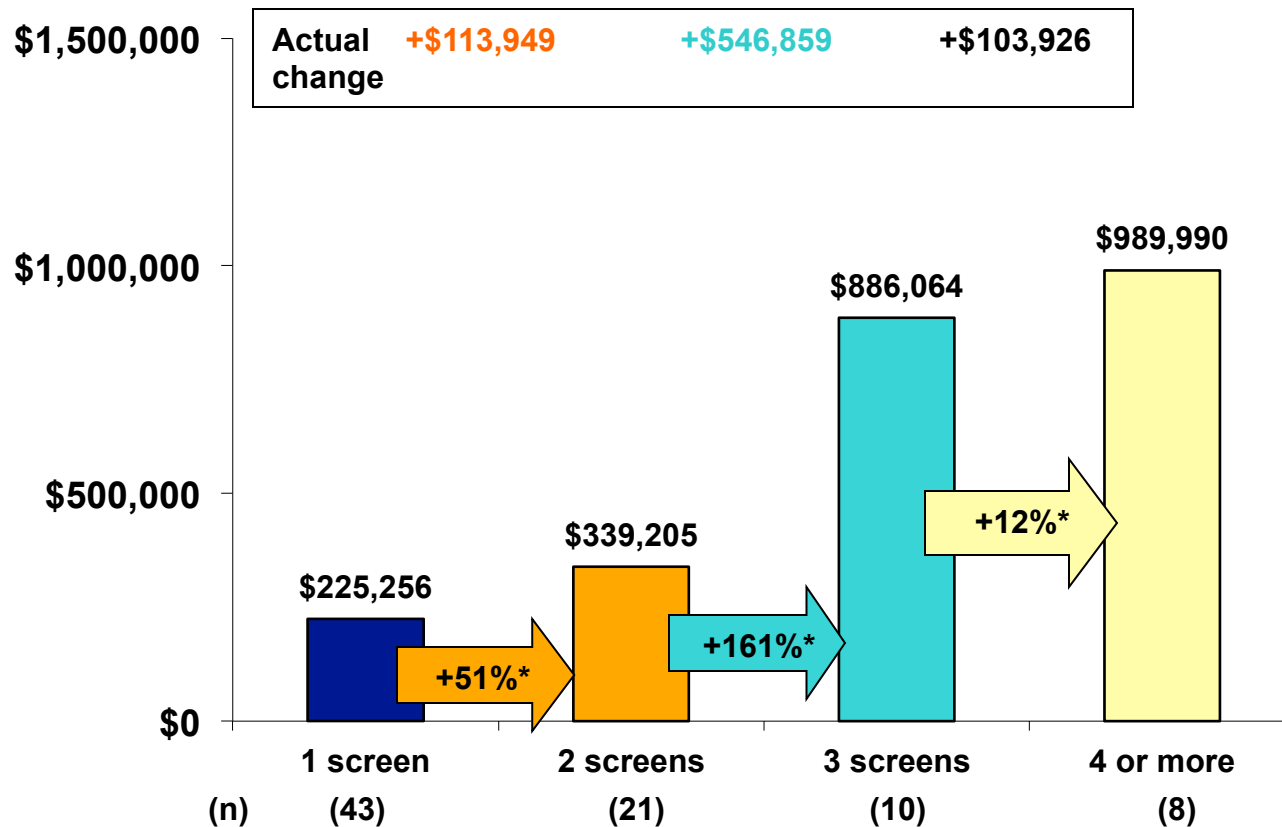
Q13: Please estimate your total gross income in 2011.

Q14: What percent of all 2011 income came from each source?

Total *BOX OFFICE* income in 2011

- By Number of Screens -

Total 2011 box office gross

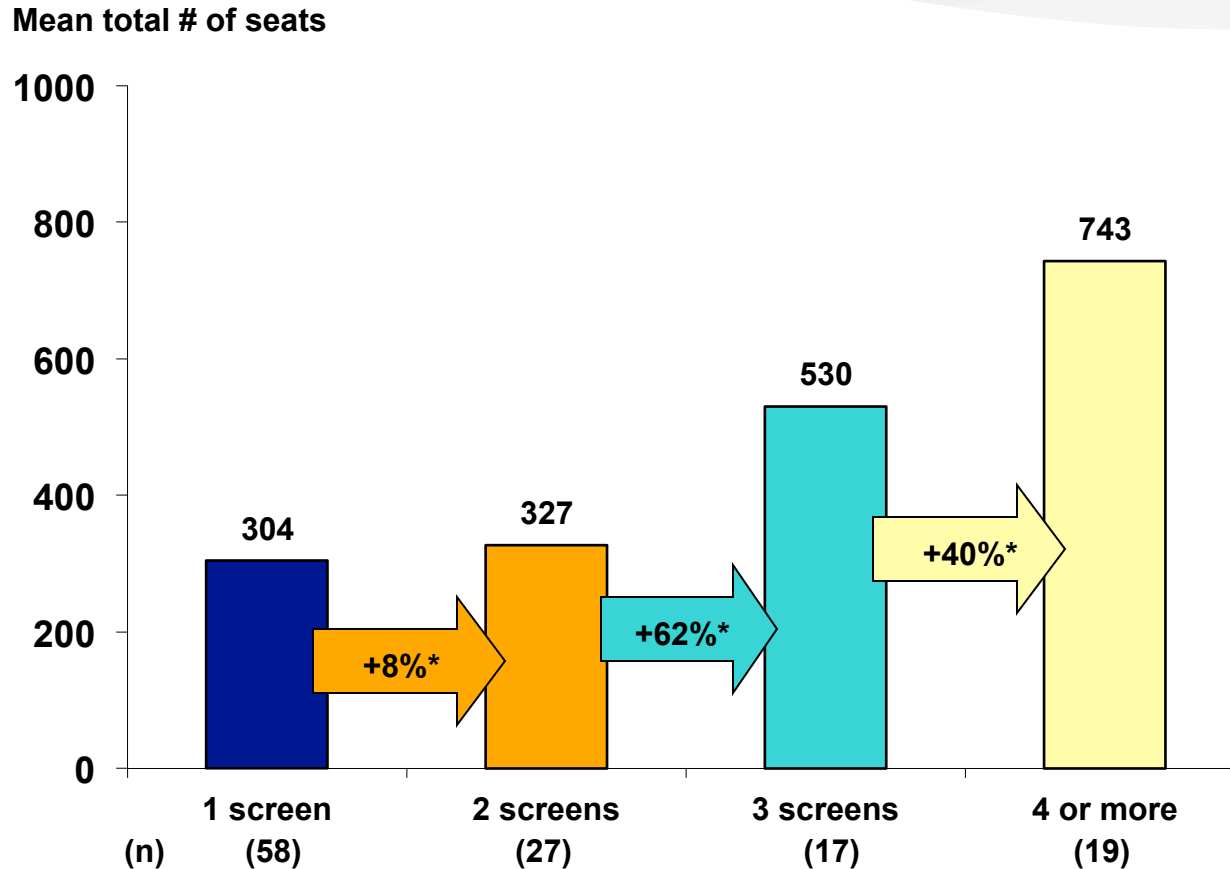


***Percent difference with additional screen.**

Q13/Q14: Please estimate your total gross income in 2011.
What percent of all 2011 income came from box office?

Total number of seats (across all screens)

- By Number of Screens -

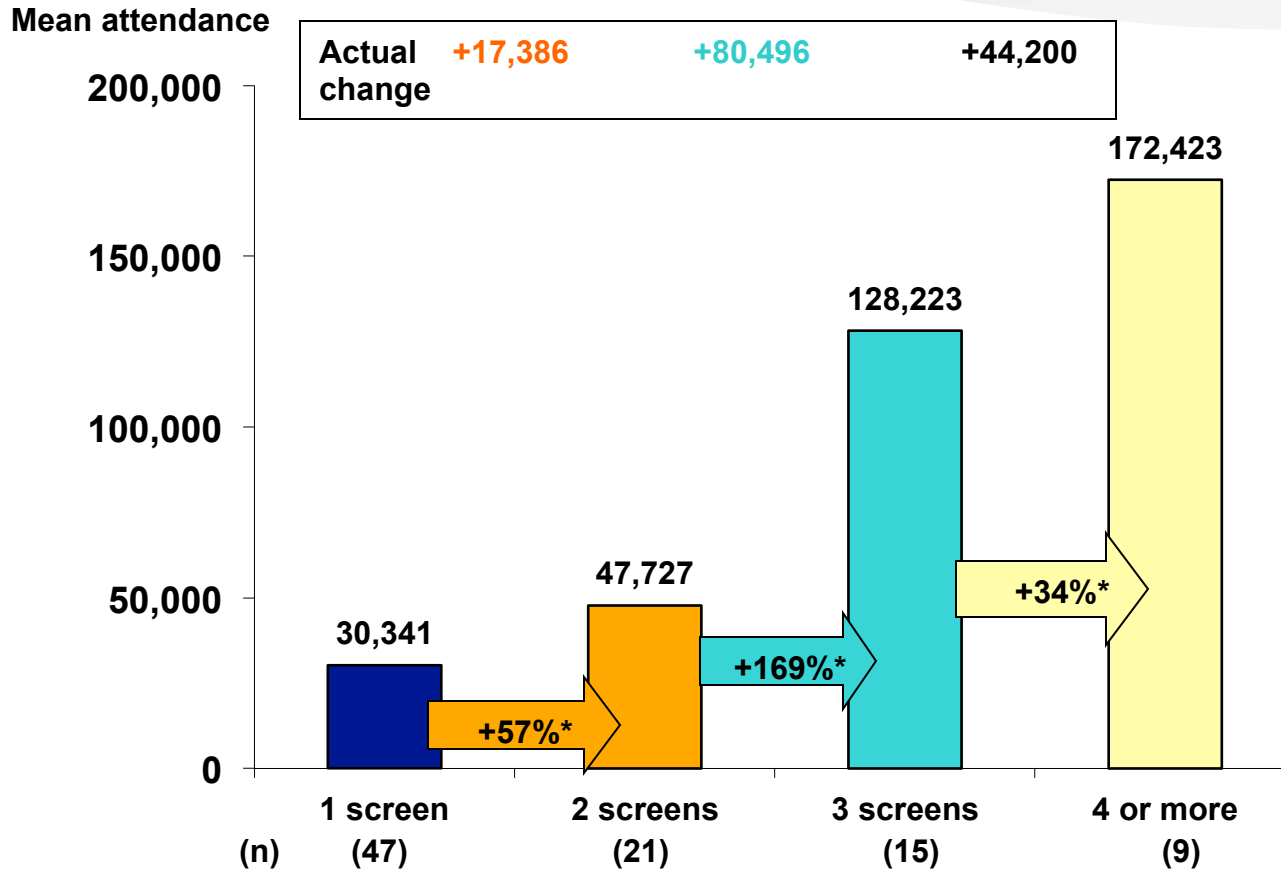


***Percent difference with additional screen.**

Q5: How many seats for each screen? (TOTAL for all screens)

