National Art House Theater Operations Survey - 2014

Conducted and Presented by

BRYN MAWR FILM INSTITUTE
Introduction

- Fifth annual online survey, conducted October-November 2013

160 began survey

86 completed (54%)

34 states plus DC represented

44 theaters (half of completes) also participated in 2012 survey
Who are we?

- 89% independent
  - 11% in chain/group consisting of 6 theaters on average
  - Single-screen theaters are least likely to be in a group (only 3%)
- 74% nonprofit (vs. 78% in last year’s survey)
- Just under half (47%) own their theater buildings

- As in previous surveys, most theaters are located in metropolitan, relatively affluent areas
  - This year’s sample is slightly less urban, slightly more rural, vs. 2012
  - Also, fewer theaters than last year located in areas they characterize as having a “high” educational level
- As in past, audiences are primarily adults (including many seniors)
Q42: Which of the following BEST describes the area where your theater is located?

n=90
Socioeconomic demographics of responding theaters’ locations

Q44: How would you describe the socioeconomic level of the area where your theater is located?

- High income: 28%
- Middle income: 64%
- Low income: 8%

n=90
Educational demographics of responding theaters’ locations

Q43/Q45: Is there a college or university near your theater? How would you describe the educational level of the area where your theater is located?

- Below average: 6%
- Average: 31%
- Above average: 63%

78% of theaters have a college or university nearby

n=90/89
Q46: Please estimate the percent of your attendees who fall into each category.

n=89
*High school or college
What kinds of programs do we offer?

- Three-fourths characterize their theaters as art-house cinemas (vs. 81% in 2012; more arts centers than last year)

- On average 2 screens per theater*
- Generated, in 2012 438 total seats*
- About 66,000 in total attendance per theater*

- Regular feature films = \( \frac{2}{3} \) of attendance
- Special programming = \( \frac{1}{3} \) (more than in 2012)

*On average
Q3: Which of the following BEST describes your theater?.
n=150
Q4: How many screens does your theater have?
n=147

Mean number of screens = 2

Number of screens

<table>
<thead>
<tr>
<th>Number of screens</th>
<th>Percent of theaters</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 screen</td>
<td>51%</td>
</tr>
<tr>
<td>2 screens</td>
<td>20%</td>
</tr>
<tr>
<td>3 screens</td>
<td>14%</td>
</tr>
<tr>
<td>4 or more screens</td>
<td>15%</td>
</tr>
</tbody>
</table>

Mean number of screens = 2
Q5: How many seats for each screen?
n=145

Mean seats per screen = 241
(median 160)
Mean TOTAL seats per theater = 438
(median 320)
Total attendance in 2012 for all screenings and other programs

Q6: Please estimate your total attendance in 2012.

n=110

Percent of theaters

Mean attendance in 2012:
All theaters = 66,155
Art houses only = 72,689
Types of programming offered in 2012

Q7/Q9: Of your total 2012 attendance, estimate the percent that was in each category. Of all special programs in 2012, what percent were live performances?

n=112/111
*E.g., short runs, “one-night stands,” live performances, etc.
Types of regular feature films (main attractions) shown in 2012

Q8: Of all your regular feature films in 2012, what percent were in each category?

- 1st-run art house or specialty: 61%
- Repertory: 11%
- 2nd- or subrun commercial: 6%
- 1st-run commercial: 11%
- 2nd- or subrun art house or specialty: 11%

n=104
Q10: Which of the following kinds of SCREENED special programs does your theater offer?

n=110
Q10: Which of the following kinds of SCREENED special programs does your theater offer?

n=110

- Theater: 37%
- Sing-alongs: 36%
- Films with meal tie-ins: 34%
- Popular music: 31%
- Opera: 31%
- Popular music: 31%
- Dance: 26%
- Current affairs: 26%
- Sports: 13%
- Classical music: 12%
Other programming characteristics

- Arts centers and film societies have more “special” programming
  - Accounted for more than half of 2012 attendance
  - First-run “commercial” theaters had the least “special” programming (12% of attendance)
- Arts centers and film societies also show more revivals/repertory than other types of venue
- Nearly two-thirds of “special” programs at arts centers were live performances (vs. less than 15% elsewhere)

- The more screens, the more varied the programming
- More venues with 3+ screens show films of:
  - Opera
  - Theater
  - Classical music
  - Dance
  - Current affairs
Most theaters offer some type of “educational” programs

Q11: Which of the following does your theater offer?

