

# Attracting Audiences:

## The Future of Movie Theaters in the Streaming Age

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### INTRODUCTION

A.O. Scott has seen a lot of movies. After 23 years and 2,239 film reviews, the recently retired New York Times film critic professes that he has always loved movies and the experience of going to the movie theater, saying, “Movies have been part of my dream life and my worldly education since my first traumatic encounter with the flying monkeys in ‘The Wizard of Oz.’”<sup>1</sup>

Scott has also heard his share of sweeping pronouncements about the demise of the movie industry but remains confident that the future of theaters is bright, explaining, “The movies are, once again, not dead. Art forms are more like viruses than animal species: they don’t become extinct; they mutate, recombine, go dormant and spread out again in new, sometimes unrecognizable ways.”<sup>2</sup>

Rumors of the movie industry death may have been greatly exaggerated. In 1927, Al Jolson in “The Jazz Singer” sounded the death knell for silent films that, instead, helped usher in a golden age. In the 1980s, the head of the Motion Picture Association of America compared the effects of the VCR to a serial killer on the movie business, yet video sales and rentals opened a new mass market in the industry.<sup>3</sup>

2023 looks to be the best year for box office receipts since 2019, with blockbuster films including “Barbie,” “The Super Mario Bros. Movie,” “Spider-Man: Across the Spider-Verse,” “Guardians of the Galaxy Vol. 3,” and “Oppenheimer” collectively grossing more than \$2 billion thus far.<sup>4</sup> As mask mandates and capacity restrictions were eased, audiences have returned to the theater, especially for studio blockbuster films. A.O. Scott remains optimistic that the experience of going to a movie theater will never go out of style. He explains, “I will always love being at the movies: the tense anticipation in a darkening theater, the rapt attention and gasping surprise as a story unfolds, and the tingly silence that follows the final shot, right before the cheers — and the arguments — start. I wouldn’t miss any of the movies I’ve seen, even the bad ones.”

While moviegoers show a willingness to return to theaters for quality content and an experience that cannot be replaced at home like premium large-format screens, they also seem equally inclined to avoid content not deemed “theater-worthy.” Growing competition from streaming services has also presented new challenges. Home viewing options are now often available simultaneously with a film’s studio release. Moreover, like much of the economy, the film industry was not immune to the effects of

the COVID-19 pandemic. Domestic box office revenue fell from \$11.9 billion in 2018 to just \$2.3 billion in 2020, rebounding to \$5.99 billion in 2022.<sup>5</sup>

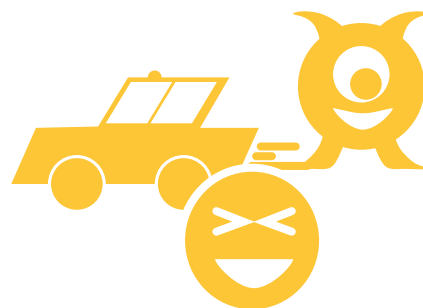
These trends raise questions as to whether customers are still interested in a traditional moviegoing experience and how the industry might reimagine

itself going forward. SCAD chair of film and television D.W. Moffett has an extensive career in the film industry as an actor, director, and producer. He believes that movie theaters will always be around to entertain audiences saying, “Movie theaters, going forward, are going to have to rely on events like [film festivals] to fill the seats and fill the house.”


## THE RESEARCH


SCADask administered a survey to SCAD’s 17,615 students in Fall 2023 via email and performed secondary research on theaters, streaming, and industry trends. Student survey feedback focused on several key areas including film genre preferences and factors influencing the likelihood of going to a movie theater. The purpose of the survey was to learn about factors shaping the film-viewing habits of college-age students, a key target demographic of the film industry. The results below summarize impressions from 754 students who completed the survey.

- Movies maintain tremendous appeal, with 86% of respondents indicating that movies are either important or extremely important to their lives. The immersive, shared experience of seeing a movie in a theater still remains an attractive lure for many filmgoers.
- 60% of survey respondents said that ticket prices are the most important factor when considering whether to go to the movies. Long concession lines, sticky floors, and movie theater “yakkers” were also definite turnoffs.