Total 2011 attendance

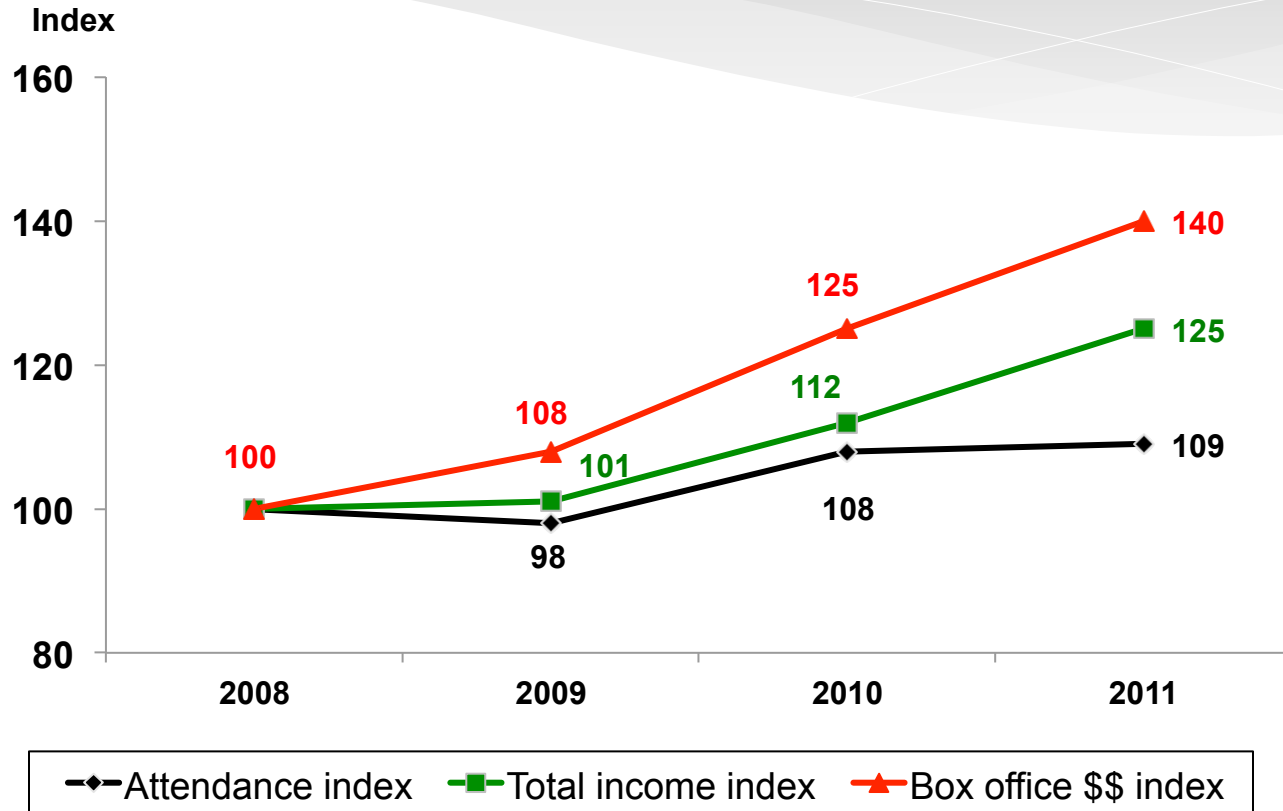
- By Number of Screens -



*Percent difference with additional screen.

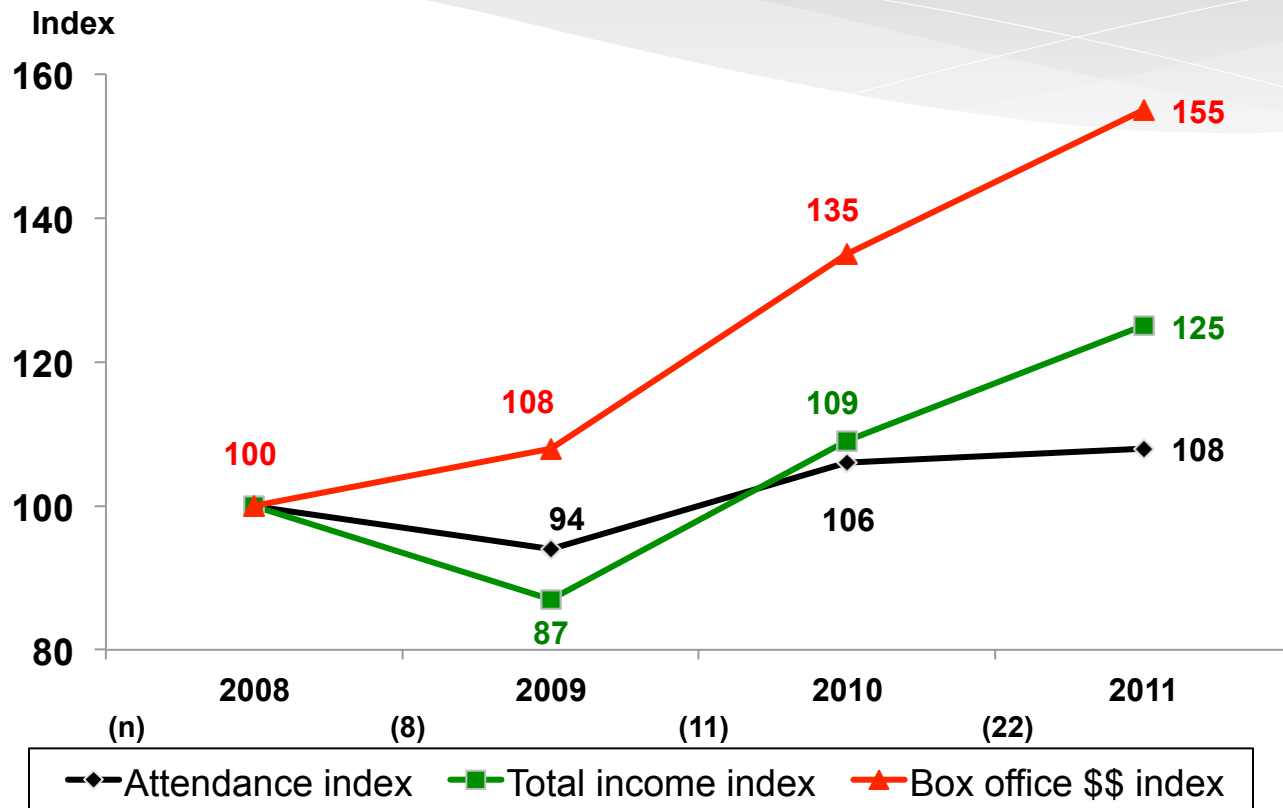
Q6: Please estimate your total attendance in 2011.

Screens, capacity, attendance, income - 2008-2011 (theaters that participated in all four surveys) -



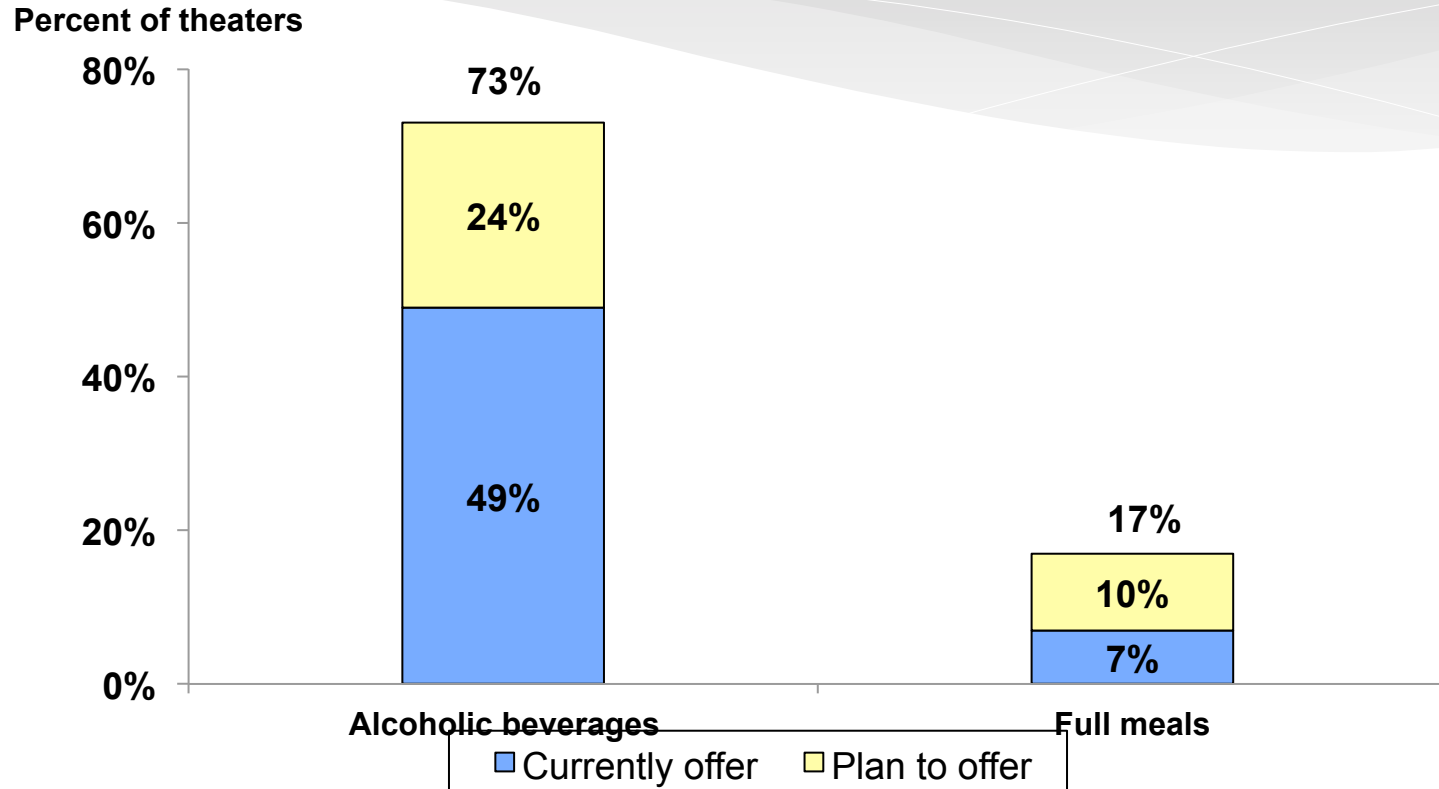
Q6: Please estimate your total attendance in 2011.
Q13: Please estimate your total gross income in 2011.
Q14: What percent of all 2011 income came from each source?
n=8

