

Main Results of the THIRD SURVEY OF RUSSIAN CINEMA AUDIENCE

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The Third Survey of Russian Cinema Audience was held from 10 October 2016 to 6 December 2016. Nevafilm Research conducted the same survey in 2012 and 2014. A total of 6,658 people from 45 cities took part in the survey. The respondents filled in surveys on the Internet (3,966 respondents) or answered questions in 50 Russian cinemas (2,692 respondents). The main results of the new survey are presented below.

CINEMA AUDIENCE

The Russian cinema audience is getting older due to the demographic changes of recent years: in 2011, the share of cinema respondents of student age (18-24) was 41%, however, in 2016, it decreased to 33%, while the share of respondents of older age increased from 46% to 60%. The average age of cinemagoers today is 29 years old.

In 2016, the cinema audience responses about the preferable way of spending leisure time showed that 80% of cinemagoers prefer going to the cinema. Cinema trips were followed by outdoor and indoor activities with family that are most popular among 25- to 44-year-old people, as well as surfing the Internet, which is mostly popular with younger respondents.

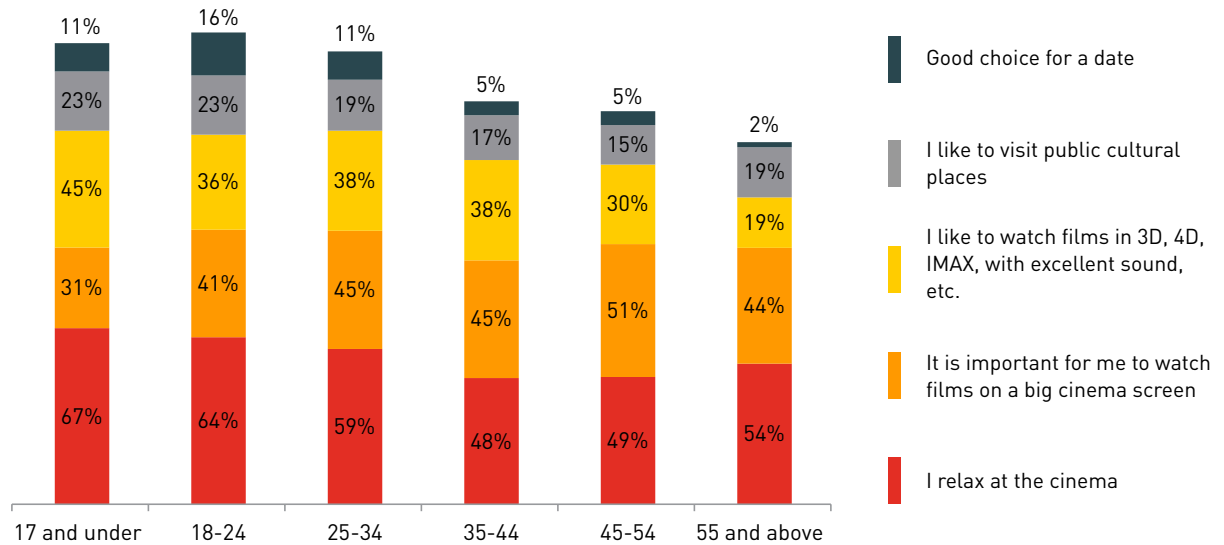
The structure of cinema attendance has changed since 2011: people have less leisure

time when they get older. In 2016, the share of regular cinemagoers (who go to the cinema at least twice a month) amounted to 67%, while in 2011 it was 70%. At the same time, the share of the audience going to the cinema 3 or 4 times a month increased from 20% to 25%. Meanwhile, the decrease from 11% to 8% in occasional viewers who go to the cinema once in 6 months or even more rarely, shows that the habit of going to the cinema has grown stronger in Russia over the last five years.

ADMISSIONS

Nowadays, the main reason for going to the cinema is the desire to spend time with one's friends or soul mate; a large screen and modern amusement cinema technologies, which attract young viewers and small-town residents, are of less interest to cinemagoers. People under 24 often point out that cinema is a good place for a date; among more mature viewers going to the cinema with family is becoming popular (one-third of the respondents go with their spouses, children or parents). The residents of Moscow and St. Petersburg consider watching a film on a large screen to be important, while small-town residents consider a cinema trip to be a "night out".