**respondents said  
favorite movie genres  
were comedy, animation,  
and action**


**86%**   
**cited movies as  
important or very  
important in their lives**


**60%**   
**identified ticket prices  
as the most important  
factor when considering  
going to the movies**

- Streaming services were the overwhelmingly preferred way to watch a movie. Fully three-quarters of respondents cited it as their preferred viewing method. The comfort of one's own sofa combined with the appeal of watching whatever they wanted, whenever they wanted, created a strong allure to stay at home.
- "Word of mouth" buzz and critic reviews were cited as influences in determining which film to watch, but audience reviews carried much more sway than film critics. These numbers were consistent across both the general population (85% audience, 15% critics) and film students (76% audience, 24% critics). In general, respondents preferred reviews and respected the opinions more from people they knew. A large number of respondents thought the sheer volume of reviews from audience members made them more reliable. As one survey respondent replied, "Audience reviews tend to be more centered around purely if the movie is enjoyable and good." Survey results suggest that filmgoers believe film critics tend to evaluate the quality of a film on criteria such as direction and script, whereas audiences usually evaluate enjoyability. While multiple negative critic reviews might be collectively seen as more definitive, certain types of movies such as action, comedies, and horror films seem to be largely impervious to reviews, as the demand to see them is often greater than any risk of negative reviews.
- While frequent moviegoers have returned to the theater after the pandemic, overall attendance is still down. S&P Global Market Intelligence reported that this drop is largely due to the significant decline in attendance from "infrequent" moviegoers.<sup>6</sup>

**75%**   
preferred streaming  
services

**18%**   
preferred going to a  
movie theater

**50%**   
watched 5+ movies per  
month

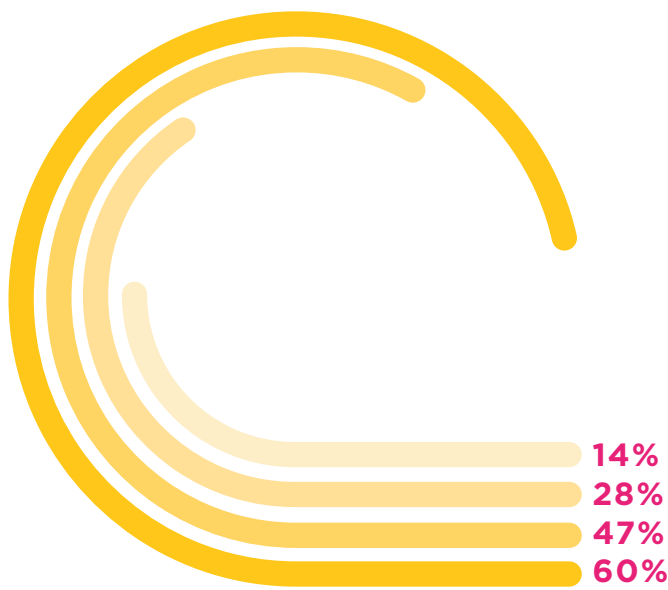
**85%**   
of respondents and 76%  
of film students cited  
audience reviews as more  
trustworthy and influential

## ACTIONABLE ITEMS

The traditional separation between studios and theaters that has long relied on studios to promote their films in exchange for a theater's exclusive rights may need to be revisited. Theaters can no longer rely solely on studios to drive customers to the theater. There is increased need for theater chains to directly promote the moviegoing experience. The Hollywood Reporter recently profiled a \$25 million ad campaign by AMC Theaters, the world's largest theater chain, to attract people back into the theaters.<sup>7</sup> Variety Magazine reported on a resurgence in the phrase "only in theaters" on all promotional posters and TV spots to alert customers to the distinction between theatrical and streaming release dates that has become blurred in recent years.<sup>8</sup> CNBC notes innovative marketing strategies employed by theaters, such as creative food and beverage offerings, margaritas with movie tickets, and "father-daughter" date night showings.<sup>9</sup> Local theater chains have reimagined themselves as "community centers," emphasizing more diverse

programming like Spanish-language films rather than reliance on first-run blockbuster films.<sup>10</sup>

Theaters show films, but what if they did more? How about IMAX-size screens and seats that move with what's happening on the screen? If audiences enjoy the intimacy of watching a movie at home, offer private screening rooms. If the convenience of starting and stopping a film to grab a snack is a draw, could movie theaters give audiences a way to pause a film, go to the restroom, and order a snack from the lobby? Ticket prices too high? Offer subscription services to draw in frequent movie-goers. Want to attract gamers? Retrofit a theater to allow the audience to play video games on the big screen. Theaters need to re-imagine the experience of going to the movies, from upgraded amenities to innovative marketing strategies that highlight the allure of the big screen experience and incorporate theater attendance into larger retail and entertainment centers.



