

Candy, Cocktails & Cinema Cuisine in 2018



Welcome

“Welcome to the 2018 National Association of Concessionaires (NAC) study for Movie Theatres. We are delighted to partner with NAC to bring you a unique study that encompasses the latest ideas and trends towards growing profits in movie theatres.

From our patent-pending **MIDLAY™** and mobile image recognition software to the latest in guest experience lobby research, and our unique interactive **SM@RT Insights™** platform, **SurveyMe** has something for everyone who wants to see life through the eyes of their guests in real-time at the moment they experience the concession stand.

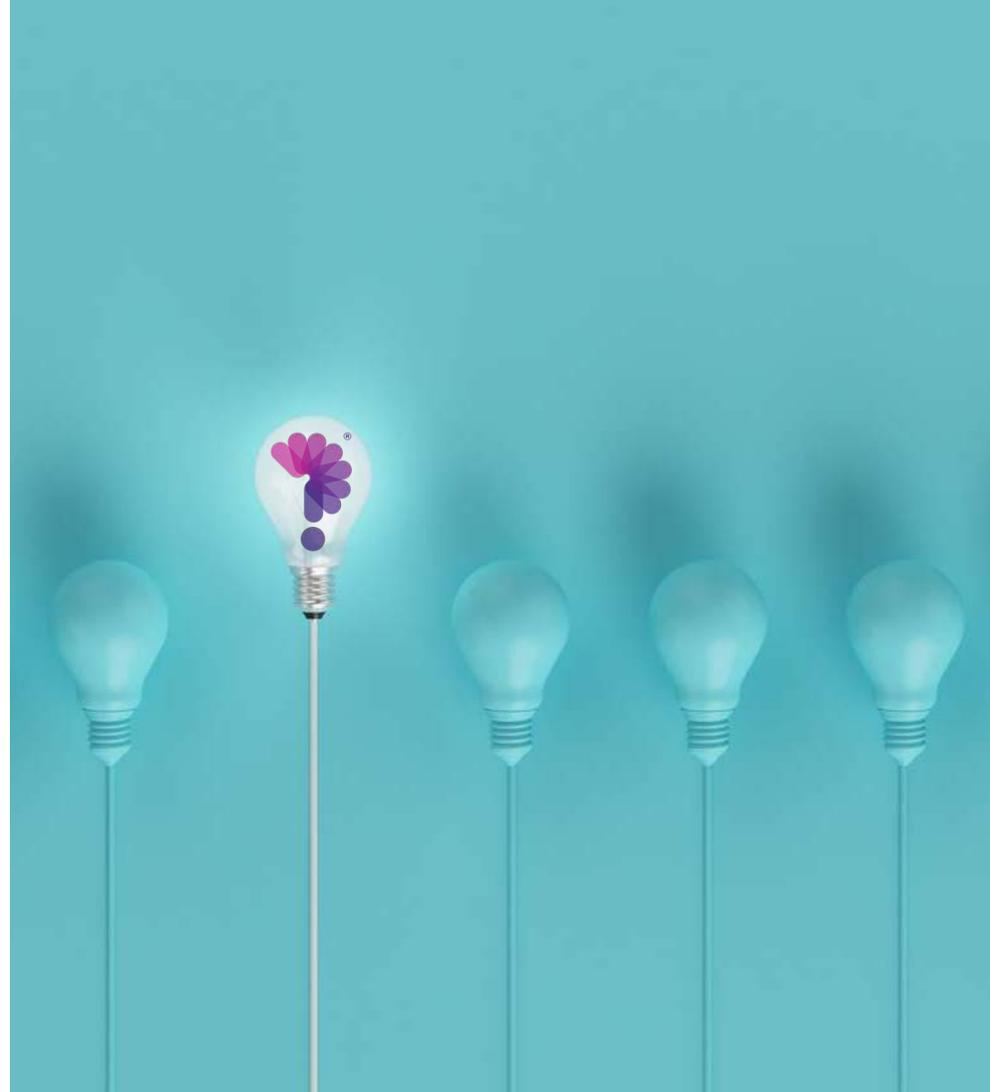
While we've analyzed feedback from over **10,000 moviegoers** to provide some national insights on the latest trends, we hope what you read here also inspires you to explore the same with your guests in each of your theatres. My team of Client Experience Experts are ready to help you when you decide to listen differently.”

Lee Evans
CEO, SurveyMe Inc.



Background

- **In recent years**, there has been a continuing trend for movie theatre circuits to introduce increasingly sophisticated food and alcohol service options for guests. Working with the NAC Board and a panel of experienced US exhibitors, SurveyMe crafted the questions and then had our network of engaged moviegoers across the USA give their thoughts about concessions, alcohol service, and in-theatre dining.
- **We explore:** what is the target audience for alcohol and dine-in service?
- **We compare:** how do loyalty and non-loyalty program moviegoer views differ on these subjects?
- eSports gaming is something new that some circuits are starting to explore as “event” cinema. While it is at an early stage, we test the popularity of eSports gaming with moviegoers in 2018.



Research Methodology

- **Between January and March 2018, 10,242 moviegoers from 35 States** (excluding Utah) across North America were asked 13 questions about their concession experience.
- SurveyMe software automatically recorded the time, date and geo-location of each response to verify their accuracy and completeness.
- Results were analyzed by age, gender and whether the guests are movie theatre loyalty program members. SurveyMe experts used the **SurveyMe SM@RT Insights™** Interactive Dashboard.
- Within this study, where relevant, we have cross-referenced other specialized nationwide movie theatre guest studies, which SurveyMe has also completed in the last 12 months.
- Finally, results have been sense-checked by exhibitors and professionals with unparalleled concession industry experience.



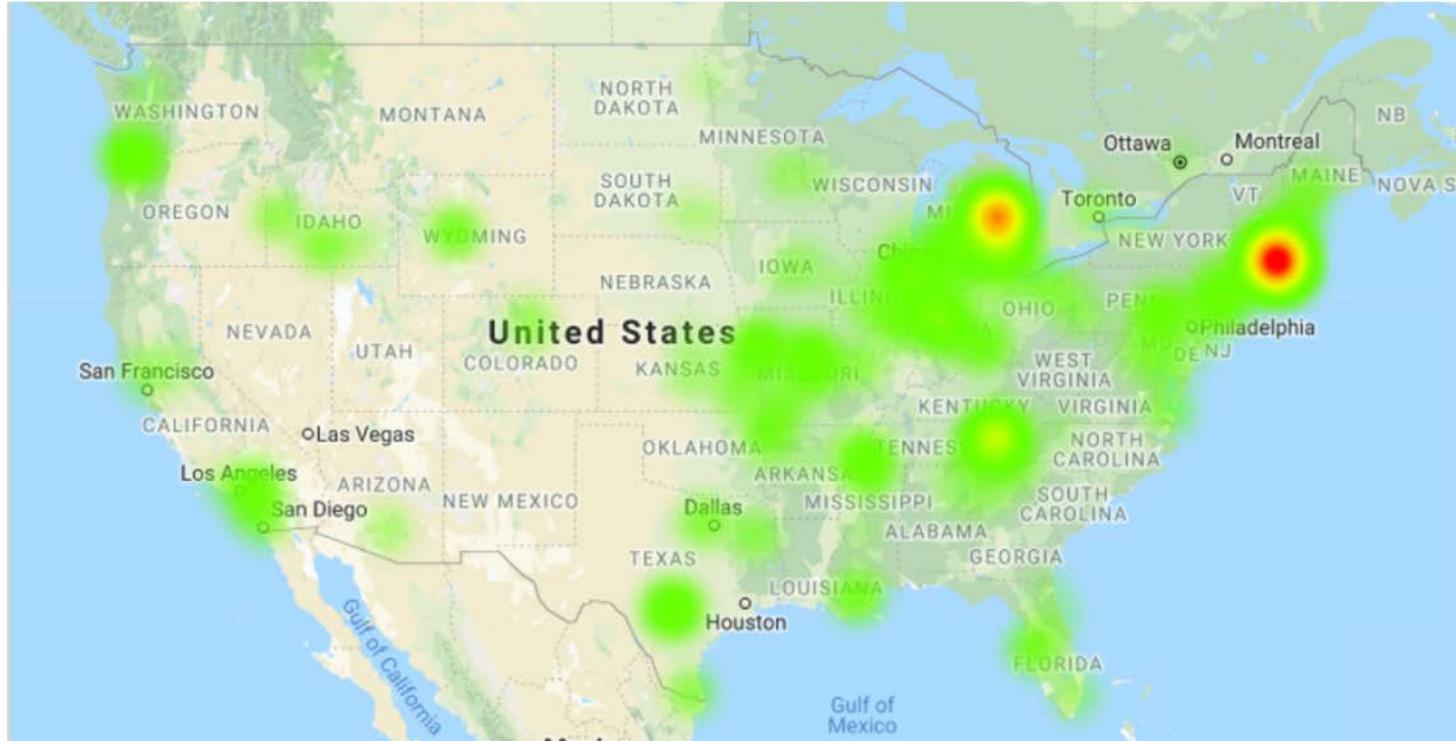
The 13 Questions That Were Asked

- Q1** “How soon do you arrive at the theatre before a movie?”
- Q2** “How often do you visit the concession stand when you visit a theatre?”
- Q3** “If you choose not to visit the concession stand, what is the main reason why?”
- Q4** “What do you usually buy at the concession stand?”
- Q5** “Which item(s) would you like to see added to the concession stand?”
- Q6** “What candy do you like to mix with your popcorn?”
- Q7** “How much do you usually spend at the concession stand?”
- Q8** “Which of these rewards would best incentivize you to visit the concession stand or bar?”
- Q9** “On a scale of 0-10, how likely are you to attend a dine-in theatre versus a theatre with no dining?”
- Q10** “If you are more likely to attend a dine-in theatre over a regular theatre, please explain why.”
- Q11** “On a scale of 0 to 10, how likely are you to prefer a theatre that features alcohol service?”
- Q12** “If you do prefer alcohol service, which alcohol do you prefer?”
- Q13** “On a scale of 0-10, how likely are you to attend an eSport video gaming event put on by a movie theatre near you?”