Screens, capacity, attendance, income - 2008-2011 (theaters participating in consecutive years' surveys) -

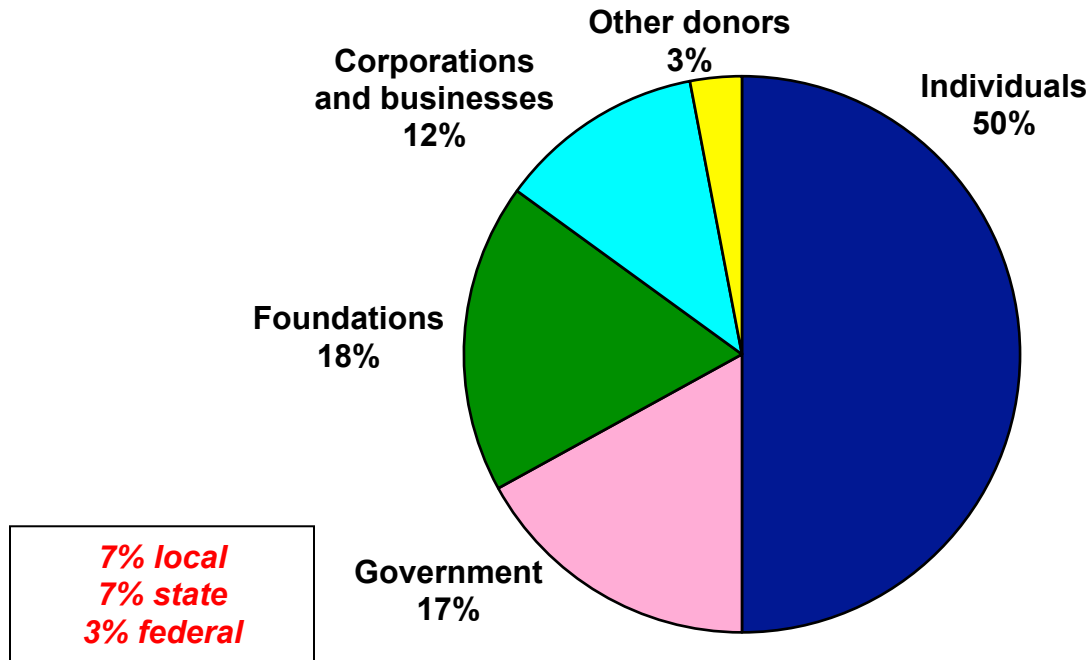


Q6: Please estimate your total attendance in 2011.
 Q13: Please estimate your total gross income in 2011.
 Q14: What percent of all 2011 income came from each source?

Current availability of full meals and alcoholic beverages



Sources of development/fundraising income in 2011



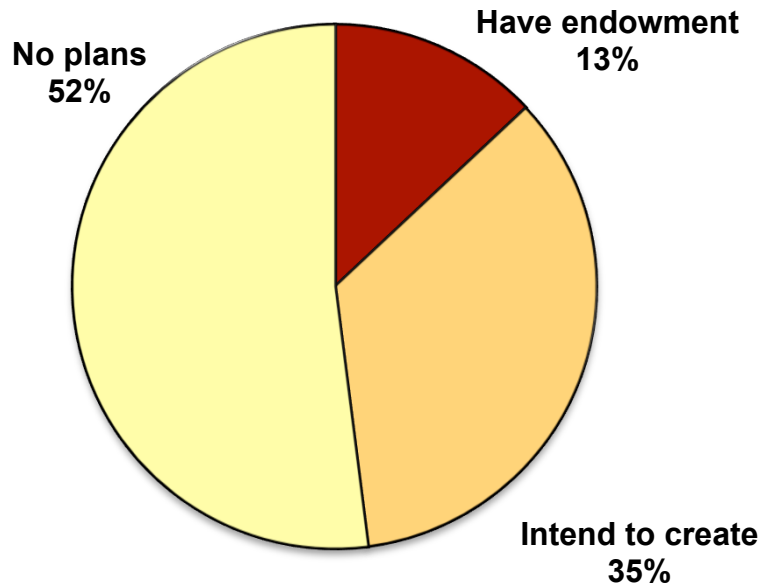
Percent of total 2011 development income

Q16/17: What percent of all 2011 development and fundraising income came from each source? What percent of government income came from each source?

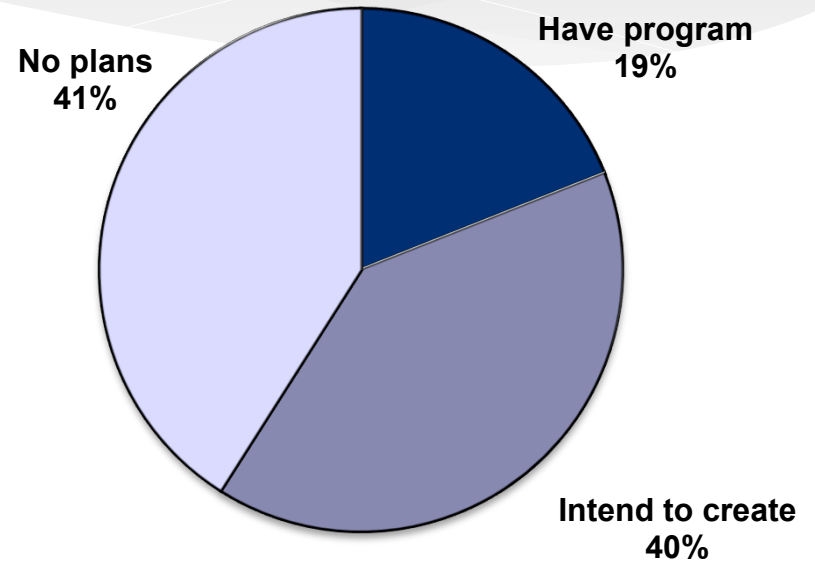
n=61/41

Endowments and planned giving - Percent of theaters -

Mean value = \$396 K



Endowment Plan



Planned giving program

Q18/19: Do you have an endowment? What is its approximate value?
n=91/10

Q20: Do you have a planned giving program?
n=90

How do we track donations?

- Theaters use a wide variety of software for tracking donations and membership dues
 - Specific donor programs
 - General database programs
- But one-fourth of theaters do not track this information at all

Use of software for tracking donations and membership dues

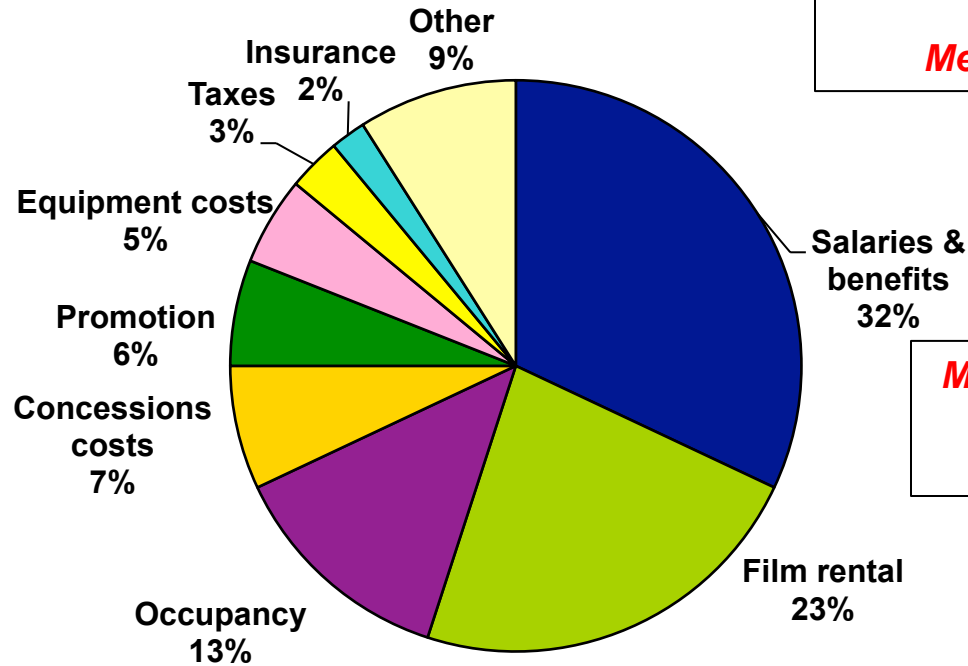
Specific donor programs	% of theaters
DonorPerfect	11
GiftWorks	11
Agile	8
Raiser's Edge	8
Proprietary software	7
Other	
General database programs	
Excel	29
FileMaker	11
Access	7
Other	
NO tracking software	24

How do we spend money?