## Attendance Factor Deterrents

high concession prices  
inconvenient showtimes  
distance to theater  
high ticket prices

## CONCLUSIONS

Movies have always been a business and businesses must adapt to audiences' demands. Theater culture can thrive, but in the age of streaming, they need to focus on experiences that audiences can only get at their local theater. This new paradigm could prove to be a game changer for theater chains, who face the challenge of adapting to shifting consumer trends. As one theater CEO said, "I think as marketers, we tend to say 'this movie is playing' ... Let's talk a little bit more about why going to the movies is a good thing to do."<sup>1</sup>

The city of Savannah, home to SCAD's flagship location, is abuzz with preparations for the 26th SCAD Savannah Film Festival, which takes place October 21-28. D.W. Moffett sees opportunities for theaters through hosting events like festivals. The benefits are manifold as Moffett describes, "the value of the film festival is having all those

artists come ... and talk about their movies. ... it's so much more fun to ... walk down the street and here comes your favorite director." Festival attendees also benefit from the education inherent in the experience. Moffett explains, "I think going to panels and workshops will help you advance more. ... You'll learn more."

Author Karrine Steffans wrote, "the entertainment industry is a reflection of the society we live in." The future of film is thriving and audiences will continue to crave the novelty of movie theaters as long as the industry creatively reimagines itself. Future SCADask research might reveal a better understanding of these market trends and provide opportunities for creative experts in advertising, business, design, film, marketing, service design, and other fields as they design new approaches to lure audiences.

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*Contributors to this survey, analysis, research, and summary include Erin Compton, researcher and analyst; Daniel Guth Vega, designer; Randy Moffett, writer and researcher; Paula Mogollón Mejía, SCADask principal design researcher; Michael Shreve, associate vice president for academic services; and Sarah Snook, managing editor.*

*SCADask is an applied research unit of the Savannah College of Art and Design that generates timely research at the intersection of commerce, creativity, and culture. To learn more, or to partner with SCADask, contact [research@scad.edu](mailto:research@scad.edu).*

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<sup>1</sup>[nytimes.com/2023/03/17/movies/film-critic-ao-scott.html](https://www.nytimes.com/2023/03/17/movies/film-critic-ao-scott.html)

<sup>2</sup>[nytimes.com/2023/10/09/magazine/movies-theaters-streaming.html](https://www.nytimes.com/2023/10/09/magazine/movies-theaters-streaming.html)

<sup>3</sup>[hcbc.ca/archives/when-the-film-industry-worried-the-vcr-might-kill-movies-1.5113419](https://www.hcbc.ca/archives/when-the-film-industry-worried-the-vcr-might-kill-movies-1.5113419)

<sup>4</sup>[boxofficemojo.com/year/2023/](https://www.boxofficemojo.com/year/2023/)

<sup>5</sup>[cnet.com/culture/entertainment/movie-theaters-didnt-die-but-theyll-never-be-the-same-again/](https://www.cnet.com/culture/entertainment/movie-theaters-didnt-die-but-theyll-never-be-the-same-again/)

<sup>6</sup>[spglobal.com/marketintelligence/en/news-insights/research/frequent-us-movie-goers-are-back-infrequent-attendees-not-so-much](https://www.spglobal.com/marketintelligence/en/news-insights/research/frequent-us-movie-goers-are-back-infrequent-attendees-not-so-much)

<sup>7</sup>[hollywoodreporter.com/business/business-news/movie-marketing-spends-summer-films-1235142253/](https://www.hollywoodreporter.com/business/business-news/movie-marketing-spends-summer-films-1235142253/)

<sup>8</sup>[variety.com/2022/film/news/only-in-theaters-summer-movies-1235304346/](https://www.variety.com/2022/film/news/only-in-theaters-summer-movies-1235304346/)

<sup>9</sup>[cnbc.com/2022/05/01/how-cinemas-are-going-beyond-studio-marketing-to-lure-moviegoers-back.html](https://www.cnbc.com/2022/05/01/how-cinemas-are-going-beyond-studio-marketing-to-lure-moviegoers-back.html)

<sup>10</sup>[kalw.org/2023-03-29/independent-theaters-are-reimagining-themselves-as-community-spaces](https://www.kalw.org/2023-03-29/independent-theaters-are-reimagining-themselves-as-community-spaces)

<sup>11</sup>[cnbc.com/2022/05/01/how-cinemas-are-going-beyond-studio-marketing-to-lure-moviegoers-back.html](https://www.cnbc.com/2022/05/01/how-cinemas-are-going-beyond-studio-marketing-to-lure-moviegoers-back.html)