<table>
<thead>
<tr>
<th>Category</th>
<th>Percent of Theaters (n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classes or seminars</td>
<td>70% (113)</td>
</tr>
<tr>
<td>Film intros or commentaries</td>
<td>86% (117)</td>
</tr>
<tr>
<td>Panel discussions</td>
<td>80% (115)</td>
</tr>
<tr>
<td>Q &amp; As</td>
<td>92% (118)</td>
</tr>
</tbody>
</table>

Currently offer: Blue
Plan to offer: Yellow
Other types of educational programs*

- Film classes for local students (K-12)
  - Film literacy
  - Master classes or public lectures with filmmakers

- Special screenings for area schools; e.g.:
  - Documentaries
  - Films related to curricula
  - "Science on Screen"

- Theater staff attend local school film clubs

- Filmmaking workshops and summer camps

*Open-ended
How much do we make?

$1,084,427 mean total revenue per theater*

48% from box office*

Generated, in 2012

Box office about $477 K/theater or $239 K/screen*

About $102,000,000 grand total revenue for 94 responding theaters

*On average
Total gross revenue in 2012

Mean gross revenue in 2012 = $1,084,427  
Median = $659,000

Q13: Please estimate your total gross income in 2012.  
n=94
Q13/Q14: Please estimate your total gross income in 2012.
What percent of all 2012 income came from box office?

*Percent difference with additional screen.
Attendance and revenue - 2008-2012 (theaters that participated in all five surveys)

Q6: Please estimate your total attendance in 2012.
Q13: Please estimate your total gross income in 2012.
Q14: What percent of all 2012 income came from each source?
n=6
Q6: Please estimate your total attendance in 2012.
Q13: Please estimate your total gross income in 2012.
Q14: What percent of all 2012 income came from each source?
## “High” vs. “low” revenue theaters

<table>
<thead>
<tr>
<th>High 2012 gross (&gt; $650,000)</th>
<th>Low 2012 gross ($250,000 or less)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Mean 2012 gross = $1.9 million</td>
<td>• Mean 2012 gross = $132,000</td>
</tr>
<tr>
<td>• Most have 3+ screens, and thus have more total seats and much higher attendance</td>
<td>• Most have only one screen</td>
</tr>
<tr>
<td>• 85% are art houses</td>
<td>• 62% are art houses</td>
</tr>
<tr>
<td>• Show more first-run art-house films than low-income theaters</td>
<td>• Show more second-run/subrun films than higher income theaters</td>
</tr>
<tr>
<td>• Have more varied “special” screenings</td>
<td>• Least likely to offer film intros and commentaries, panel discussions, Q&amp;As</td>
</tr>
</tbody>
</table>
Where does our revenue come from?

- **48% box office**
  - Mean adult (non-senior) evening admission = $9.25 (range $2 to $20; lowest at second-run theaters)

- **17% concessions**
  - Mean per-capita concessions sales = $2.91 (range less than $1 to $15)

- **12% development and donations**
  - Over half of donations come from individuals (higher than 2011)
  - Meanwhile, funding from government and foundations has decreased since last year

- The great majority of theaters still do not have an endowment or a planned giving program
Sources of revenue in 2012

Box office 48%

Concessions & merchandise 17%

Membership dues 6%

Development 12%

Fundraising events 3%

Advertising 3%

Space rentals 6%

Other 5%

91% from films, simulcasts, &c. 7% from live

Mean ticket price = $9.25*

Mean per-capita concessions sales = $2.91

9% among theaters that offer memberships

Percent of total 2012 income

Q14/Q15: What percent of all 2012 income came from each source? What percent of 2012 BOX OFFICE income came from each source? n=94/97

*Adult (non-senior) evening general admission
Gross revenue in 2012: *Box office ONLY*  
- By Number of Screens -

Mean box office revenue

- **$191,923** for 1 screen (n = 44)
- **$487,513** for 2 screens (n = 21)
- **$768,093** for 3 screens (n = 13)
- **$936,514** for 4 or more screens (n = 13)