- Mean total operating expenses in 2011 = \$765,093
 - Salaries/benefits and film rentals together account for over half
 - Another 13% goes to occupancy costs (rent or mortgage, utilities, maintenance, etc.)

- Average net profit in 2011 was 4%
 - Two-thirds of responding theaters showed a profit, while one-fourth ran a deficit

Operating expenses in 2011



Total mean expenses = \$765,093
Median = \$460,000

Mean # of employees:
5 full-time
10 part-time

Percent of total 2011 operating expenses

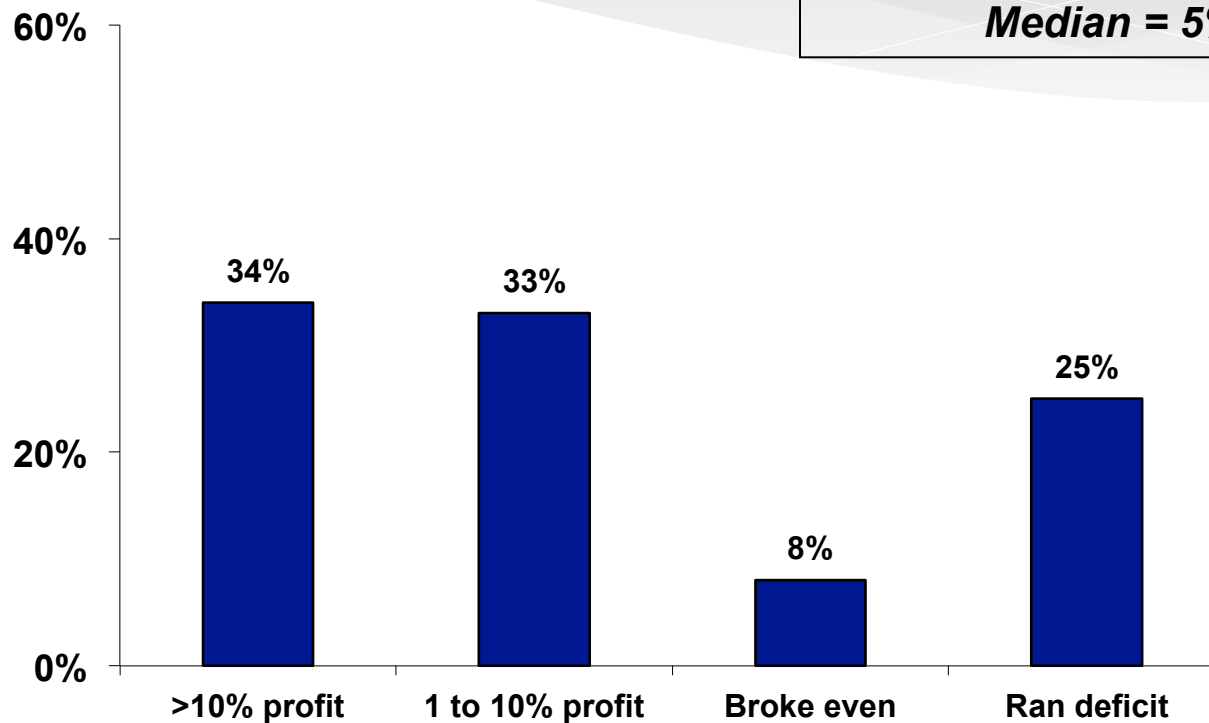
Q25/Q26: What percent of all 2011 operating expenses went toward each?

How many paid employees do you currently have?

n=72/80

Net profit or deficit in 2011

Percent of theaters



Mean profit = 4%
Median = 5%

Q13/Q24: Please estimate your total gross income in 2011.
Please estimate your total operating expenses in 2011.

n=73

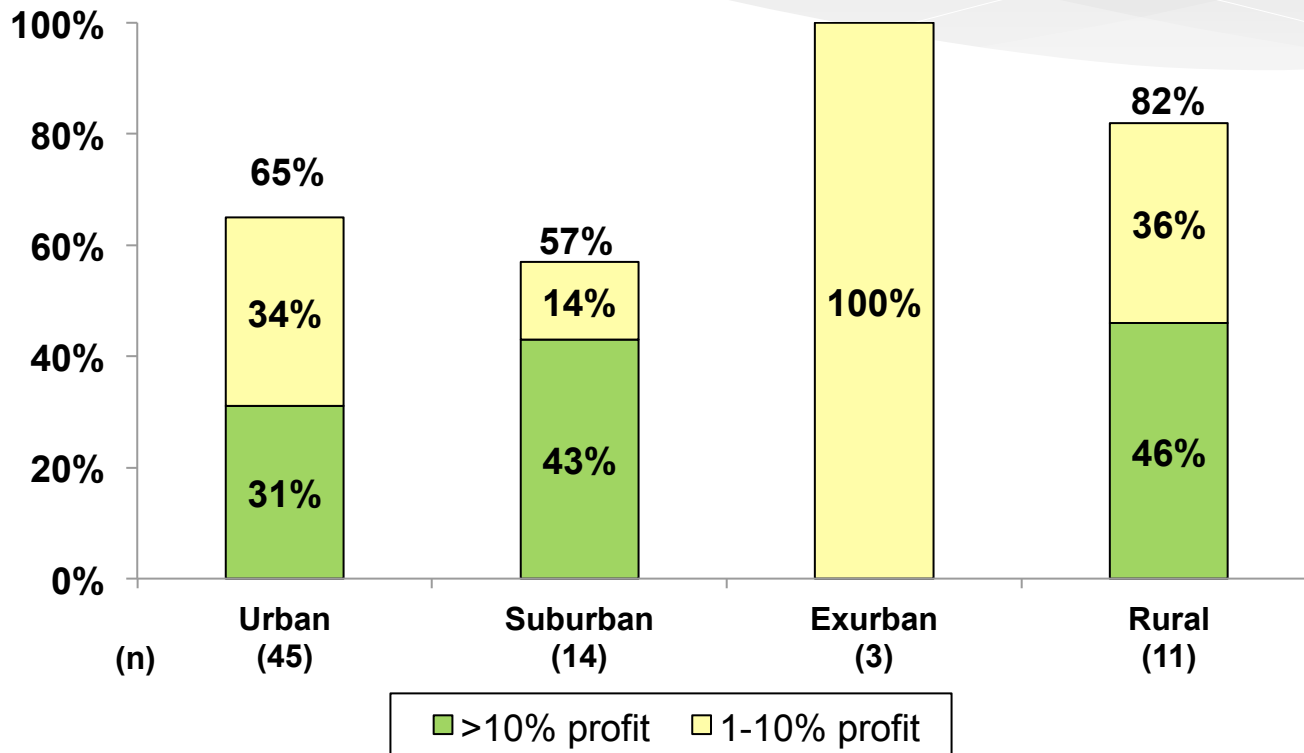
Theater characteristics by 2011 profitability

Characteristic	>10% profit in 2011	Broke even in 2011	Ran deficit in 2011
For-profit organization	32%	0	22%
2011 gross income	\$758 K	\$602 K	\$698 K
2011 total expenses	\$551 K	\$602 K	\$777 K
Mean profit margin in 2011	+26%	0	-28%
Percent of expenses that went to salaries/benefits	28%	25%	34%
Per-capita concessions sales	\$2.93	\$2.42	\$2.46
Have endowment	16%	33%	6%
Value of endowment	\$495 K	\$58 K	\$125 K
Have converted at least one screen to digital as of 2012	40%	17%	28%



Theaters in less densely populated areas tend to be more profitable (less competition?)

Percent of theaters



Q13/Q24: Please estimate your total gross income and operating expenses in 2011. Which best describes your location?

Profile of theaters that showed >10% profit in 2011

- More varied programming
 - Show more commercial films (though still mainly art house)
 - Greater range of special screened programming
 - More film festivals and filmmaker appearances
- More varied sources of income
 - Less dependent on operating income than unprofitable theaters
 - More income from space rentals and business sponsors/advertising
 - While only one-sixth have an endowment, value is sizable for those who do
- Nearly half have converted at least some screens to digital
 - Funds for conversion mainly from targeted capital campaigns

Profile of theaters that broke even in 2011

- Less varied special screened programming than profitable theaters
- Less income from box office and concessions (and lower per-cap concessions \$\$)
 - More dependent on development/donations than profitable theaters
 - And get much less in *individual* donations (more reliant on foundations)
 - One-third have an endowment, but average value is small
- Only half have online ticketing
- Only one-sixth have converted any screens to digital
 - Funds for conversion mainly from targeted capital campaigns and annual appeals
- In general, seem to feel more challenged than other theaters by issues covered in this survey

Profile of theaters that ran a deficit in 2011

- Located in somewhat less affluent areas
- Less varied special screened programming than profitable theaters, and fewer commercial films
- Total income was 8% less than that of most profitable theaters, but expenses were 41% *higher*
 - Spent much more on salaries/benefits, despite having fewer employees (and relying more on volunteers)
 - Very few have an endowment
- About one-fourth have converted any screens to digital
 - Funds for conversion mainly from targeted capital campaigns and operating income
- Feel more challenged by competition from nearby theaters



How do we show films?