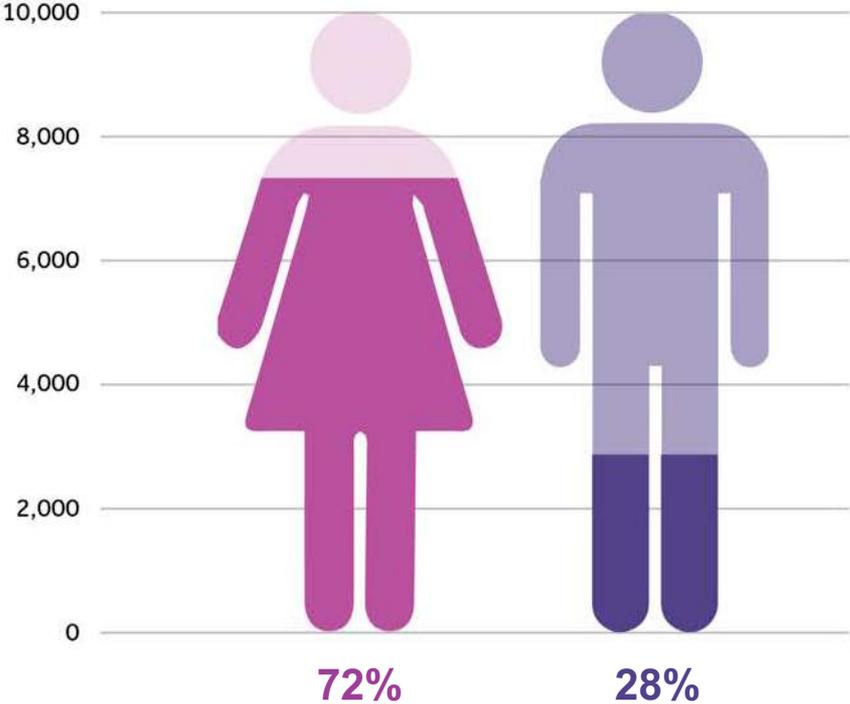
Research Demographics



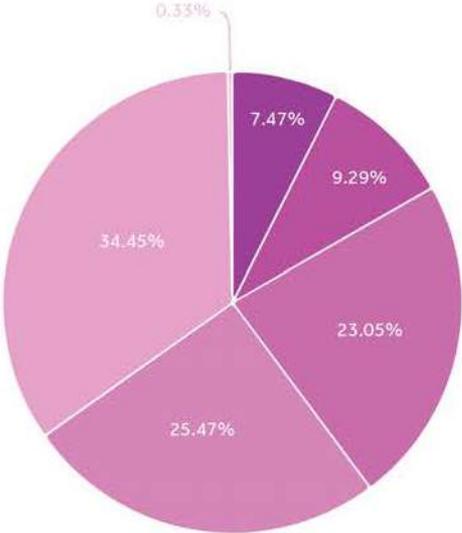
Over 10,000 Respondents in hundreds of theatres across 35 States



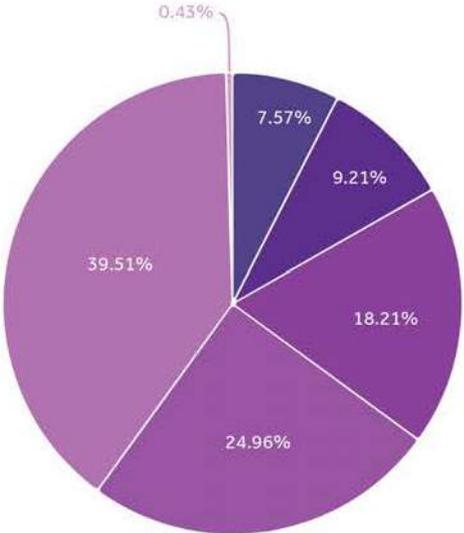
Respondents Analyzed by Gender



Respondents Analyzed by Age & Gender



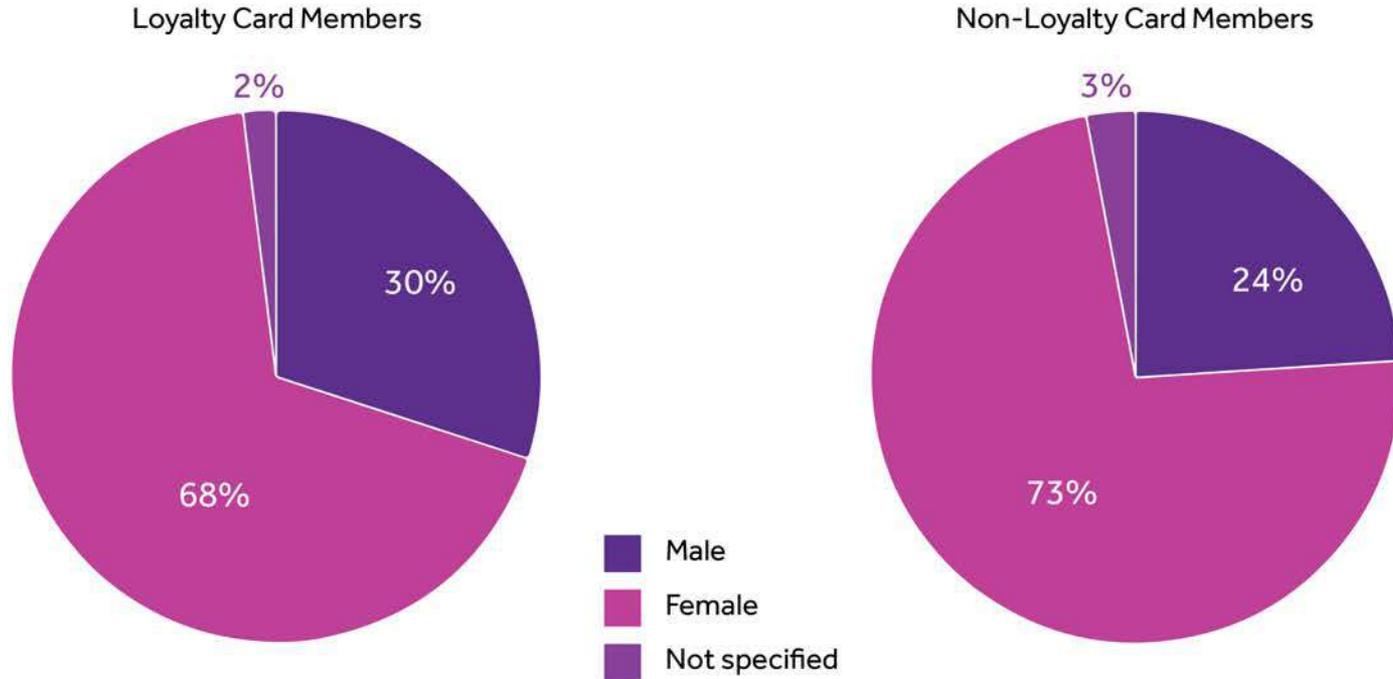
Females



Males

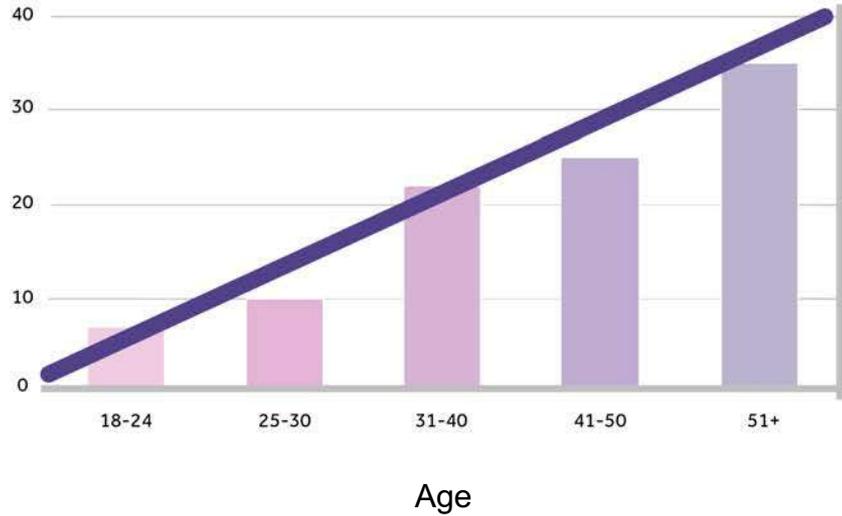


Loyalty card vs. Non-loyalty program respondents by Gender

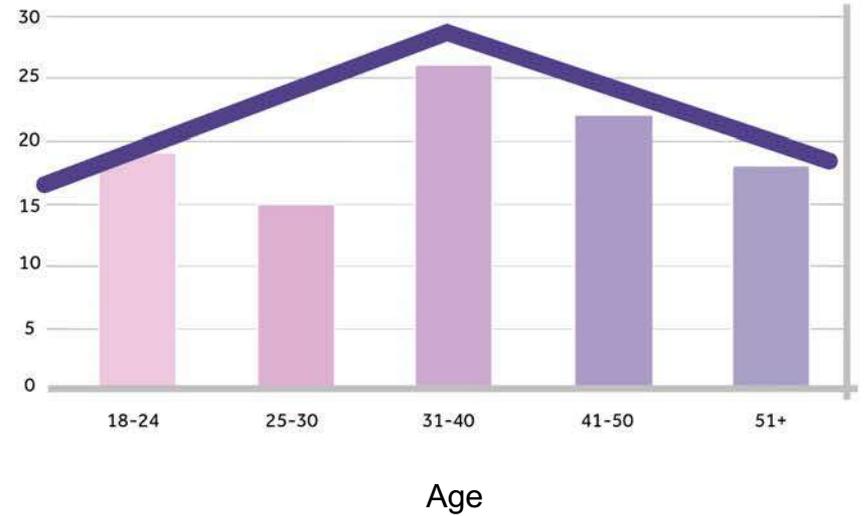


Loyalty card vs. Non-loyalty program respondents by Age

Loyalty Card Members



Non-Loyalty Card Members



General Insights: Respondents by Age & Gender

- ✓ **72%** of ALL respondents were Female.
- ✓ **28%** of ALL respondents were Male.
- ✓ **82%** of ALL respondents were over 30 years old. Statistically, moviegoers who are over 30 years old are more likely to dine out frequently than those under 30 years old.
- ✓ Of all US age demographics, 35-44 year old consumers spend the most money on food away from home at **\$7,483**. This accounts for **43%** of their total food expenditures. Hence this study has a sample bias towards respondents over 30 years old.
- ✓ **34%** of ALL respondents were Rockstars* (i.e. 31-50 year old Females). Rockstars have the highest average transaction value (ATV) at movie theatre concession.
- ✓ **36%** of ALL respondents visit the concession stand every time they visit.
- ✓ **26%** of ALL respondents visit the concession stand occasionally to frequently.
- ✓ **36%** of ALL respondents visit the concession stand infrequently.
- ✓ Only **2%** of ALL respondents **NEVER** visit the concession therefore making the study sample statistically relevant.