Q13: Please estimate your total gross income in 2012.
Q14: What percent of all 2012 income came from each source?
Sources of development/fundraising income in 2012

- **Individuals**: 59%
- **Government**: 12%
- **Foundations**: 14%
- **Corporations and businesses**: 11%
- **Other donors**: 4%

Percent of total 2012 development income

Q16/17: What percent of all 2012 development and fundraising income came from each source? What percent of government income came from each source?

n=64/40
Endowments and planned giving
- Percent of theaters -

Mean value = $816 K

Endowment Plan

Have endowment 12%
Intend to create 31%
No plans 57%

Planned giving program

Have program 12%
Intend to create 41%
No plans 47%

Q18/19: Do you have an endowment? What is its approximate value?
n=101/12
Q20: Do you have a planned giving program?
n=100
Other aspects of endowments and planned giving programs

- Over 40% of arts centers have endowments, vs. one-eighth or less of other types of venues
- The higher the revenue of a theater, the greater the value of the endowment if the organization has one
- One-third of film societies have planned giving programs (vs. one-sixth or less elsewhere)
“High” vs. “low” revenue theaters  
- Sources of revenue -

<table>
<thead>
<tr>
<th>High 2012 gross (&gt; $650,000)</th>
<th>Low 2012 gross ($250,000 or less)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Have more varied sources of revenue (e.g., get more from membership dues and development than low-revenue theaters)</td>
<td>• Over 3/5 of development revenue comes from individual donors</td>
</tr>
<tr>
<td>• Of development revenue, get more from government, corporations or businesses, and foundations vs. other theaters</td>
<td>• Very unlikely to have endowments or planned giving programs</td>
</tr>
<tr>
<td>- Less than 1/2 of development income comes from individuals</td>
<td></td>
</tr>
<tr>
<td>• More likely to have endowments and planned giving programs (though most do not)</td>
<td></td>
</tr>
</tbody>
</table>
### “High” vs. “low” revenue theaters
- Ticket prices and 2012 concessions sales -

<table>
<thead>
<tr>
<th>High 2012 gross (&gt; $650,000)</th>
<th>Low 2012 gross ($250,000 or less)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticket price</td>
<td>Ticket price</td>
</tr>
<tr>
<td>$10.21</td>
<td>$7.68</td>
</tr>
<tr>
<td>Per-cap concessions sales</td>
<td>Per-cap concessions sales</td>
</tr>
<tr>
<td>$3.18</td>
<td>$2.80</td>
</tr>
<tr>
<td>Total cost of “a night at the movies</td>
<td>Total cost of “a night at the movies</td>
</tr>
<tr>
<td>$13.39</td>
<td>$10.48</td>
</tr>
</tbody>
</table>
Current availability of full meals and alcoholic beverages

Most arts centers and film societies offer alcohol, vs. less than half of other types of venues

Q23: Does your theater offer each of the following? n=105

- Full meals
  - Currently offer: 46%
  - Plan to offer: 19%

- Alcoholic beverages
  - Currently offer: 68%
  - Plan to offer: 9%
Q22: Please estimate your per capita concessions sales in 2012.
Q23: Does your theater offer each of the following?
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 over one-fourth of theaters still do not track this information at all
### Use of software for tracking donations and membership dues

<table>
<thead>
<tr>
<th>Specific donor programs</th>
<th>% of theaters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raiser’s Edge</td>
<td>11</td>
</tr>
<tr>
<td>DonorPerfect</td>
<td>8</td>
</tr>
<tr>
<td>GiftWorks</td>
<td>8</td>
</tr>
<tr>
<td>Agile</td>
<td>6</td>
</tr>
<tr>
<td>Proprietary software</td>
<td>6</td>
</tr>
<tr>
<td>Other*</td>
<td>14</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General database programs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Excel</td>
<td>18</td>
</tr>
<tr>
<td>FileMaker</td>
<td>10</td>
</tr>
<tr>
<td>Access</td>
<td>1</td>
</tr>
</tbody>
</table>

| NO tracking software           | 29            |

Q40: What type of software do you use to track donations (including membership dues)?

n=90

*Each mentioned by 2% or less*
How do we spend money?