Projection capabilities

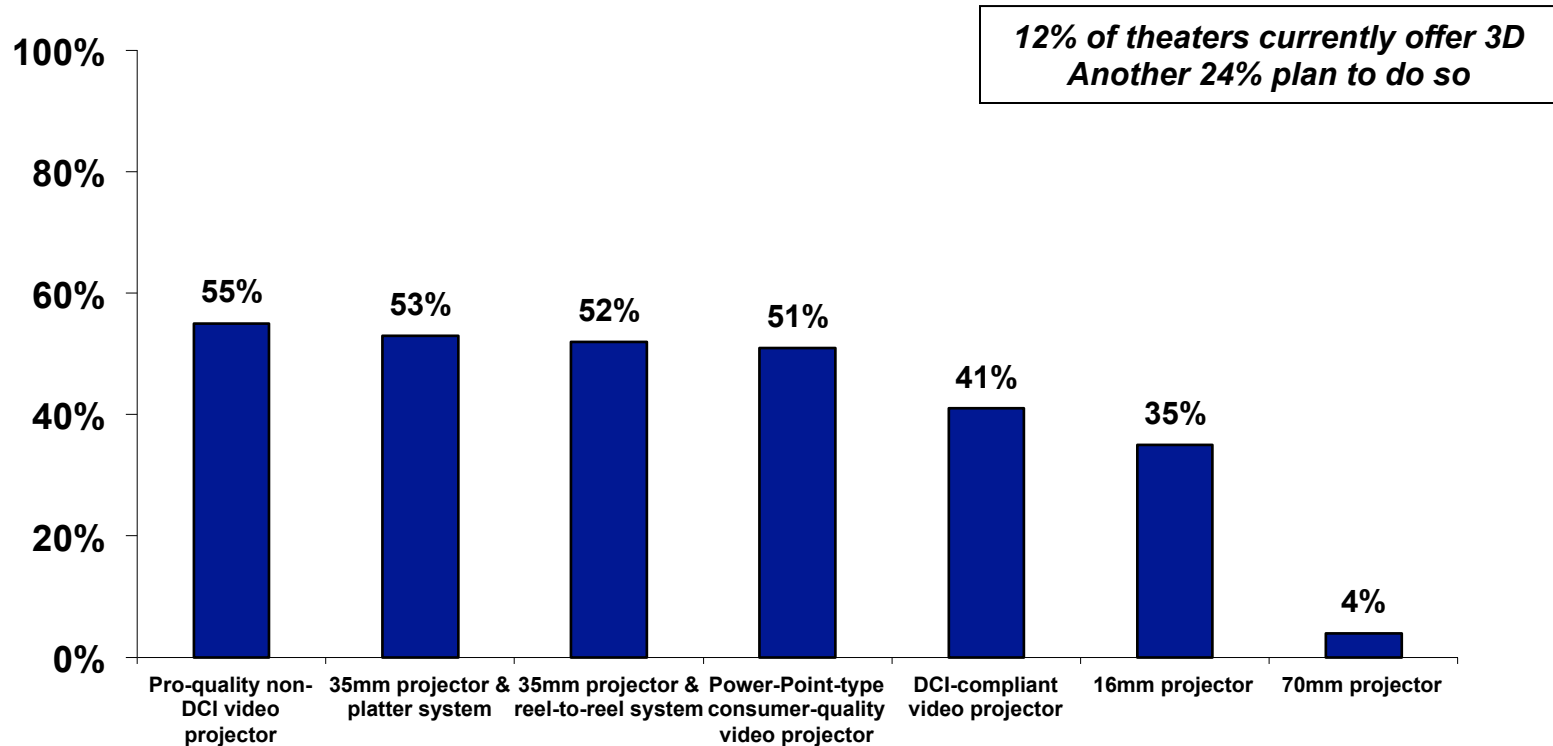
- Most common:
 - Professional-quality non-DCI video
 - 35mm (platter or reel-to-reel)
 - Power-Point-type consumer-quality video

3D and digital

- 12% of theaters currently offer 3D and another 24% plan to do so in future
- Only about one-third have converted any screens to digital – but nearly all are raising funds for this purpose

In-house projection equipment and capabilities as of 2012

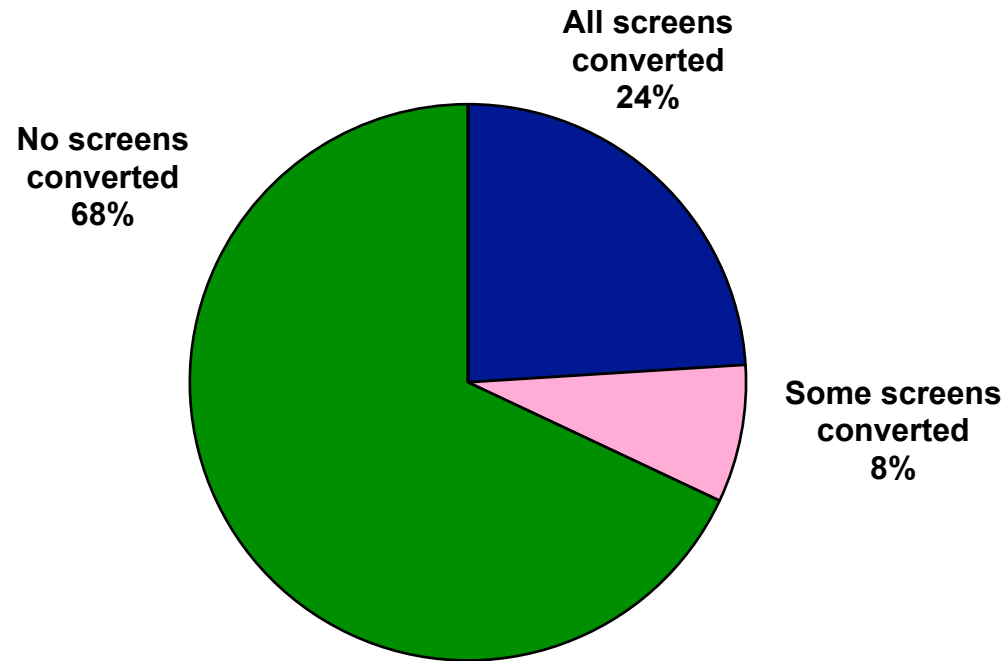
Percent of theaters



Q29/Q33: Which of the following projection equipment/capabilities do you have in house?
What is your status regarding 3D programming?

n=83

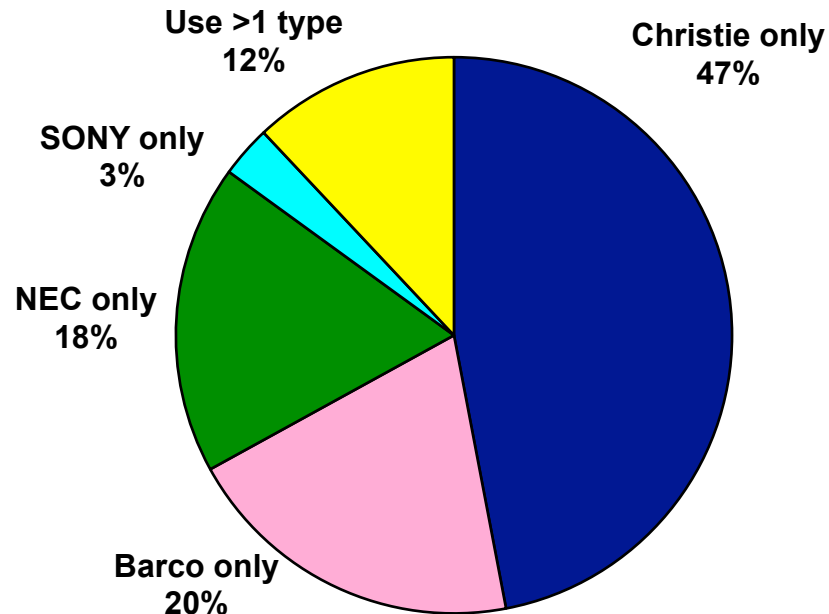
Current digital conversion status



Percent of theaters

Q31: Which best describes your theater's status regarding DCI conversion?
n=84

Use of specific types of DCI-compliant projector

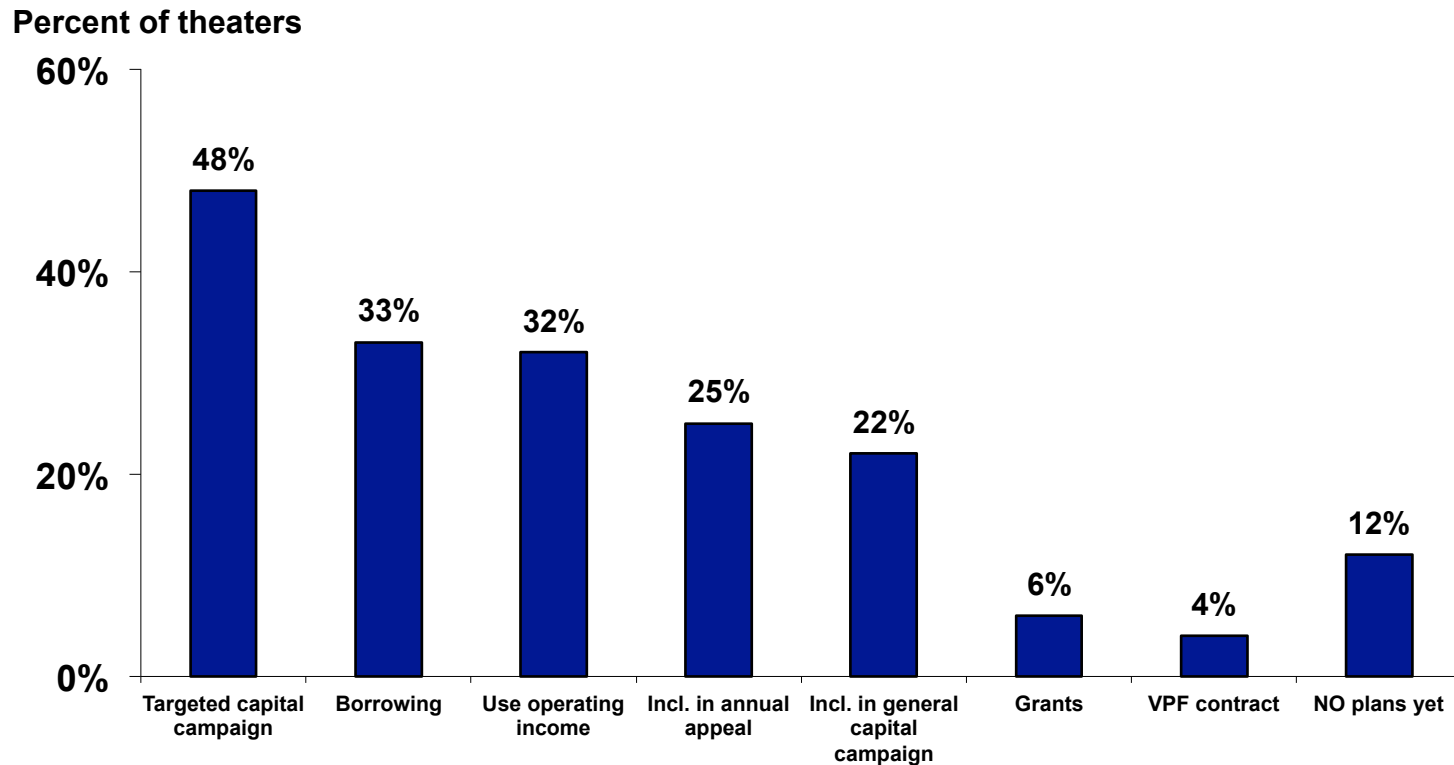


Percent of theaters that have a DCI-compliant projector

Q30: For how many screens do you use each type of DCI-compliant projector?

n=34

Fundraising/financing for DCI conversion



Q32: How are you handling/planning to handle fundraising/financing for DCI conversion?

n=81

Other aspects of our operations

How do we sell tickets?