* Source: SurveyMe study, Rebels, Rockstars & Reliables (2017). We provide a profile on Rockstars in the appendix of this presentation.

Loyalty Program Respondents by Age & Gender

- ✓ **56%** of ALL respondents stated whether or not they are loyalty program members.
- ✓ **70% (3,990)** of those respondents who answered, said “yes” that they are currently theatre loyalty program members.
- ✓ Moviegoers over 30 years old are more likely to be loyalty program members than those under 30 years old.
- ✓ **36%** of all respondents are defined as Reliables* (i.e. Males & Females, over 51 years old).
- ✓ **38%** of loyalty program members are in the Reliable age demographic.
- ✓ **7 out of 10** Reliables are extremely likely to visit the concession stand.
- ✓ Females **Over 51** are the demographic that will most readily engage with an email campaign.
- ✓ **34%** of all respondents are defined as Rockstars.*
- ✓ **33%** of loyalty program members are in the Rockstars demographic.

Overview of Loyalty Program vs. Non-loyalty Respondents

- ✓ There is **NO DIFFERENCE** between the average amount of time loyalty program and non-loyalty program moviegoers arrive before a movie starts.
- ✓ Non-loyalty program moviegoers are **6% MORE LIKELY** to prefer a movie theatre with alcohol service.
- ✓ Non-loyalty program moviegoers are **10% MORE LIKELY** to prefer dine-in service at the movie theatre.
- ✓ **26%** of loyalty members are motivated by, “Buy 1 Get 1 **FREE**” (BOGO) compared with **37%** non-loyalty guests.
- ✓ **22%** of loyalty members preferred “**FREE** bonus item with any product purchase” offers as incentives to visit the concession more often compared with **15%** of non-loyalty program guests.
- ✓ Loyalty card members **over 51** spend the least at the concession stand at **\$16**.
- ✓ On average, loyalty card moviegoers spend **\$1.69 (8%) LESS** than non-loyalty program moviegoers.

Which rewards would **best incentivize** you to visit the concession stand or bar?

Motivated by “Free”

- Overall, “Buy 1 Get 1 Free” is the most popular reward offered (**28%**).
- **28%** of Millennials (Rebels*) preferred a BOGO offer, closely followed by “Free Item with Drink Purchase” (**25%**).
- For Females between ages **31-40**, the top 2 reward choices were: “Buy 1 Get 1 Free” (**33%**) and “Free Bonus Product” (**20%**).
- When looking at the responses per age group, “Discount” scored highest for those Over 50 (**27%**), closely followed by “Buy 1 Get 1 Free” (**26%**).



CANDY



*“How **soon** do you arrive at the theatre before a movie?”*



18-24



25-30



31-40



41-50



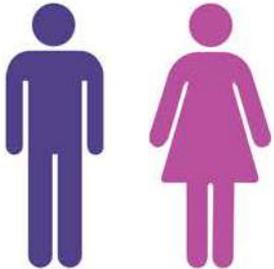
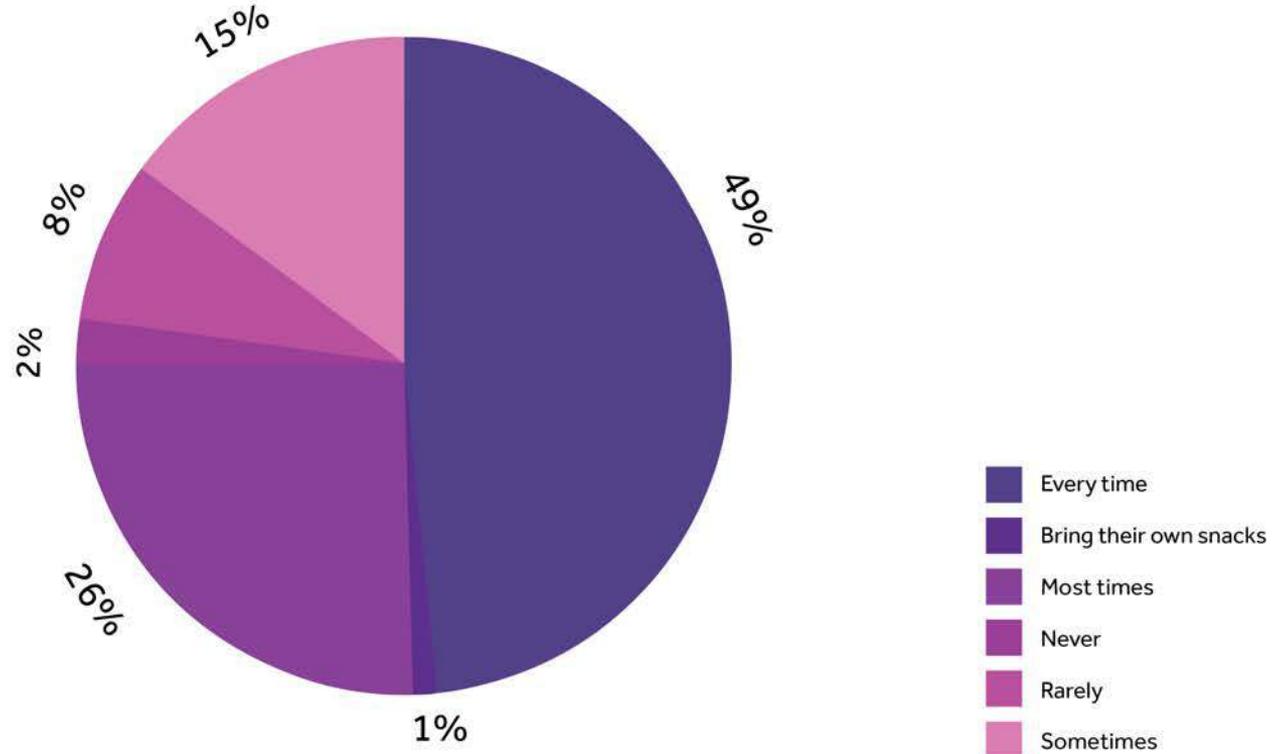
>51

 = 15 minutes

Why Concession line management is essential

- ✓ The average arrival time across all age groups is **19 minutes 23 seconds** before scheduled showtime.
- ✓ There is no significant difference between Male and Female average arrival times.
- ✓ 18-24 year old moviegoers arrive earliest, on average, but they are also the least likely to visit the concession.
- ✓ Overall, moviegoers Over 51 years old arrive the closest to showtime (**18.52 minutes**) but they are the most likely to visit the concession. Male moviegoers in this group arrive the closest to showtime (**18.43 minutes**).
- ✓ 31-40 year old Female Rockstars arrive **19.58 minutes**, on average, before the movie starts and are likely to spend the most per concession visit (**\$21.75**), **18%** above the ATV.
- ✓ Where in-theatre dining or alcohol service is available, another SurveyMe study* shows that **28%** of moviegoers spend most pre-screening time in these locations versus **22%** who spend most time in the auditorium and **14%** who spend time in the general lobby area.
- ✓ **25%** of Females who arrive **10-15 minutes** before showtime also **visit the concession stand every time** versus only **12%** of Females who arrive at least **30 minutes** early. This suggests a tendency toward impulse buying.
- ✓ However, those who arrive between **0-20 minutes** before showtime typically visit the concession stand **the most frequently (23%)** versus those who arrive more than **30 minutes** early (**11%**).
- ✓ **20%** of Males who arrive **10-15 minutes** before showtime visit the concession stand every time versus **11%** of those who arrive at least **30 minutes** before showtime.

“How often do you visit the concession stand when you visit a theatre?”



Female moviegoers most frequently visit the concession

- ✓ Over one-third (**36%**) of all respondents said “not applicable – I always visit the concession stand.”
- ✓ The average amount spent at the concession stand across the country is **\$19**. Females 31-40 typically spend approximately **\$20**.
- ✓ Females are slightly more likely to visit the concession (**28%**) than Males (**23%**) at some point.
- ✓ **49%** of all respondents state they visit the concession “every time,” **26%** visit “most times.”
- ✓ **34%** of Rebels say they visit the concession “every time.”
- ✓ **52%** of Females visit the concession stand **every** time versus **43%** of Male moviegoers.
- ✓ **54%** of 41-50 year olds are likely to visit the concession stand “every time.”
- ✓ **57%** of 31-50 year old Rockstars visit the concession stand “every time.”
- ✓ Males are **25%** more likely to be infrequent concession stand visitors than Females.
- ✓ Those that frequently purchase an item at the concession stand arrive, on average, **2 minutes** sooner than those who rarely purchase from the concession stand.

Older moviegoers are most likely to visit concession

- ✓ **1 in every 2.6** respondents over 51 visit the concession stand “every time.”
- ✓ Out of all Male demographics, over 51 Males are the most likely to visit the concession stand every time (**50%**) and they also arrive the latest to the theater.
- ✓ Relatively speaking, the older you are the more likely you are to visit the concession stand frequently.
- ✓ **85%** of the Reliables purchase only popcorn and soda*.
- ✓ Only **15%** of Reliables buy anything other than popcorn and soda*.
- ✓ Reliables are **most** likely to associate the purchase of popcorn & soda with the movie theatre experience.
- ✓ Reliables spend the **least** on alcohol proportionate to all other demographics.

“How much do you usually spend at the concession stand?”