- Mean total operating expenses in 2012 = $933,256
  - Salaries/benefits and film rentals together account for over half
  - Another 13% goes to occupancy costs (rent or mortgage, utilities, maintenance, etc.)
Total mean expenses = $933,256
Median = $507,000

Percent of total 2012 operating expenses:
- Salaries & benefits: 31%
- Film rental: 24%
- Occupancy: 13%
- Concessions costs: 7%
- Promotion: 6%
- Equipment costs: 5%
- Insurance: 3%
- Taxes: 2%
- Other: 9%

Mean # of employees:
- 6 full-time
- 12 part-time

Q25/Q26: What percent of all 2012 operating expenses went toward each?
How many paid employees do you currently have?
n=78/87
How profitable are we?

- Average net profit in 2012 was 10%
  - Three-fourths of responding theaters showed a profit, while 16% ran a deficit (improvement over 2012, when ¼ ran a deficit)
- “Commercial” theaters and museums are most profitable (14-16% profit margin)

- In general, the more screens, the higher the costs
  - Thus, even though theaters with 3+ screens have more revenue than single-screen theaters, they are no more profitable
  - This is probably due to need for more staff: salaries/benefits account for over ⅓ of expenses at theaters with 3+ screens, vs. about ¼ at smaller theaters
Q13/Q24: Please estimate your total gross income in 2012.
Please estimate your total operating expenses in 2012.

n=76
Profitability by number of screens

Mean profit in 2012

Number of screens

- 1 screen (n=36): 9%
- 2 screens (n=12): 19%
- 3 screens (n=11): -0.3%
- 4 or more screens (n=11): 8%

Mean profit = 10%

Q13: Please estimate your organization’s total gross income in 2012.
Q24: Please estimate your organization’s total operating expenses in 2012.
## Theater characteristics by 2012 profitability

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>&gt;10% profit in 2012</th>
<th>Broke even in 2012</th>
<th>Ran deficit in 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 gross revenue</td>
<td>$738 K</td>
<td>$1,682 K</td>
<td>$533 K</td>
</tr>
<tr>
<td>% of 2012 revenue from box office</td>
<td>48%</td>
<td>41%</td>
<td>54%</td>
</tr>
<tr>
<td>2012 box office revenue</td>
<td>$296 K</td>
<td>$605 K</td>
<td>$305 K</td>
</tr>
<tr>
<td>2012 total expenses</td>
<td>$511 K</td>
<td>$1,682 K</td>
<td>$592 K</td>
</tr>
<tr>
<td>Mean profit margin in 2012</td>
<td>+30%</td>
<td>0</td>
<td>-20%</td>
</tr>
<tr>
<td>Per-capita concessions sales</td>
<td>$2.63</td>
<td>$1.86</td>
<td>$2.31</td>
</tr>
<tr>
<td>Have endowment</td>
<td>7%</td>
<td>50%</td>
<td>0%</td>
</tr>
<tr>
<td>Mean value of endowment</td>
<td>$13 K</td>
<td>$870 K</td>
<td>N/A</td>
</tr>
<tr>
<td>Own building</td>
<td>48%</td>
<td>75%</td>
<td>54%</td>
</tr>
</tbody>
</table>
Profile of theaters that showed >10% profit in 2012

- Over half are in urban or suburban areas
- About half own their buildings
- Half have more than 1 screen
- Nearly all (>90%) offer film intros/commentaries and Q&As
- More varied sources of revenue
  - Somewhat less dependent on operating income than unprofitable theaters, and get twice as much of their income from development
  - Few have endowments (and value is low) or planned giving programs
Profile of theaters that showed >10% profit in 2012
(cont’d.)

- Have the lowest average operating expenses of any of these three segments
- Most have dedicated staff for programming, projection and theater management, and bookkeeping
- Less challenged than other theaters by issues such as capital fundraising, building maintenance, getting community recognition, and competition from local theaters
Profile of theaters that broke even in 2012

- Half are located in “rural” areas, and another one-third in urban areas
- Two-thirds have only one screen – but these theaters have more total seats, on average, than other segments
- Most own their buildings
- More varied sources of revenue than other segments:
  - Less revenue from box office
  - Have been more successful in attracting donations from corporations and businesses
  - As a result, only 41% of development revenue comes from individual donors
  - Half have an endowment, and over one-third have planned giving
• Mean gross revenue is actually about twice that of the most profitable theaters – but expenses are three times higher

• One reason may be that “break-even” theaters average three times as many employees as other theaters!
  