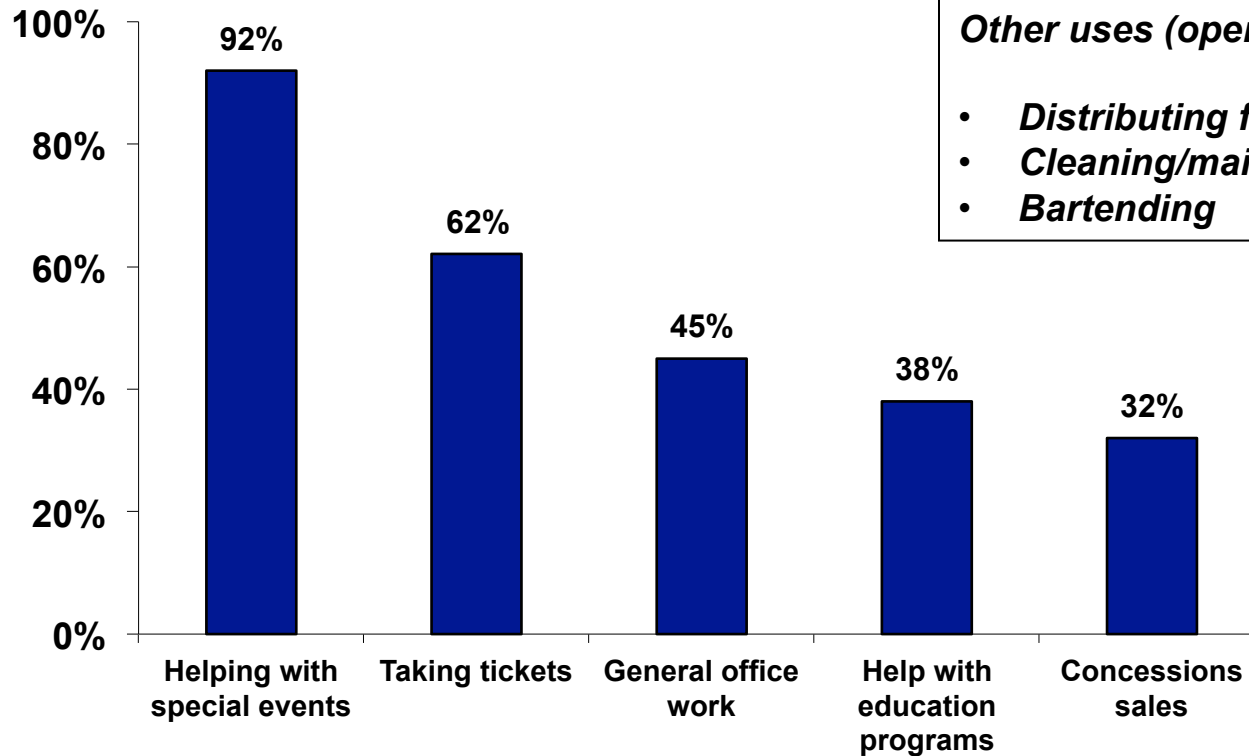
- 74% of theaters use online ticketing
 - This is significantly higher than the 2011 survey's 58%

How do we use volunteers?

- 83% of theaters have volunteers
- Mean # of active volunteers = 46
- Most commonly deployed at special events

Use of volunteers

Percent of theaters with volunteers



Other uses (open-ended):

- **Distributing flyers**
- **Cleaning/maintenance**
- **Bartending**

Mean # of volunteers = 46
Median = 15

Q46/Q47: About how many active volunteers do you have? How do you use your volunteers?

n=78/65

How do we communicate with our audiences?

How do we market ourselves?

- For marketing and publicity, theaters rely mainly on weekly email “blasts,” websites, and Facebook
- But media such as Twitter, TV, and printed inserts/tear-outs are considered highly effective by a minority of respondents

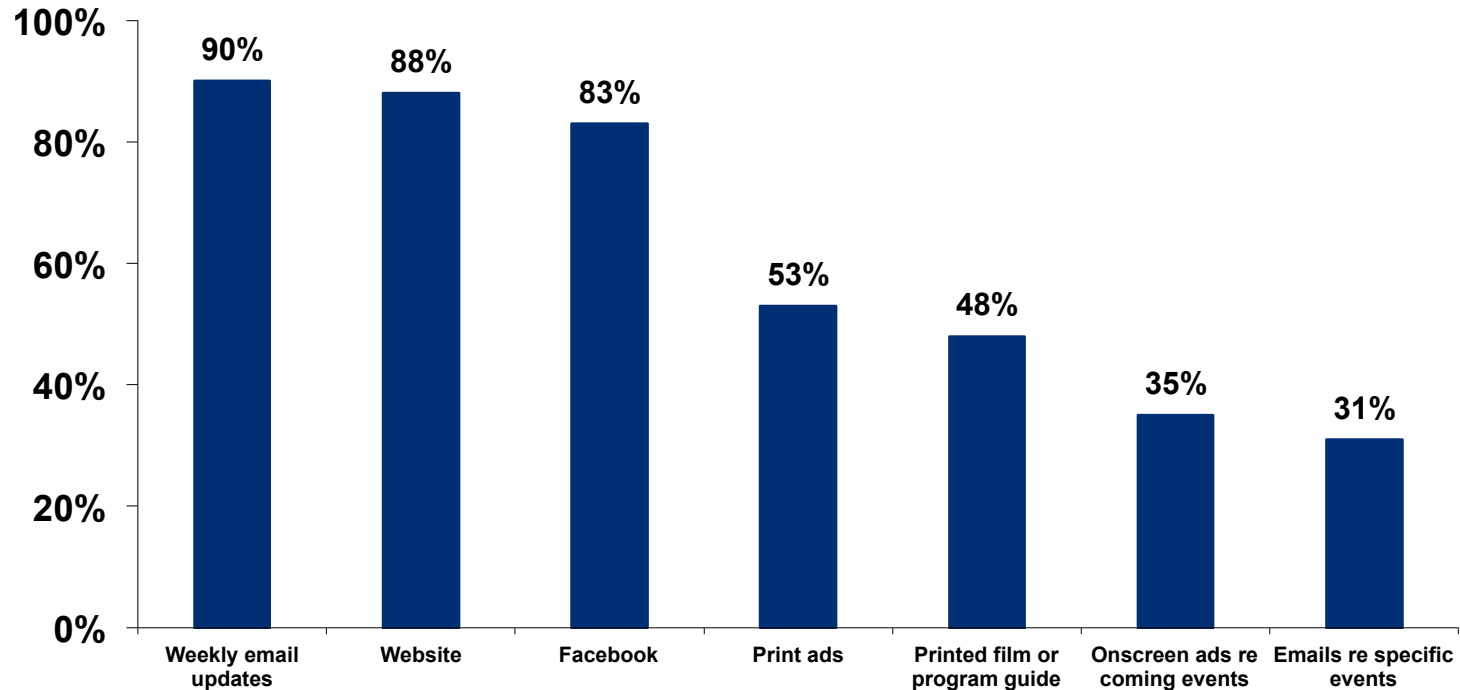
How do we keep in touch with patrons?

- Email reaches more people than “snail mail” (and is used by more theaters)
- 74% of theaters have conducted surveys with their patrons at some time (e.g., customer satisfaction, demographics, etc.)