Average Transaction Value by Age Group

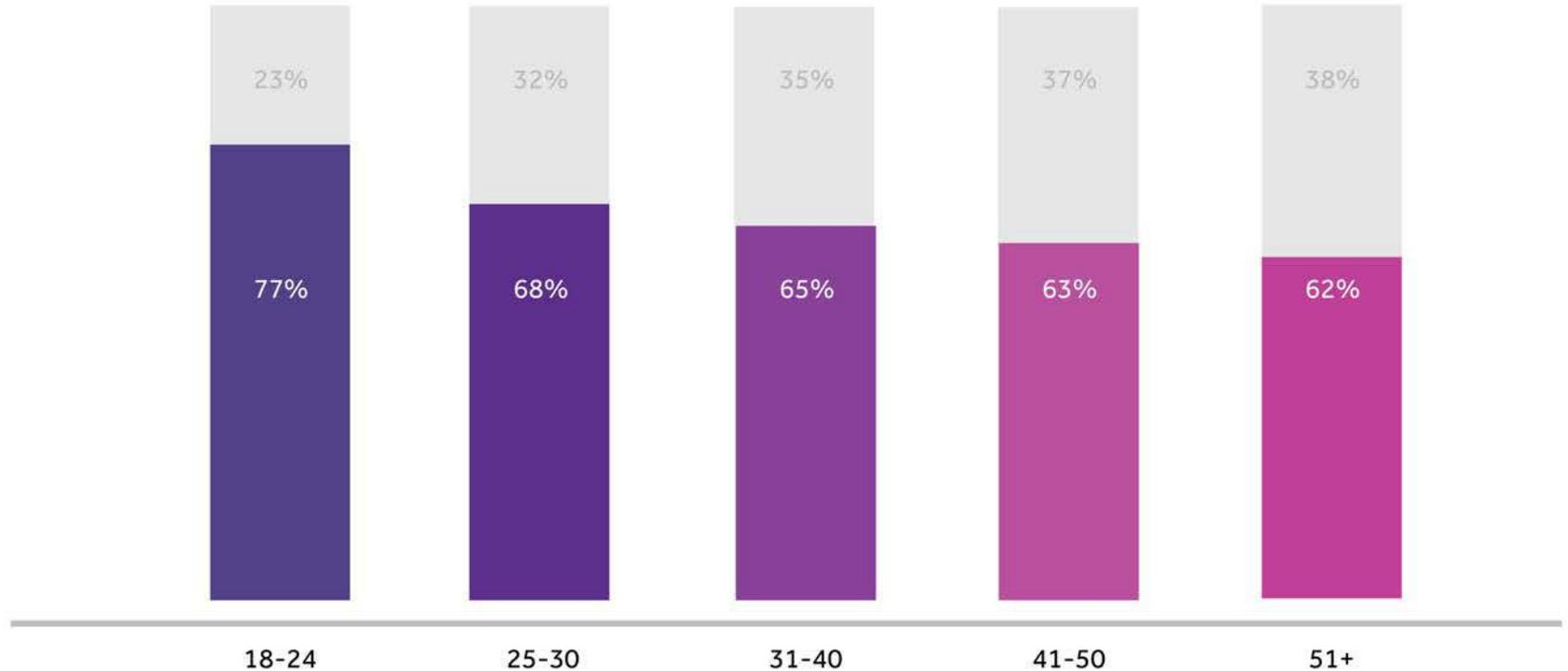


Males & Females agree on what stops them visiting the concession

- ✓ Of those (64%) who cited a reason for not visiting the concession, there is no significant difference between Males and Females when it comes to the order of reasons why moviegoers choose not to visit the concession.
- ✓ Almost two-thirds (65%) cite “too expensive” as the main reason for not visiting the concession. This is the only factor where there is a discernible difference between Females (66%) and Males (63%). This suggests a more marginal price elasticity for Males but nothing significant enough to become an actionable insight.
- ✓ “Lines are too long” is the second most important factor cited by 16% of BOTH Males and Females.
- ✓ Equally both Males and Females (6%) cite, “They don't offer any food I like” -- i.e. product range (39% of those responses came from those over 51). Given the space issues plus stock-keeping costs at most theatre concessions, this falls into the category of the costs likely outweighing the benefits of micro-managing selections in order to suit everyone. Additionally, the wider variety, sophistication and menu flexibility of in-theatre dining will probably accommodate almost all of the 6%.

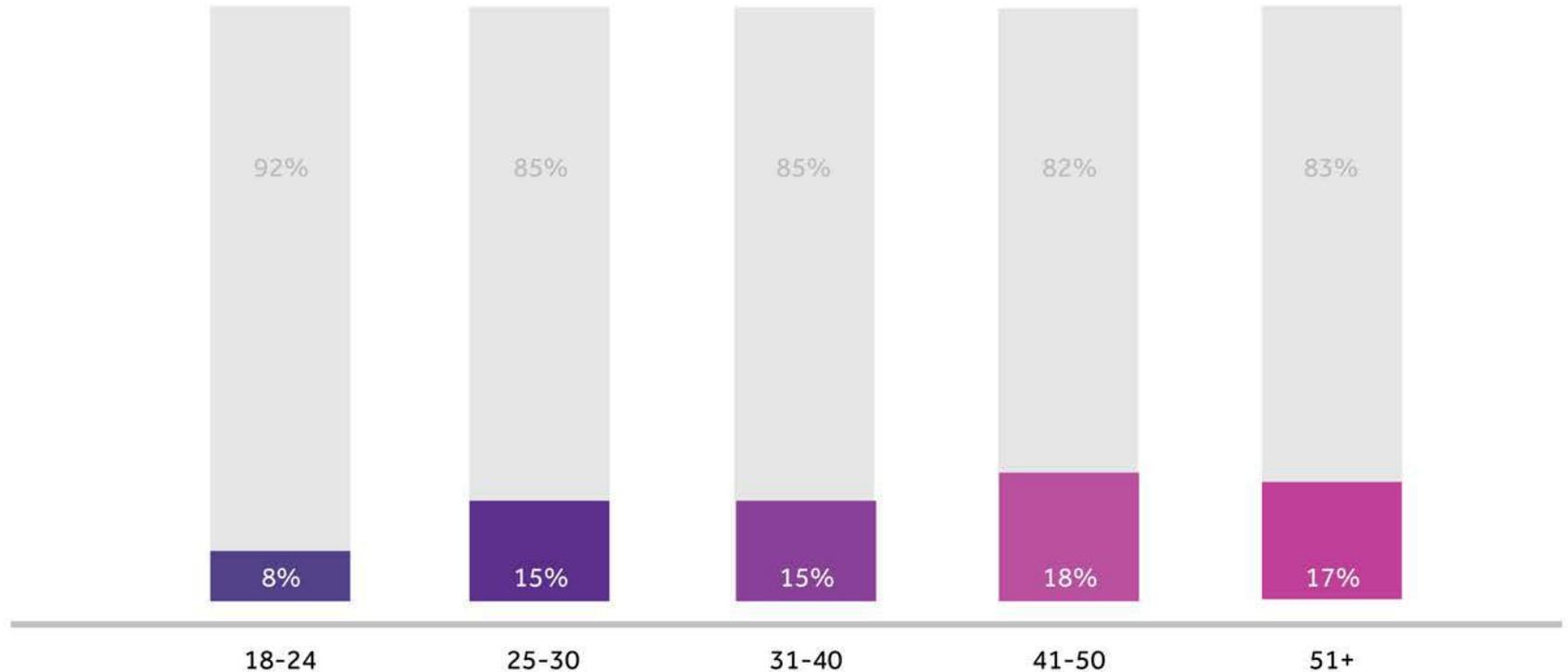
Price elasticity **decreases** as moviegoer ages **increase**

Percentages by Age relative to all other stated factors



As moviegoer ages increase, long lines are a greater barrier

Percentages by Age relative to all other stated factors



Analyzed by Age, it's a different story!

- ✓ While “too expensive” is the number one reason given by all age demographics, the older moviegoers are, the more other factors are equally cited.
- ✓ The older moviegoers are, the more likely they are to complain about high concession prices, but the less sensitive they are to higher prices.
- ✓ Youngest moviegoers cite prices being “too expensive” as their number one reason. **76%** of 18-24 year olds cite it as the main reason.
- ✓ **46%** of Rockstars say “too expensive” is their main reason for not buying anything, they are **12%** more likely than the average moviegoer to choose a dine-in option.
- ✓ Millennials cite price more than 7 times out of 10 as the main reason for not visiting the concession.
- ✓ After “price,” the only other significant factor for all age groups is the line factor, i.e. “lines are too long.”
- ✓ **43%** of those Over 51 say “I always visit the concession” whereas only **16%** of Millennials say the same.
- ✓ Long lines are more of a demotivating factor the older the moviegoer is. **11%** of Under 30s state line times deter them whereas **17%** of Over 40s state line times stop them from visiting the concession.

Millennials – It's Complicated!

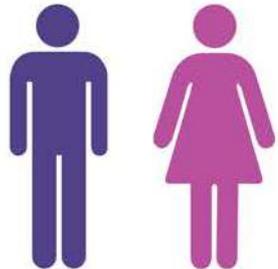
- ✓ Millennials will spend an average of **\$19.40** at the concession stand.
- ✓ **62%** of moviegoers who admit to sneaking food in to a movie theatre are Millennials.*
- ✓ **39%** of 18-24 year olds bring their own snacks to the theatre.
- ✓ The #1 reason why **69%** of Millennial respondents do not purchase food is that “concession food is a bad value.”*
- ✓ **43%** state they'd “rather spend money elsewhere.” On further investigation, this comment is far more about experiential and social value than simply a price issue. Millennials are willing to pay the same price (AMC pizza \$8.79 versus fast-casual B-Y-O Pizza \$8.75) and up to a 25% premium over movie theatre pizza prices in adjacent “build-your-own” (BYO) fast-casual pizza restaurant. The main reasons given were ability to customize, personalize, experiment and share pizzas at a table between friends.
- ✓ **23%** of 18-24 year olds did say that one of the reasons they didn't purchase anything is because concession stands “don't have the food I want.”
- ✓ Relative to other answers, **21%** of Millennial respondents stated they most want to buy fries at the movie theatre, followed by ice cream (**14%**) and pizza (**11%**) as a new concession item at a movie theatre. These are all typically customizable indulgence foods which need to be consumed immediately after purchase, making them difficult to sneak in and more palatable to buy within a movie theatre than an adjacent business.

What Build-Your-Own Pizza Lovers Say...

- SurveyMe asked 1,400 guests from a nationwide “B-Y-O” pizza chain, how likely they would be to purchase the same pizza if it were available at a local movie theatre.
- Where 0 = “not at all” and 10 = “extremely likely”, on average, with a score of 8.8 the whole demographic would be likely to purchase pizza at the cinema. The 17-20 year olds group had the highest rating **(9.1 / 10)**.
- The 21-29 year olds group were most engaged (**48%** of responses). This group had the second highest score **(9.0)** saying they'd purchase pizza at the cinema. Males are slightly more likely than Females to prefer pizza at the cinema.
- Their loyalty program members (**80%** of respondents) averaged **9.0 / 10** on how likely they'd be to buy B-Y-O pizza if available at their preferred movie theatre.



“What do *you* usually *buy* at the concession stand?”