  - Most have dedicated staff for development/fundraising, membership, programming, and bookkeeping, as well as for projection and theater management

• Have plenty of volunteers (mean >100)
Profile of theaters that ran a deficit in 2012

- Not usually located in the most affluent areas
- The great majority are near a college or university (= built-in competition, as well as a younger population less attracted to art houses)
- Fewer than half own their buildings
- Two-thirds have only one screen
- Few offer classes or seminars
- Rely mainly on box office revenue
  - Over half of revenue comes from box office, and less than 10% from development/donations (mostly from individual donors)
  - None have endowments or planned giving programs
- Total revenue was less than ¾ that of the most profitable theaters, but expenses were 16% higher
Profile of theaters that ran a deficit in 2012 (cont’d.)

- Not many dedicated staff members, except for theater management and projection
- Have relatively few volunteers on whose services they can draw
- Those that offer memberships have relatively low dues
- Seem to be struggling with many issues that are less challenging for more profitable theaters:
  - Getting films they want, and marketing them
  - Maintaining good relationships with distributors
  - Competition from both local theaters and other technologies
  - Capital fundraising
  - Increasing membership
  - Attracting younger audiences
# How do we handle specific job functions?

<table>
<thead>
<tr>
<th>Functions usually handled by DEDICATED staff</th>
<th>% of theaters</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Theater management</td>
<td>79</td>
</tr>
<tr>
<td>• Projection</td>
<td>72</td>
</tr>
<tr>
<td>• Bookkeeping</td>
<td>64</td>
</tr>
<tr>
<td>• Membership</td>
<td>63*</td>
</tr>
<tr>
<td>• Programming for main attractions</td>
<td>61</td>
</tr>
<tr>
<td>• Marketing</td>
<td>52</td>
</tr>
<tr>
<td>• Concessions management</td>
<td>51</td>
</tr>
<tr>
<td>• Development/fundraising</td>
<td>45</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Functions usually handled by staff who also have other responsibilities</th>
<th>% of theaters</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Social media</td>
<td>67</td>
</tr>
<tr>
<td>• Film traffic</td>
<td>63</td>
</tr>
<tr>
<td>• Space rentals</td>
<td>56</td>
</tr>
<tr>
<td>• Programming for special screenings</td>
<td>50</td>
</tr>
<tr>
<td>• IT</td>
<td>47</td>
</tr>
<tr>
<td>• Education programming</td>
<td>38</td>
</tr>
</tbody>
</table>

**NOTE:** Functions shown in red are usually handled by FULL-time employees

Q27-30: In terms of staffing, how do you handle each function?
n=82
*Of theaters that offer memberships
### Projection capabilities

- **Most common:**
  - DCI-compliant digital projection (has far outstripped all other equipment)
  - Professional-quality non-DCI digital projector
  - 35mm (platter or reel-to-reel)

### 3D and digital

- One-fourth of theaters currently offer 3D and another 8% plan to do so in future
- Nearly ¾ have converted all screens to digital – but ¼ have not yet converted any screens
- Two-thirds plan to retain 35mm after completion of DCI conversion
In-house projection equipment and capabilities as of 2013

Q33/Q38: Which of the following projection equipment/capabilities do you have in house?
What is your status regarding 3D programming?

n=100/90

23% of theaters currently offer 3D
Another 8% plan to do so

Vs. 41% in 2012
Current digital conversion status

Q35: Which best describes your theater's status regarding DCI conversion?
n=89

- All screens converted: 70%
- No screens converted: 24%
- Some screens converted: 6%

Vs. 24% in 2012
Q34: For how many screens do you use each type of DCI-compliant projector?

n=65
Q34: Do you plan to retain your 35mm projection capabilities after completion of DCI conversion?

n=75

*14 theaters have no 35mm capabilities
Q37: How are you handling/planning to handle fundraising/financing for DCI conversion?