PICTURE 1. REASONS FOR GOING TO THE CINEMA BY AGE GROUPS



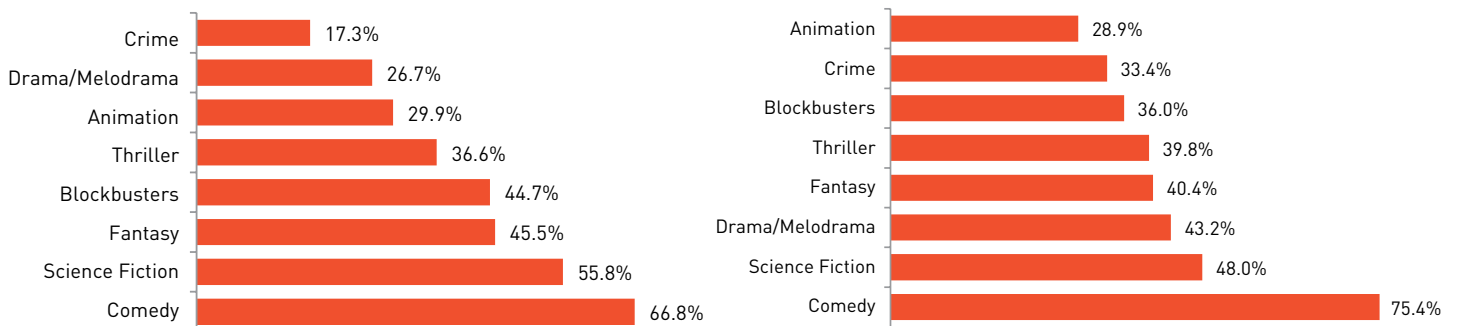
Film preferences are substantially influenced by word-of-mouth recommendations, however, the value of friends' opinions weakens with age. Only one-sixth of all viewers (mostly 24- to 54-year-old) are interested in articles by professional film critics.

The most popular cinema genre of all ages is still comedy (it is preferred by more than 60% of viewers). Action movies attract a 25- to 34-year-old audience, while animated movies attract children (under 17 years old) with parents (25-44 years old). The popularity of science fiction, fantasy and thrillers decreases as one gets older, while the popularity of drama and

detective stories grows, both when watched at the cinema and at home.

At home, people watch both films and TV series, and comedy prevails over the genres of both types of home viewing content as well as in cinemas, however its popularity exceeds cinema (75% vs. 67%). People prefer to go to the cinema for spectacular films (science fiction, fantasy and action films), but as for animation and horror films, they watch such films both at home and in the cinema. Meanwhile, cartoons are obviously one of the reasons for the audience above 25 to go to the cinema with children.

PICTURE 2. PREFERRED FILM GENRES FOR CINEMA VIEWING (LEFT) AND HOME VIEWING (RIGHT)



The proportion of viewers who prefer going to the cinema for Russian movie premieres is 18%, which coincides with the proportion of attendance of domestic released films. American premieres are three times more popular, with 64% of cinema visitors choosing them, and with young people predominating among the visitors, while viewers above 45 prefer domestic films.

SATISFACTION WITH CINEMA SERVICES

For the interviewed respondents, the quality of film screening and services offered to the audience in the cinemas means comfortable seats, high-quality sound and image, as well as cleanliness and a big screen. The older the viewer is, the less particular he or she is about quality.

In 2016, the main reason that impeded more regular cinema trips, after the lack of time (being noted by 60% viewers), was the ticket price: it was relevant for 38% of respondents, which was a little bit higher than the results of the survey in the post-crisis year of 2011 (36%). Bearing in mind that ticket prices decreased in real terms over the last five years, the attention being paid