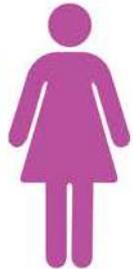


38% of moviegoers buy popcorn

What **Males** buy at the concession



What Females buy at the concession



The Big Four

- ✓ The “Big Four” most popular concession products that moviegoers buy are Popcorn (39%), Soda (33%), Candy (12%), ICEEs (5%).
- ✓ 90% of those Over 51 purchase at least ONE of the top four items, with popcorn being the most popular.
- ✓ The percentage of people purchasing popcorn and soda goes up with age with Over 51s being most likely to purchase Popcorn and Soda.
- ✓ Almost 9 out of every 10 moviegoers who buy candy, also buy popcorn (89%) and soda (85%).
- ✓ 82% of over 51s who buy popcorn also buy soda.
- ✓ Millennials buy a relatively high percentage of items outside the Big Four -- including Pretzels, Hot Dogs, and Pizza. This suggests they are happier to try new things.
- ✓ Besides the Top Four, Pretzels, Hot Dogs, and Alcohol are the most purchased items by Females 31-40.
- ✓ Guest aged 25-30 and 31-40 are most likely to purchase alcohol. These age groups are also the most likely to attend a dine-in theatre.
- ✓ 20% of those who buy popcorn also buy candy. Finding out what candy guests mix with their popcorn is a proven way to increase ATV (Average Transaction Value).
- ✓ 27% of ALL moviegoers want to buy hot beverages at the concession, but only 0.5% of them currently do buy hot beverages (tea, coffee, hot chocolate). This suggests that these hot beverages should be options at every theatre.

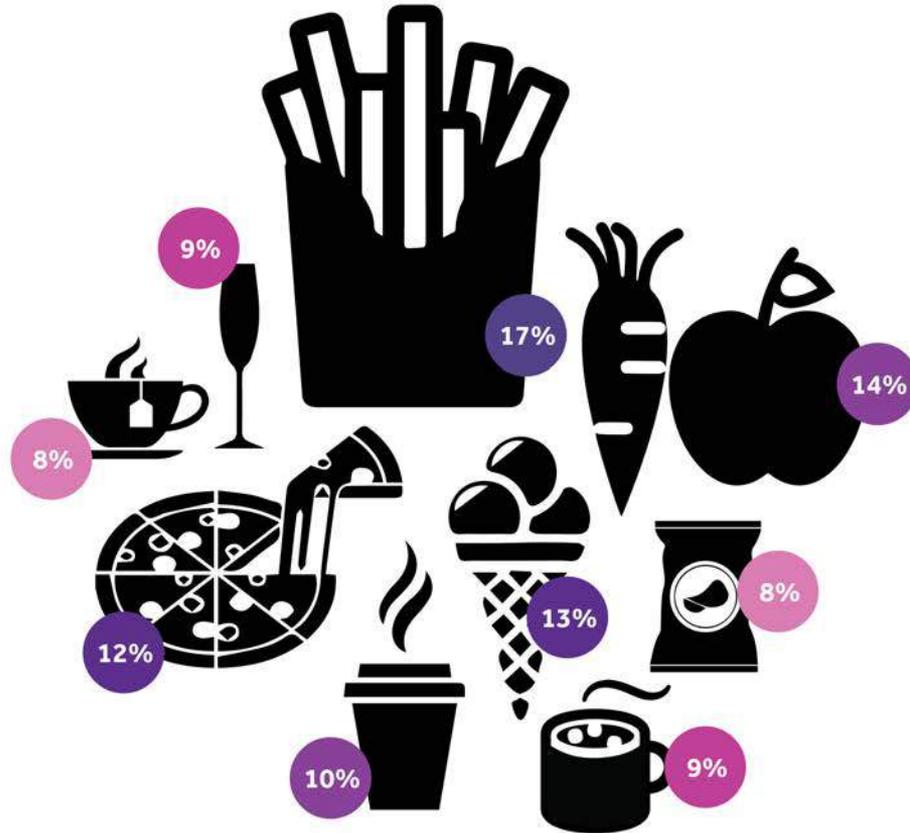
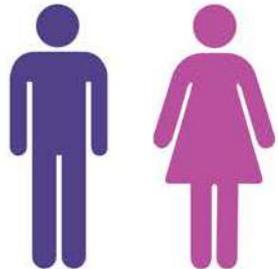
Female Moviegoers want concession indulgence

- ✓ Overall, Females want comfort food that most replicates the in-home indulgent sofa experience.
- ✓ Specifically under 30 year old Females, want comfort-indulgence foods most including French Fries (**22%**), Ice Cream (**14%**), Fruit & Veggies (**12%**).
- ✓ Females 25-30 years old differ from Females 18-24 years old by substituting Alcohol (**11%**) for Hot Chocolate (**12%**) as their fourth most desired item.
- ✓ Specifically, 30 year old Females want comfort-indulgence foods most, but they included a nod toward a healthier diet. Their order of preference is French Fries (**19%**), Fruit & Veggies (**14%**), Pizza (**12%**), and Alcohol (**10%**).
- ✓ Females 31-40 year olds differ from Females 41-50 year olds by substituting Alcohol (**10%**) for Ice Cream (**11%**) as their fourth most desired item.
- ✓ Over 51 Females are the only demographic where Fruit & Veggies (**16%**) and Ice Cream (**15%**) are more in demand than French Fries (**11%**), and Coffee (**11%**).

M&Ms are #1 candy choice to increase ATV

- ✓ Relative to all possible selections across all age groups, M&Ms are the number 1 choice of moviegoers to mix with popcorn.
- ✓ **36%** of guests prefer M&Ms as their candy of choice when combining it with popcorn, followed by Reese's Pieces **16%**.
- ✓ At SurveyMe, our experience is that **83%** of guests who receive a small popcorn as a reward for giving feedback will visit the concession within a week to collect it.
- ✓ Males & Females equally prefer M&Ms as their choice.
- ✓ Overall, out of those who chose M&Ms as their candy of choice, **36%** purchase **at least** popcorn, and **44%** visit the concession stand every time.
- ✓ Asking guests which candy they add to popcorn is not only a fun way of engaging, it becomes a talking point on social media, while increasing ATV.

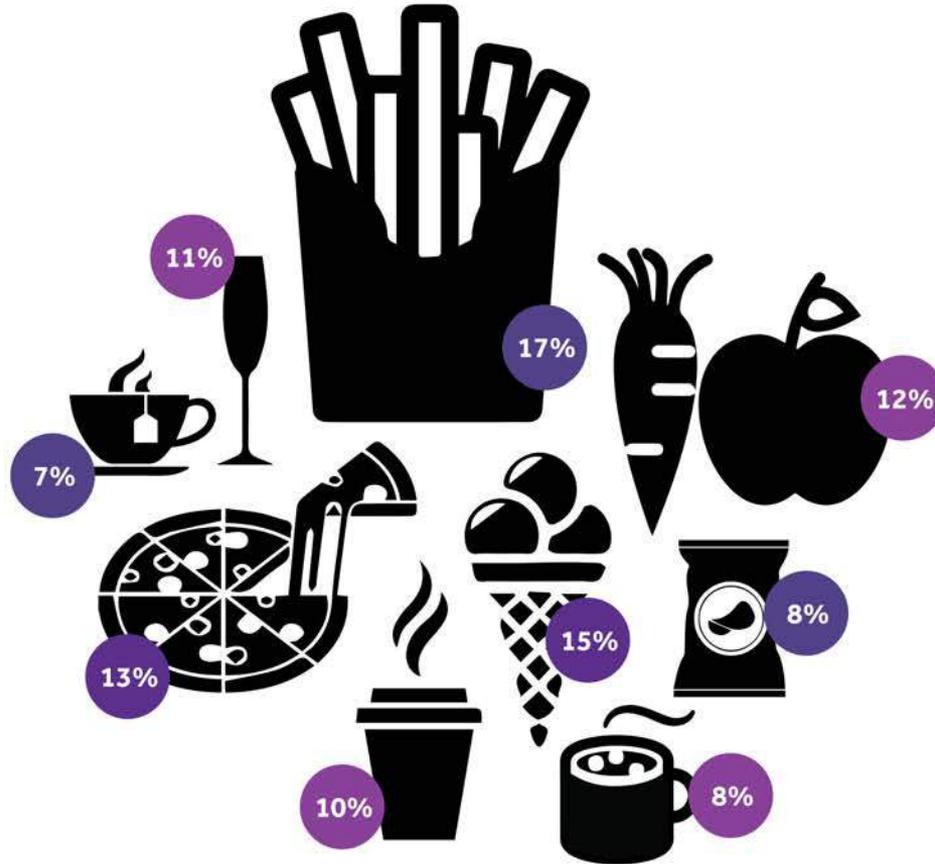
“Which item(s) would you like to **see** added to the concession stand?”



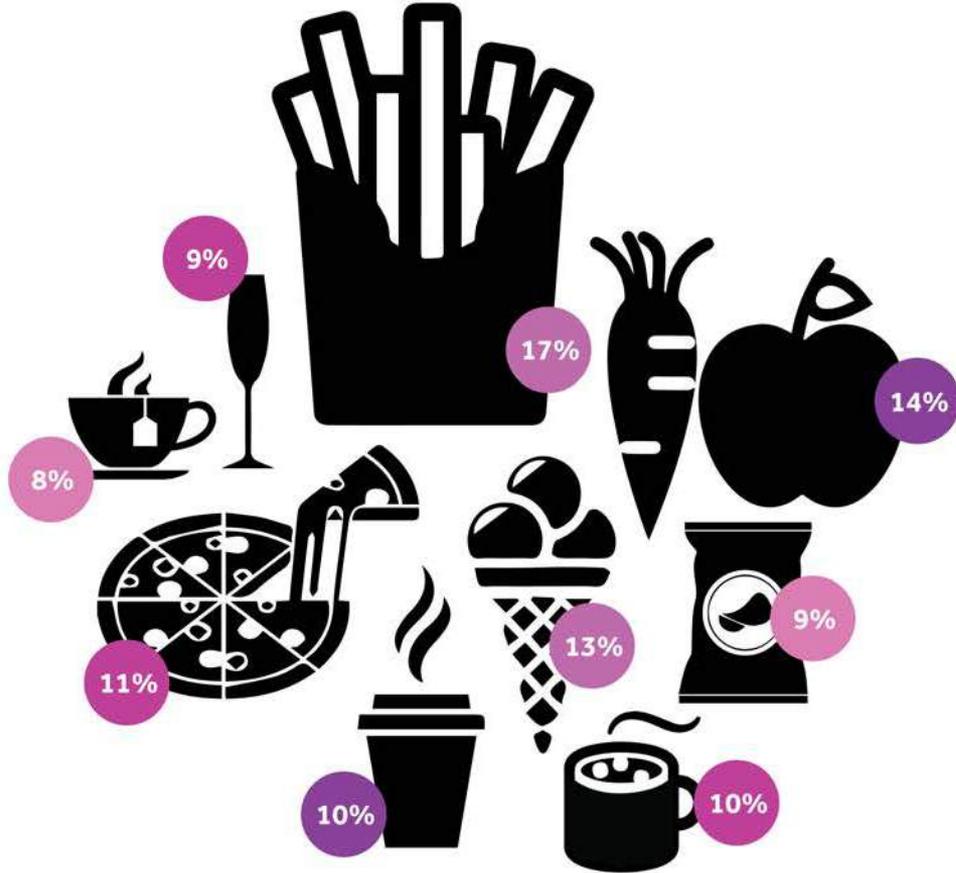
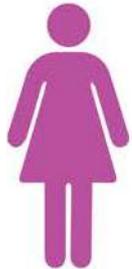
Moviegoers **want concession indulgence**