n=80

Percent of theaters

- Targeted capital campaign: 39%
- Borrowing: 19%
- Use operating income: 19%
- Incl. in general capital campaign: 15%
- Incl. in annual appeal: 11%
- Grants: 6%
- VPF contract: 4%
- NO plans yet: 19%
Other aspects of how we show films

- Small theaters have less varied equipment
  - Most do not have 35mm, compared with about half of larger theaters
  - And larger theaters are more likely to retain 35mm capabilities
- 44% of single-screen theaters had not converted to digital at the time of the survey (vs. 10% or less of multiscreen theaters)
  - This probably reflects the fact that single-screen theaters also have less income
- Over half of theaters with 4+ screens have 3D
Other aspects of our operations

<table>
<thead>
<tr>
<th>How do we sell tickets?</th>
<th>How do we use volunteers?</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 78% of theaters use online ticketing</td>
<td>• 74% of theaters have volunteers</td>
</tr>
<tr>
<td>- Up slightly (4%) from last year (fastest growth was between 2011 and 2012)</td>
<td>• Mean # of active volunteers = 57</td>
</tr>
<tr>
<td></td>
<td>• Most commonly deployed at special events, as well as for ticket taking and general office work</td>
</tr>
</tbody>
</table>
Q51/Q52: About how many active volunteers do you have? How do you use your volunteers?

Mean # of volunteers = 57
Median = 15
Other ways in which we use volunteers*

- Building maintenance
- Introducing films
- Programming/film selection
- Website design and maintenance
- Board of directors

*Open-ended
### How do we market ourselves?

- For marketing and publicity, theaters rely mainly on websites, weekly email “blasts,” and Facebook.
- But the few theaters that use such media as TV, LinkedIn, Google Groups, and Twitter consider them highly effective.

### How do we keep in touch with patrons?

- Email continues to reach about twice as many people as “snail mail” does (and is used by more theaters).
- Three-fourths 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” -

Q47: Choose and rank the FIVE media that you have found most effective in publicizing your programs and activities.

n=90
Q47: Choose and rank the FIVE media that you have found most effective in publicizing your programs and activities.

n=90

Percent of theaters

Radio: 13%
Twitter: 8%
Newspaper or magazine inserts or tear-outs: 8%
Google Groups: 3%
TV: 1%
LinkedIn: 1%
Crowd sourcing: 1%
## Rankings of effectiveness of media

<table>
<thead>
<tr>
<th>Type of media</th>
<th>% including in top 5</th>
<th>Mean ranking (5 = highest)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>1%</td>
<td>5.0</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>1%</td>
<td>5.0</td>
</tr>
<tr>
<td>Google Groups</td>
<td>3%</td>
<td>4.7</td>
</tr>
<tr>
<td>Twitter</td>
<td>8%</td>
<td>4.4</td>
</tr>
<tr>
<td>Onscreen ads re coming events</td>
<td>41%</td>
<td>3.9</td>
</tr>
<tr>
<td>Flyers re specific events</td>
<td>40%</td>
<td>3.8</td>
</tr>
<tr>
<td>Facebook</td>
<td>78%</td>
<td>3.6</td>
</tr>
<tr>
<td>Print ads</td>
<td>38%</td>
<td>3.5</td>
</tr>
<tr>
<td>Radio</td>
<td>13%</td>
<td>3.4</td>
</tr>
<tr>
<td>Emails re specific events</td>
<td>40%</td>
<td>3.3</td>
</tr>
<tr>
<td>Crowd sourcing</td>
<td>1%</td>
<td>3.0</td>
</tr>
<tr>
<td>Printed film or program guide</td>
<td>48%</td>
<td>2.8</td>
</tr>
<tr>
<td>Newspaper/magazine inserts or tear-outs</td>
<td>8%</td>
<td>2.7</td>
</tr>
<tr>
<td>Website</td>
<td>89%</td>
<td>2.1</td>
</tr>
<tr>
<td>Weekly email updates</td>
<td>83%</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Q47: Choose and rank the FIVE media that you have found most effective. n=90
Q48: 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

Q53: Which of the following does your theater offer?