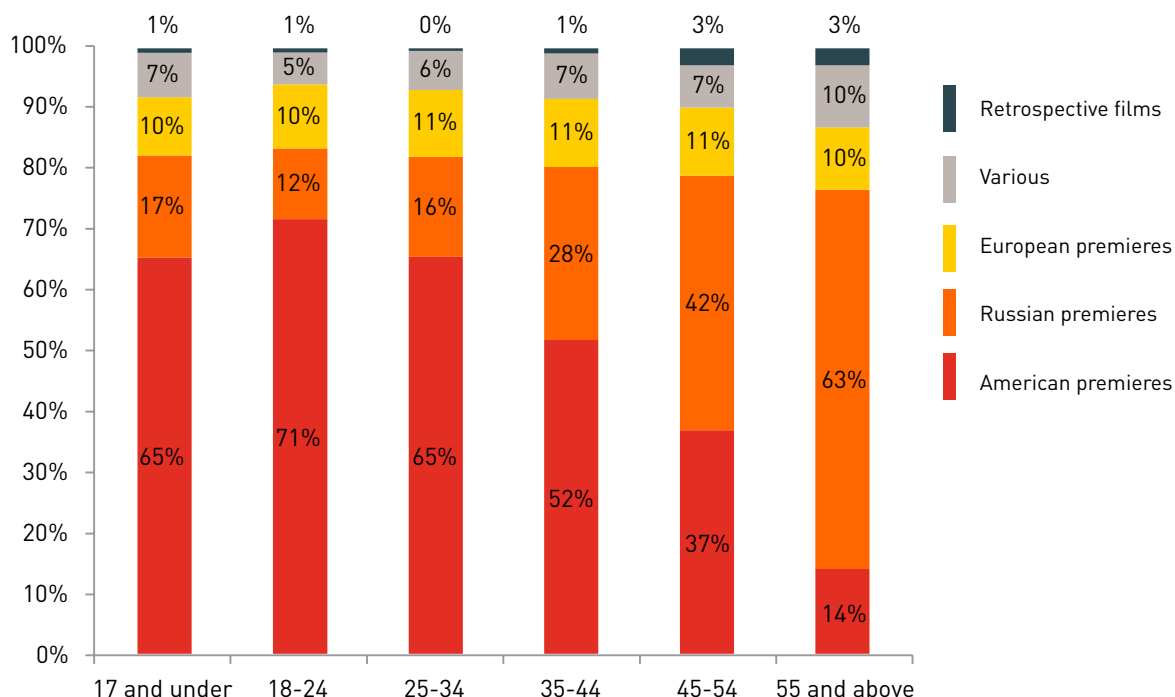
to this issue means that economic problems in the country make the audience more sensitive to spending money on entertainment, and these problems impose certain restrictions on growth of admissions.

The number of those who are not satisfied with cinemas' repertoire has increased from 2011 to the present. If earlier only 16% of respondents were concerned about this issue, now this is the reason for 25% of the audience to avoid going to the cinema frequently. Despite the increasing diversity of All-Russian cinema posters in recent years, viewers are getting more discerning.

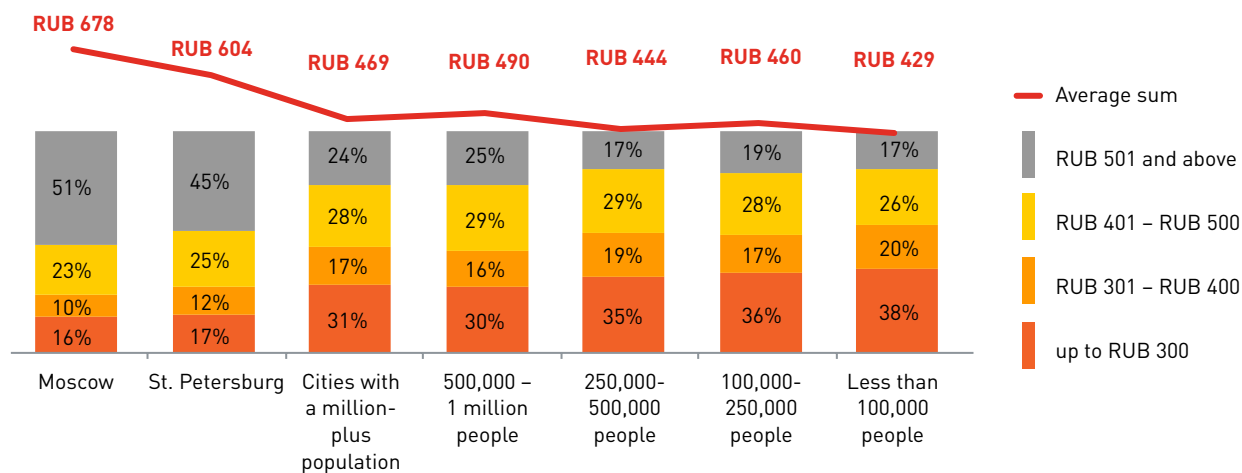
CINEMA EXPENSES

In the spring of 2016, the total cost of cinema's expenses for one person was RUB 477, with nearly half of that amount being the ticket price, and another half being the amount of money spent in the cinema bar. Children and pensioners spend the least amounts of money, while citizens of Moscow and St. Petersburg spend the most.

PICTURE 3. PREFERENCE OF FILMS BY AGE GROUPS ACCORDING TO THE COUNTRY OF PRODUCTION



PICTURE 4. AVERAGE COST OF ONE VISIT TO THE CINEMA INCLUDING CINEMA BAR IN CITIES WITH DIFFERENT POPULATIONS



The usual cold drinks and different types of popcorn are most in demand at the cinema bar. On average, Russian viewers buy two products.

most mentioned online source of news and entertainment is VKontakte social network: it takes the lead over other online sources by a large margin.

CINEMA AND MASS MEDIA

The vast majority of viewers (90%) gets information about films online, 63% – inside the cinema and 43% – outside the cinema.