- ✓ Overall, Males and Females equally say that they want French Fries (**17%**), Fruit & Veggies (**14%**), Ice Cream (**13%**), and then Pizza (**12%**).
- ✓ French Fries is the number one food item suggestion for all age groups except those Over 51.
- ✓ For Millennials, French Fries is the number one choice for new concession items (**over 1 in 5 respondents**) followed by ice cream (**14%**) and pizza (**11%**).
- ✓ Reliables also say they want Fruit & Veggies (**16%**), Ice Cream (**15%**), and then French Fries (**12%**).
- ✓ **27%** of respondents wanted Hot Drinks (Coffee, Tea or Hot Chocolate) added to the menu. As a combined category, this is the #1 request from ALL respondents.
- ✓ **42%** of Reliables want Hot Drinks, making them the age group that most requested Hot drinks.
- ✓ Regarding hot drinks, those Under 30 want Hot Chocolate more than coffee while those Over 30 want Coffee most, then Hot Chocolate. Hot Tea ranked third for all demographics.

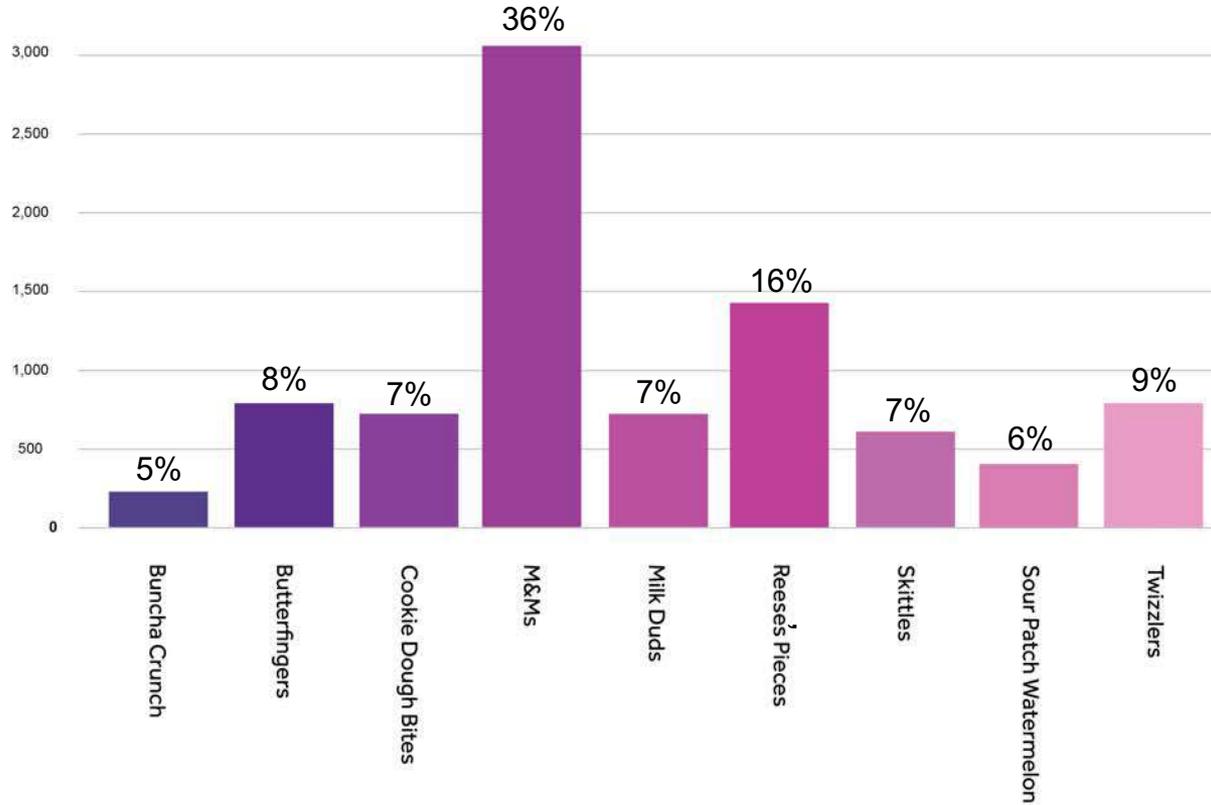
Key Facts about Males



What can we say about Females?



“What candy do you like to *mix* with your popcorn?”



Amounts spent on candy: broken down by Gender and Age



Responses from those who purchase candy

- ✓ On average, those who purchase candy from the concession stand spend about \$23.57 – 28% more than the average transaction value.
- ✓ 40% of those who purchase candy want to see French Fries added to the menu.
- ✓ 38% mix M&Ms with their popcorn.
- ✓ This group is somewhat likely to attend a dine-in theater – 11% more than the average.
- ✓ 36% of this group don't drink alcohol and therefore, they're not very likely to prefer a theater that features alcohol (averaging 4.19 on a scale of 0-10).
- ✓ 27% of responses came from 41-50 year olds and 27% came from 31-40 year olds.
- ✓ 40% identified as loyalty card members.

Responses from Females who buy candy

- ✓ On average, Females who purchase candy will spend **\$24.02** at the concession stand – **20%** more than the average female.
- ✓ **42%** of these Females would like to see French Fries added to the menu.
- ✓ **38%** would mix M&Ms with their popcorn.
- ✓ Females who purchase candy are **10%** more likely to attend a dine-in theater than the overall Female average.
- ✓ These Females are not very likely to prefer alcohol service – **9%** less than the average Female.
- ✓ **26%** of Females that purchase candy also purchase popcorn.
- ✓ **25%** of Females that purchase candy also purchase soft drinks.
- ✓ **28%** of these Female respondents were from 31-40 year olds and **21%** were from 41-50 year olds.

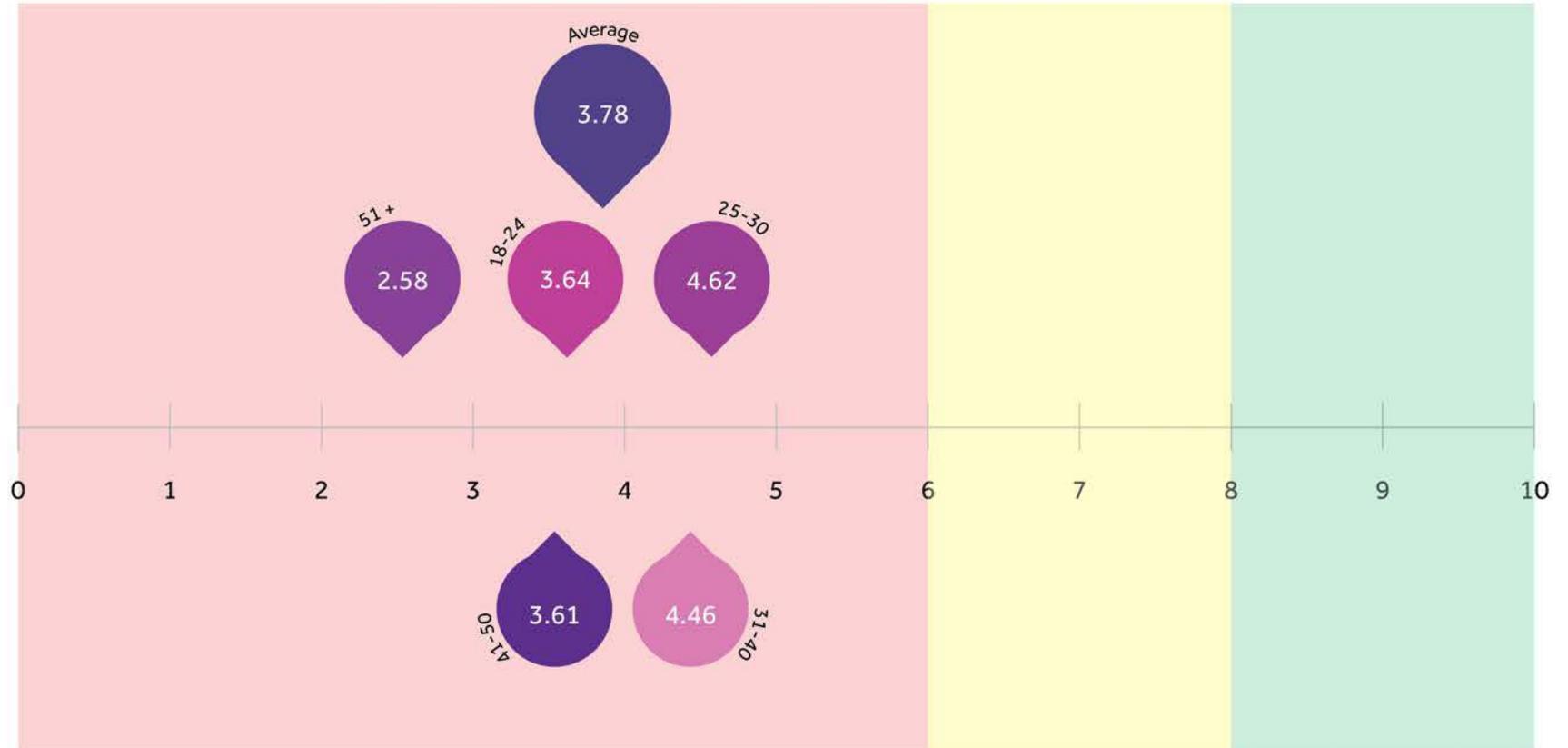
Responses from **Males** who purchase **candy**

- ✓ On average, Males who purchase candy will spend **\$22.18** at the concession stand – **29%** more than the male average.
- ✓ **35%** would like to see French Fries added to the menu followed by Pizza at **30%**.
- ✓ **40%** would like to mix M&Ms with their popcorn.
- ✓ On average, these Males are **18%** more likely to attend a dine-in theater than the overall Male average.
- ✓ This group is not very likely to prefer a theater that serves alcohol, but **22%** likelier than the overall Male average.
- ✓ **36%** of this group don't drink alcohol followed by **30%** who like to drink beer.
- ✓ **29%** of these responses came from Over 51s, **28%** from 41-50 year olds, and **22%** from 31-40 year olds.
- ✓ **26%** of those who purchase candy also purchase popcorn.
- ✓ **25%** of those who purchase candy also purchase soft drinks.