n=89

*E.g., Living Social, Groupon, etc.
Three-fourths of us offer memberships

- Slightly higher than last year (74% vs. 71%)
- Mean number of members = 2,014 (up from 1,718 in 2012; range 30 to 10,000)
- Average annual dues (15-20% higher than last year):
  - Basic individual -- $70 (range $10 to $300)
  - Basic couple/family -- $127 (range $25 to $550)
- Two-thirds of theaters with members offer free memberships to high donors – a considerable increase from last year’s 47%
- Standard benefits are admission discounts and special events just for members
Q58: Which of the following membership benefits do you offer?

n=66

- Discounted admission: 97%
- Member-only special events: 82%
- Free passes for high-level members: 77%
- Discounts on education programs: 33%
- Discounts at local businesses: 21%
- Free gift cards: 4%

74% of theaters offer memberships
Mean # of members = 2,014
Other membership benefits*

- Concessions specials (the most frequently mentioned)
  - Free or discounted popcorn
  - Discounts on other concessions items
- Onscreen recognition
- Advance members-only ticket sale period for some films and events
- Free admission on birthday
- Members get in free on a specific weeknight (e.g., “free member Mondays”)
- “Member of the month” drawings (winner gets in free for 1 month)
- Merchandise discounts

*Open-ended
### What challenges keep us awake at night?

<table>
<thead>
<tr>
<th>Most challenging</th>
<th>Least challenging</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Attracting younger audiences</td>
<td>• Maintaining good relationships with film distributors</td>
</tr>
<tr>
<td>• Fundraising (both capital and for operations)</td>
<td>• NOTE: Converting to digital – ranked fourth most challenging last year – is by now a minor issue</td>
</tr>
<tr>
<td>• Getting films we want (more of a challenge for smaller theaters)</td>
<td></td>
</tr>
<tr>
<td>• Marketing and publicizing films</td>
<td></td>
</tr>
</tbody>
</table>
Challenges faced by respondents’ theaters

Q31: Rate how much of a challenge each issue is for your theater.

n=88

- Attracting younger audiences: 4.4
- Capital fundraising: 4.1
- Operating fundraising: 4.1
- Getting films you want: 4.0
- Marketing/publicizing films: 4.0
- Increasing membership: 3.8
- Building/maintenance issues: 3.6
- Community recognition of value: 3.6
- Competition from nearby theaters: 3.6
- Non-theater tech competition: 3.6
- Converting/adapting to digital: 3.1
- Good relations with distributors: 2.8

Mean rating

Not at all challenging

Very challenging
Other challenges*

- As always – parking!
- Learning curve for digital equipment (use and maintenance)
- Staffing shortages/staff retention
- Limitations of having only a single screen
- Diversifying programming
- Finding new sources of grants/donations

*Open-ended
Total number of seats (across all screens) - By Number of Screens -

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

*Percent difference with additional screen.

*Mean total # of seats

<table>
<thead>
<tr>
<th>Number of Screens</th>
<th>Mean Total # of Seats</th>
<th>Percent Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 screen</td>
<td>308</td>
<td></td>
</tr>
<tr>
<td>2 screens</td>
<td>420</td>
<td>+36%</td>
</tr>
<tr>
<td>3 screens</td>
<td>466</td>
<td>+11%</td>
</tr>
<tr>
<td>4 or more</td>
<td>866</td>
<td>+86%*</td>
</tr>
</tbody>
</table>

Mean total # of seats

(n) 1 screen 2 screens 3 screens 4 or more
(72) 308 420 466 866

+36%* +11%* +86%*

*Percent difference with additional screen.
Total 2012 attendance
- By Number of Screens -

Q6: Please estimate your total attendance in 2012.

*Percent difference with additional screen.

<table>
<thead>
<tr>
<th>Screens</th>
<th>Mean Attendance</th>
<th>Actual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 screen</td>
<td>29,027</td>
<td>+40,502</td>
</tr>
<tr>
<td>2 screens</td>
<td>69,529</td>
<td>+31,617</td>
</tr>
<tr>
<td>3 screens</td>
<td>101,146</td>
<td>-21,149</td>
</tr>
<tr>
<td>4 or more screens</td>
<td>151,274</td>
<td></td>
</tr>
</tbody>
</table>

*Percent difference with additional screen.