A half of the audience chooses films based on the trailers in cinemas, so the respondents are loyal to viewing that content before screening – 66% of the audience like cinema announcements. Only 14% of viewers like the commercial promotional videos, while 8% of the respondents purposely enter the cinema hall later in order to avoid watching those promotional videos (however, only 2% of viewers are late for the cinema viewing).

Young audiences notice all channels of information about films (online, inside the cinema, and outside) equally, while adults, on the contrary, have little interest in information about films in general. In big cities, people get more information about films from offline sources.

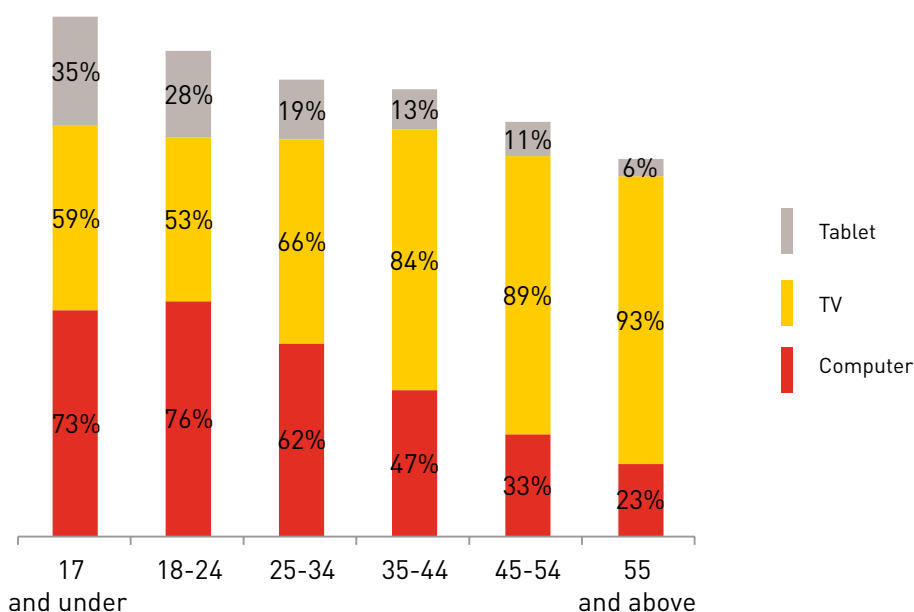
The Internet is also the most popular source of information and news in general (84% of cinemagoers use it), followed by mass media: television (47%), radio (28%) and the rapidly disappearing print media (11%). The

HOME VIEWING

Computers and TVs are devices on which 65% of the respondents watch films at home; mobile devices are noticeably behind the two leaders – only 23% of respondents use them. Comparing these results with the 2011 survey, when computers and TVs were as popular as nowadays, and mobile devices got 10 times less followers than the leaders, today this gap has decreased to 2.8 times, which can be explained by the spread of tablets. Young cinemagoers actively use different devices for home viewing and people of age mostly prefer the TV.

Among the channels uploading content to devices, the top leader is the Internet (more than 60% of respondents use it; its popularity has grown since 2011 – at that time the share of its followers was 54%). Online viewing is slightly ahead of file downloading. CD films have become less popular over the last 5 years: in 2011, 36% of cinemagoers used them, but now only 14% use CD films. In 2011, 50% of respondents watched free TV, while 54% did so in 2016. The popularity of Smart-TV and mobile device applications has grown too, as 23% of cinemagoers already use them.

PICTURE 5. USING NON-CINEMA VIEWING DEVICES BY AGE GROUPS



People mostly watch on-air TV channels (54%) and films on TV, as well as films downloaded from the Internet (40%); Smart TV applications lag behind the second position twofold. Free TV channels are mostly viewed by elderly people. Smart TV, cable TV and torrents are more often used in small towns having problems with the quality of air broadcasting, which forces people to get connected to paid media operators. On computers, people often watch in stream mode: in this case, torrents recede into the past. Preloading of files dominates on mobile devices.

Today, ivi.ru is the leader among cinema websites and applications, but kinogo.club, a resource with illegal content, is very close behind. At the same time, the popularity of legal and illegal video-on-demand services named by viewers is similar (65% each).

76% of cinemagoers do not pay for content in the Internet and applications; only 10% pay (they prefer a subscription); the others do not use the Internet channels for watching films. We would like to point out that the situation with the purchase of paid content has improved slightly over the past five years: in 2011, the difference in proportions between those who used paid video services and those who watched films on free websites was a factor of 13, while in 2016 it decreased to a factor of 8. At the same time, the number of people in both groups has increased significantly because of the spread of broadband Internet access.