Most effective marketing and communications media

- Percent including in “Top 5” -

Percent of theaters

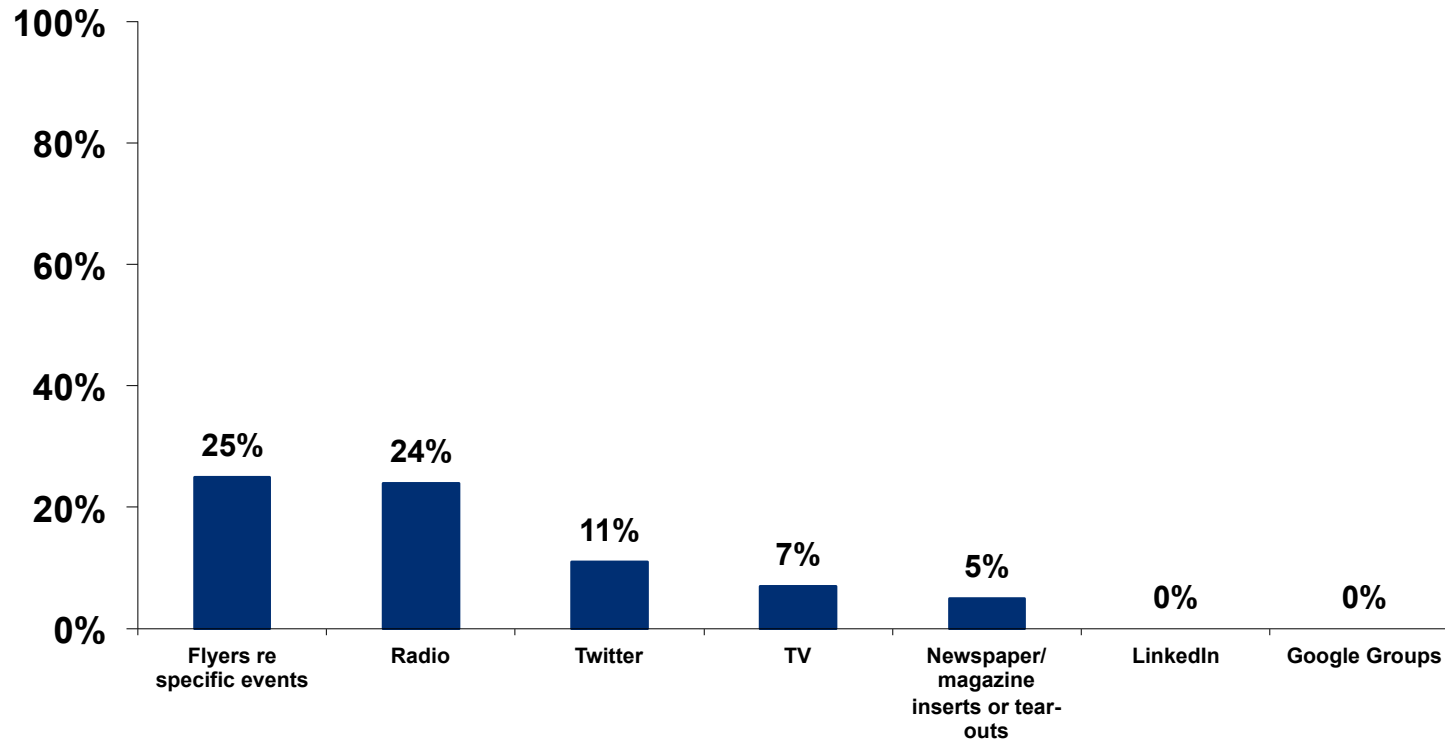


Q42: Choose and rank the FIVE media that you have found most effective in publicizing your programs and activities..

n=83

Most effective marketing and communications media (cont'd.)

Percent of theaters



Q42: Choose and rank the FIVE media that you have found most effective in publicizing your programs and activities..

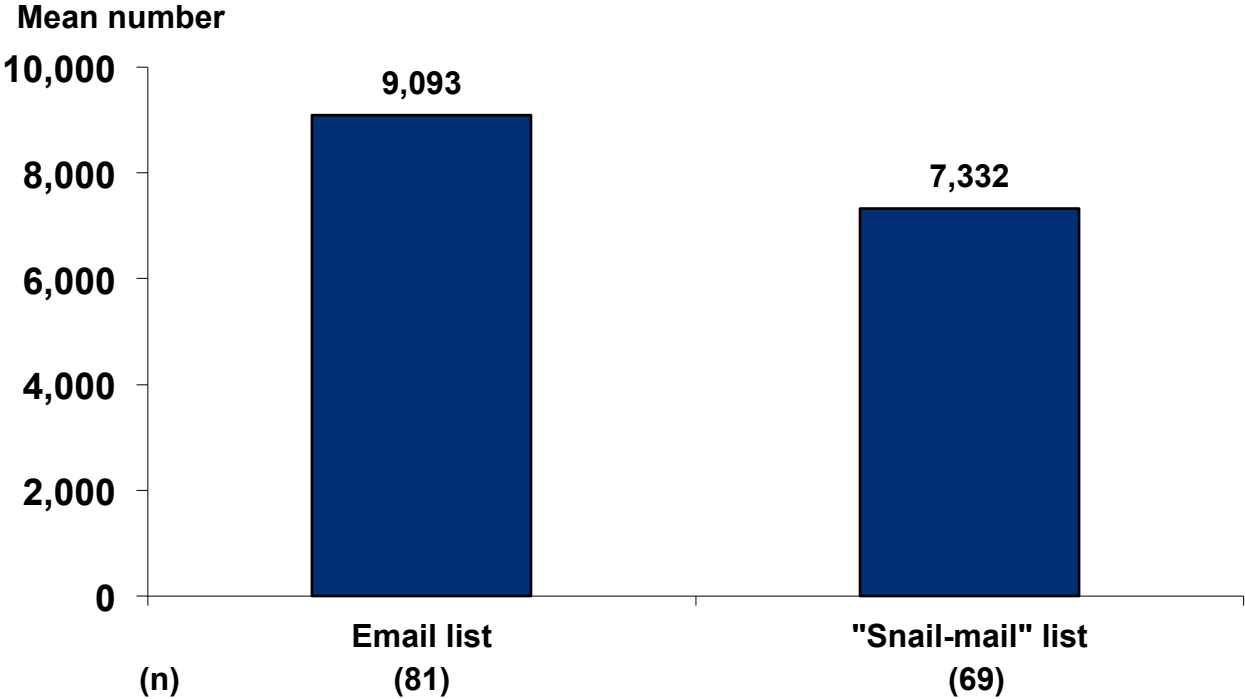
n=83

Rankings of effectiveness of media

Type of media	% including in top 5	Mean ranking (5 = highest)
Twitter	11%	4.3
TV	7%	4.3
Newspaper/magazine inserts or tear-outs	5%	4.2
Facebook	83%	4.0
Radio	24%	3.7
Onscreen ads re coming events	35%	3.4
Print ads	53%	3.3
Flyers re specific events	25%	3.3
Emails re specific events	31%	3.0
Printed film or program guide	48%	2.5
Weekly email updates	90%	2.2
Website	88%	2.1



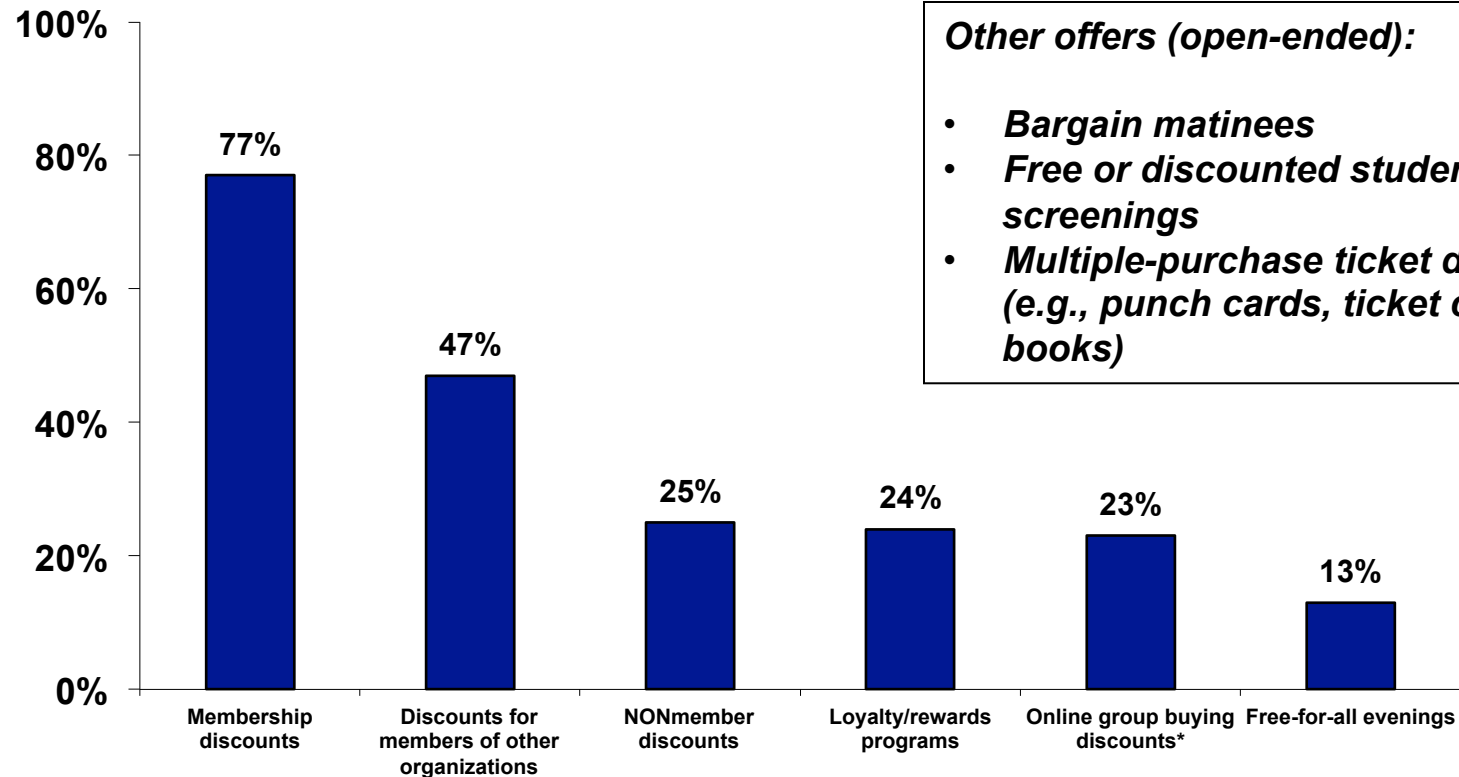
Size of mailing lists



Q43: About how many people do you have on each of the following types of mailing list (your best estimate)?