COCKTAILS



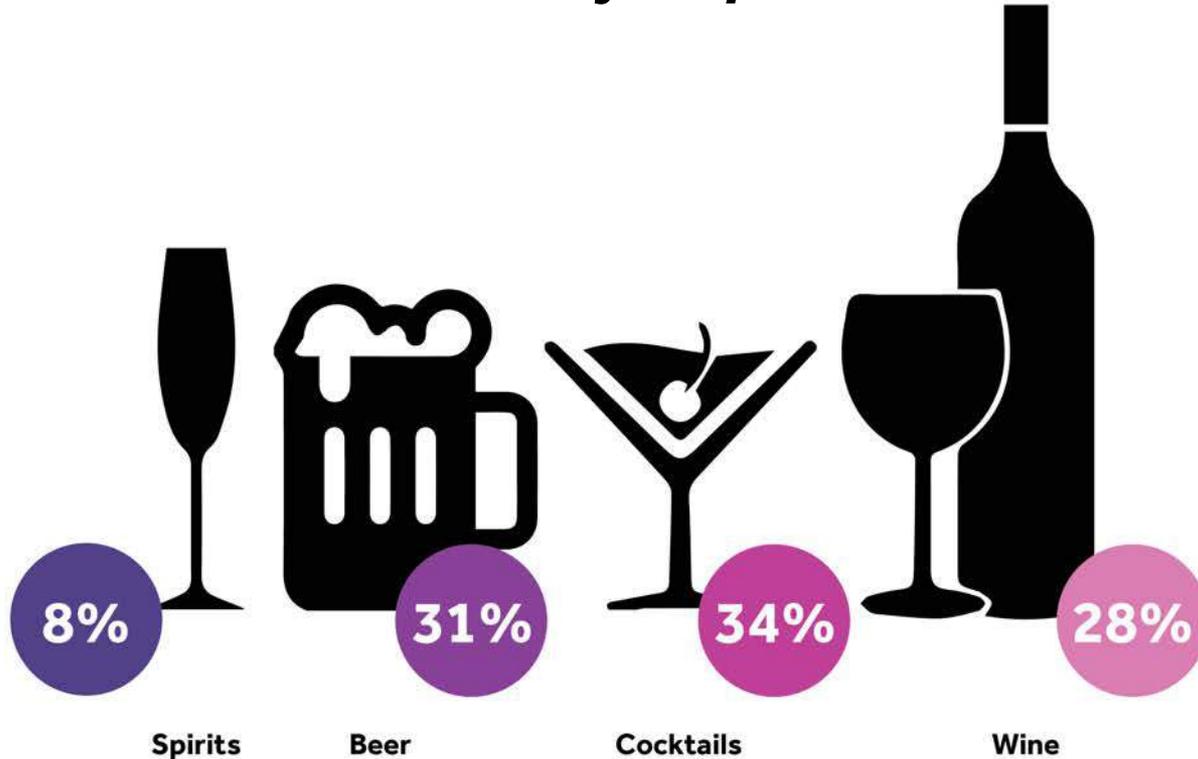
“On a scale of 0-10, how likely are you to prefer a theatre that features alcohol service?”



Alcohol will not drive additional foot traffic but will significantly increase Rockstar ATV

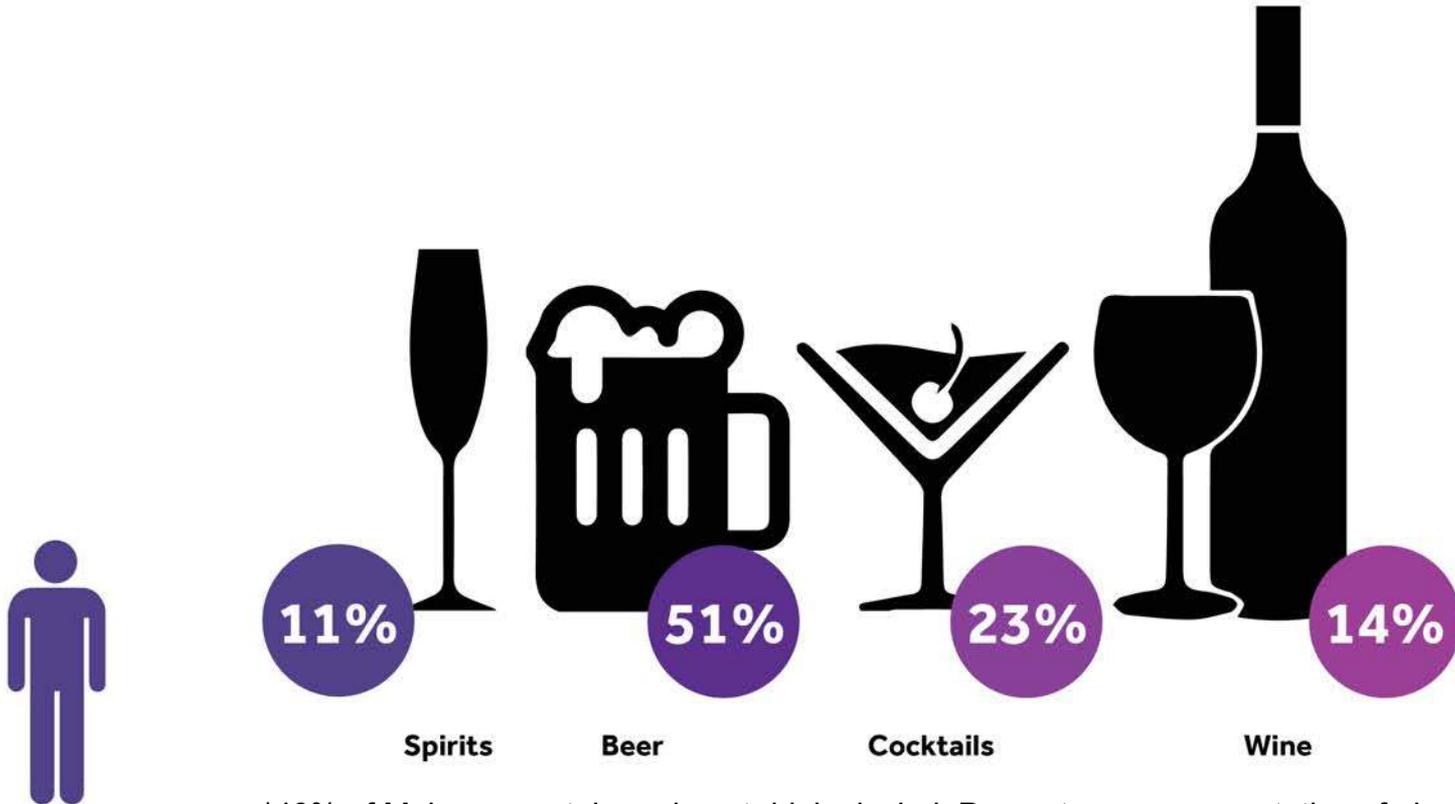
- ✓ On average, where 0 = not at all and 10 = extremely likely, the average score is **3.8** across all moviegoer age groups. This indicated that the influence of alcohol being available at a theatre to increase foot traffic is minimal. Alcohol is likely to be an additional “nice to have” option when combined with a dine-in service being available.
- ✓ The availability of alcoholic beverages is only relatively slightly more important to Males (**11%**) than Females (**9%**).
- ✓ Although **2%** of ALL respondents currently purchase alcohol, its availability does increase ATV.
- ✓ Rockstars are **22% MORE LIKELY** to purchase alcohol than the average moviegoer across all demographics.
- ✓ Over 51 year old Reliables are the least likely to buy alcohol. **32% LESS** than the average moviegoer across all demographics.
- ✓ 25-30 year old moviegoers and 31-40 year old moviegoers are equally “most likely” to buy alcohol. They are also most likely to buy dine-in at movie theatres.

“If you do prefer **alcohol** service, which alcohol do you prefer?”



*40% of respondents do not drink alcohol at the movie theatre. Percentages featured represent alcohol drinkers only.

Beer is the preferred drink for over 50% of Male moviegoers



*40% of Male survey takers do not drink alcohol. Percentages representative of alcohol drinkers only.

Cocktails are the preferred drink for Female moviegoers



*40% of Female survey takers do not drink alcohol. Percentages representative of alcohol drinkers only.

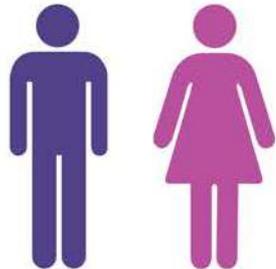
Alcohol does not drive **foot traffic** to a movie theatre

- ✓ With an average NPS score of **3.8**, alcohol is not a significant or major decision maker.
- ✓ On a scale of 0-10, those who are very likely to purchase alcohol, were **43%** more likely than the average to attend a dine-in theatre.
- ✓ **25-30 year olds** are the most likely group to want alcohol service.
- ✓ **31-40 year olds** are the second most likely group to purchase alcohol.
- ✓ Relative to all other age groups, 30-39 year olds are the most likely to spend the most time in both in-theatre bars and restaurants.
- ✓ Cocktails were the most popular alcoholic choice overall and the most popular choice for **25-30 year olds**.
- ✓ Beer was the most popular choice for 25-30 Males (**31%**).
- ✓ Cocktails were the most popular choice for 25-30 Females (**32%**).
- ✓ 25-30 year old loyalty card members are even more likely than the overall average to want alcohol service.

Moviegoers who buy alcohol are likely to attend a dine-in theatre

- ✓ On average, those who prefer to purchase alcohol and who are highly likely to attend a dine-in theatre will spend **\$23.27** at the concession stand – **23%** higher than the national average.
- ✓ Females (loyalty members or otherwise), are relatively as likely as Males to want alcohol service.
- ✓ On average, this group of 31-40 Females are somewhat likely to attend a dine-in (**averaging 7.2**) - **31%** more likely than the overall average of 31-40 Females.
- ✓ The 31-40 Females group preferred Cocktails (**38%**), Beer (**35%**), and then Wine (**20%**).
- ✓ 31-40 Males are somewhat likely as well to attend a dine-in (**6.8**) - **43%** more likely than the average for Males.
- ✓ The 31-40 Males preferred Beer (**56%**) then Cocktails (**26%**).