We provide a variety of special offers, usually involving discounts

Percent of theaters offering



Other offers (open-ended):

- *Bargain matinees*
- *Free or discounted student screenings*
- *Multiple-purchase ticket discounts (e.g., punch cards, ticket coupon books)*

Q48: Which of the following does your theater offer?

n=83

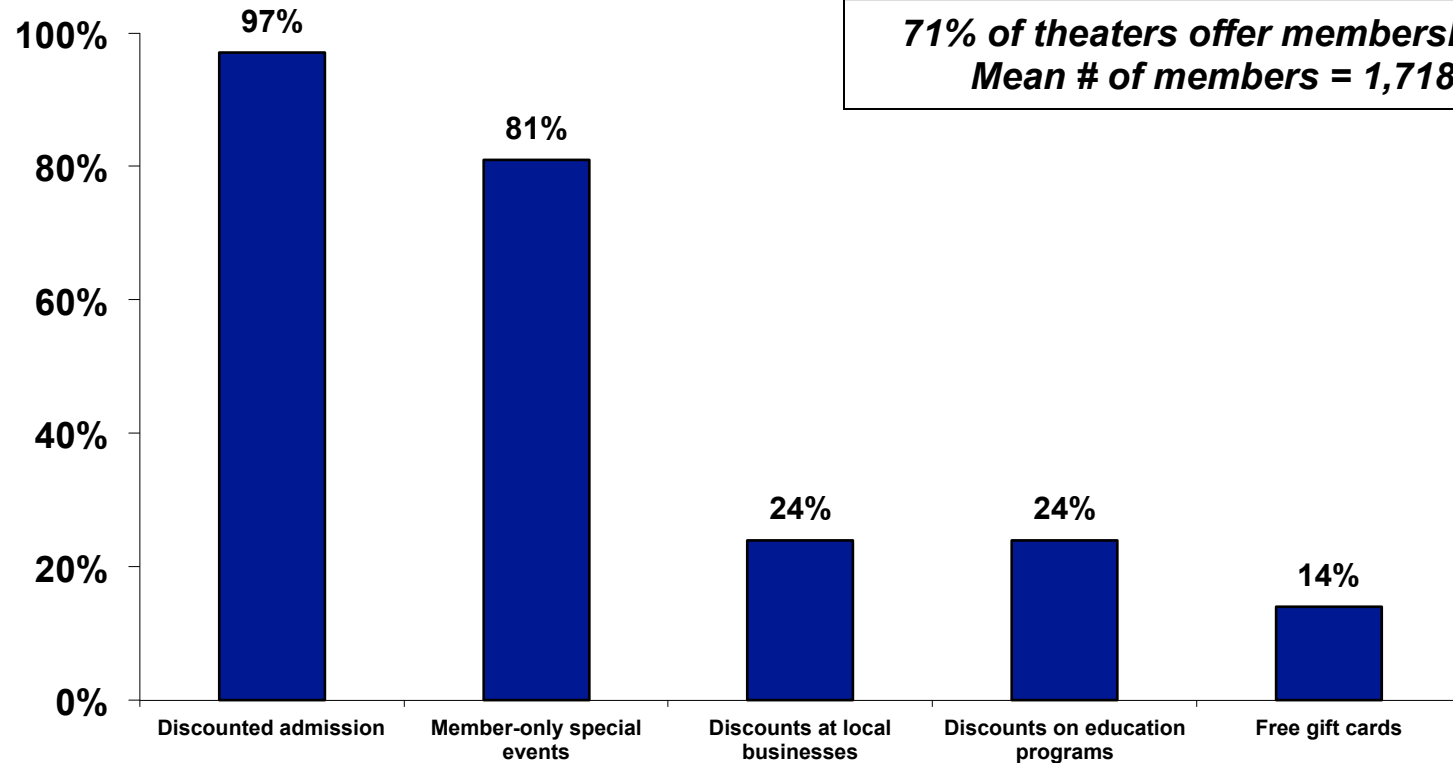
*E.g., Living Social, Groupon, etc.

Nearly three-fourths of us offer memberships

- Up from 65% in 2011
- Mean number of members = 1,718 (range 80 to 10,000)
- Average annual dues (20-25% higher than last year):
 - Basic individual -- \$59 (range \$10 to \$275)
 - Basic couple/family -- \$110 (range \$25 to \$500)
- 47% of theaters with members offer **free** memberships to high donors
- Benefits usually include admission discounts and special events just for members

Membership benefits

Percent of theaters with members



Q53: Which of the following membership benefits do you offer?
n=59

Other membership benefits*

- Concessions specials (the most frequently mentioned)
 - Lots of free popcorn!
 - Discounts on other concessions items
- Priority ticketing for some films and events
- Access to library (books, videos)

What challenges keep us awake at night?

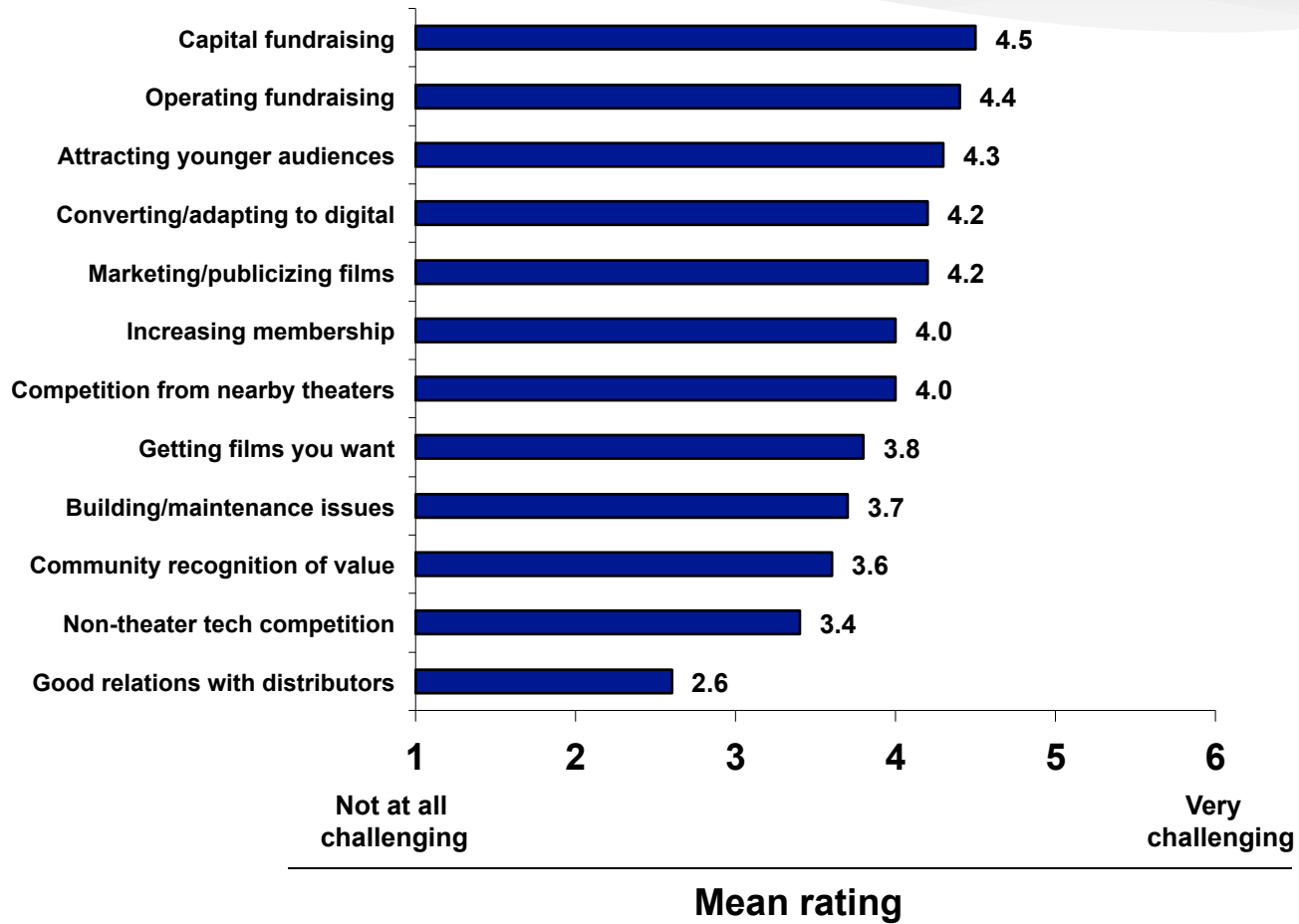
Most challenging

- Fundraising (both capital and for operations)
- Attracting younger audiences
- Converting or adapting to digital
- Marketing and publicizing films

Least challenging

- Maintaining good relationships with film distributors

Challenges faced by respondents' theaters



Q27: Rate how much of a challenge each issue is for your theater.
n=84

Other challenges*

- Finding the “right” staff
- Parking!!
- Widening our geographic marketing areas

Selected Action Steps

1. Expand programming, especially mid-week

Push distributors' tolerance since it does not really hurt them anyway.

2. Control staffing and other expense (natch!)

3. Convert to DCI and use targeted campaign to raise \$\$

4. Focus on individual donors

5. Analyze donor and survey information for use in programming decisions

6. Raise ticket prices to elastic "limits"

7. Serve alcohol (good luck, PA.)

Additional slides

Notable differences in sample characteristics: 2012 vs. 2011

Characteristic	2012	2011
Not for profit	78%	71%
Urban/suburban location	79%	68%
Rural location	15%	24%
High-income area	30%	24%
Low-income area	6%	12%
Art-house cinema	81%	56%
Arts center	4%	16%
Film society	2%	7%
Three or more screens	30%	23%
Average seats per screen	230	342

Notable differences: 2012 vs. 2011

Characteristic	2012	2011
% of attendance that was for special programs	26%	39%
% of special programs that were live	11%	21%
Regular feature films:		
% first-run art-house/specialty	64%	56%
% commercial	11%	21%
Classes/seminars	38%	33%
Film intros/commentaries	86%	68%
Panel discussions	80%	66%
Q & As	93%	82%
Email list	9,903	7,150
“Snail mail” list	7,332	3,762

Notable differences: 2012 vs. 2011 (cont'd.)

Characteristic	2012	2011
Offer memberships	71%	65%
Mean individual dues	\$59	\$49
Mean couple/family dues	\$110	\$88