ATVs for moviegoers who buy alcohol - by Gender & Age



Moviegoers who buy alcohol are 39% more likely to attend a dine-in theatre

- ✓ Guests who buy alcohol are **39%** more likely than the overall average to choose to attend a dine-in theatre versus a regular theatre (score = **6.7**) versus an average score of **4.8** for all demographics.
- ✓ On average, moviegoers who buy alcohol spend **\$24.11** on concessions, **27%** more than the average ATV.
- ✓ On a scale of 0-10, this group is very likely to want to attend a theatre that provides alcohol service (averaging at **8.4**).
- ✓ **34%** of these respondents prefer cocktails, **31%** prefer beer and **26%** prefer wine.
- ✓ **34%** of respondents are from the 31-40 age group. **37%** of 31-40 year olds want beer and **37%** want cocktails.
- ✓ 31-40 year olds are **49%** more likely to choose to attend a dine-in theatre (average **7.2** on a scale of 0-10).
- ✓ **33%** of 41-50 year olds want Cocktails, **30%** want Wine, and **29%** want Beer.
- ✓ On average, 31-40 year olds spend **\$24.38** at the concession stand.
- ✓ On average, 41-50 year olds spend **\$25.16** at the concession stand.

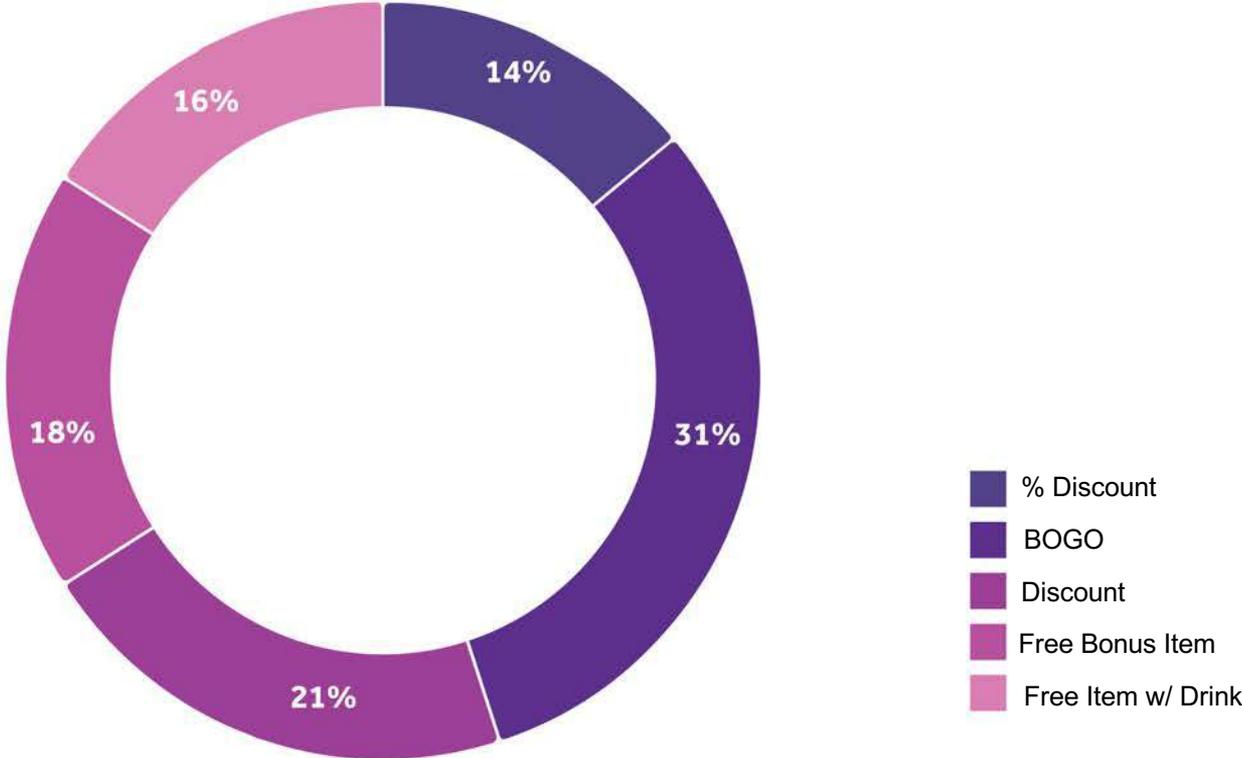
Females who buy alcohol spend 32% more at the concession

- ✓ On average, Females who purchase alcohol are likely to spend **\$25**. This is **\$6.08 (32%)** more than the average transaction value for all Females.
- ✓ On average, 31-40 year old Females will spend **\$25.86** at the concession stand.
- ✓ On a scale of 0-10, Females are somewhat likely to attend a dine-in theatre **(6.7)**.
- ✓ On a scale of 0-10, Females are very likely to want a theatre that features alcohol service **(8.5)**.
- ✓ **35%** of all Females want cocktails, **30%** want wine and **26%** prefer beer.
- ✓ Rockstars comprise over half **(59%)** of the demand for alcohol amongst Female moviegoers.
- ✓ 31-40 year old Females are the largest Female demographic wanting alcohol and they account for **34%** of all Females who buy alcohol.
- ✓ **47%** of this group of Female responses are also loyalty program members.

Males who buy alcohol spend 26% more at the concession

- ✓ On average, Males, who buy alcohol, spend **\$21.79** at the concession stand. This is **\$4.54 (26%)** more than the average transaction value for all Males.
- ✓ **24%** would be incentivized by a discount and 24% would be incentivized by a BOGO free option.
- ✓ On a scale of 0-10, Males are somewhat likely to attend a dine-in theatre **(6.6)**.
- ✓ These Males are very likely to want a theater that features alcohol service **(8.2)**.
- ✓ **45%** of ALL Males prefer beer, **30%** prefer cocktails, and **14%** prefer wine.
- ✓ Similar to the Female Rockstar demographic, **34%** of Males who like to buy alcohol are between the ages of 31-40 and **27%** are between the ages of 41-50.
- ✓ On average, 41-50 year old Males, who buy alcohol, will spend **\$25.89** at the concession stand. This is **50%** more than the average transaction value for all Males at the concession.

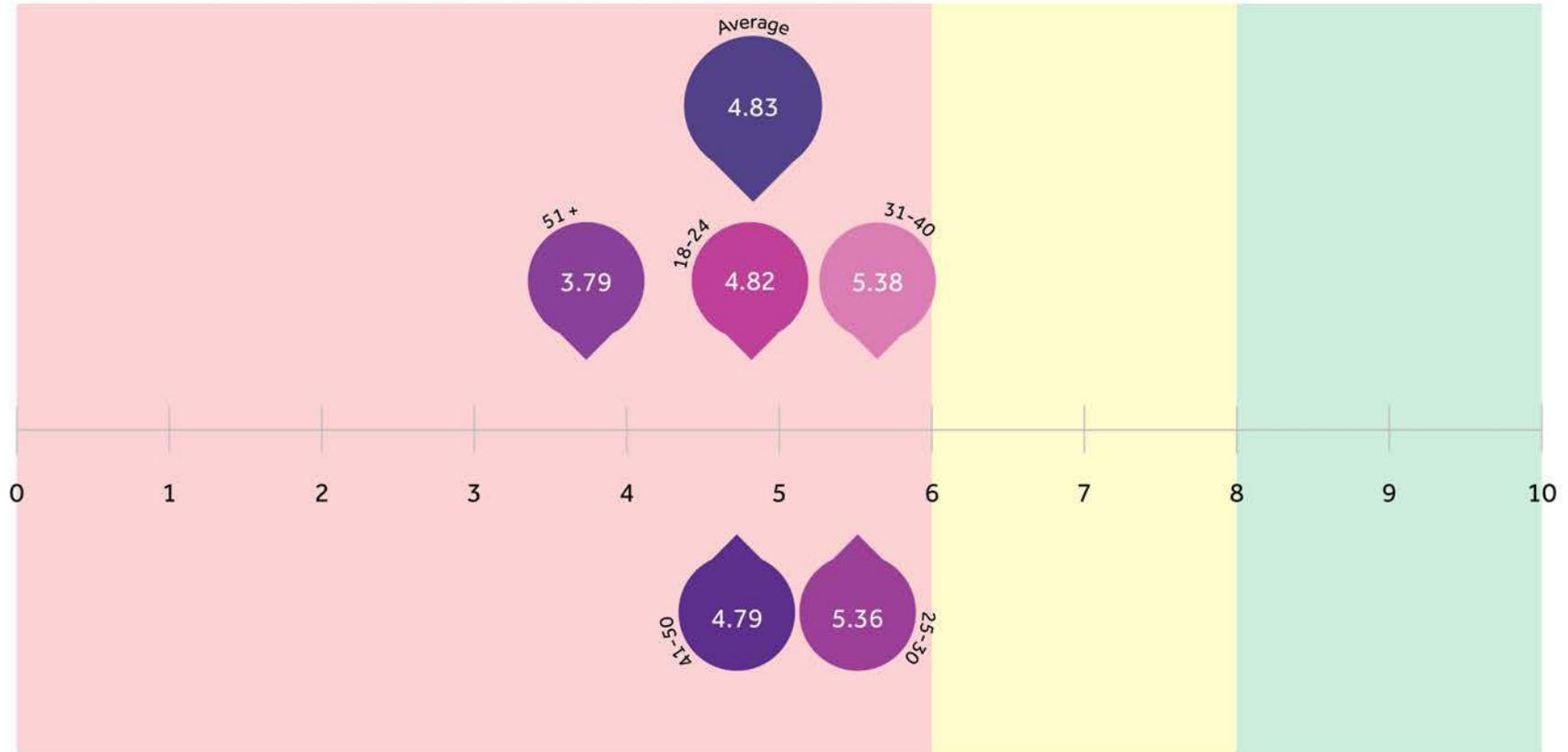
Respondents who buy alcohol are likely to be most incentivized by combo and “happy hour” deals



CINEMA CUISINE



“On a scale of 0-10, how likely are you to attend a dine-in theatre versus a theatre with no dining?”



Dine-in concepts will not drive additional foot traffic but will significantly increase ATV

- ✓ On average, where 0 = not at all and 10 = extremely likely, the average score is **4.8** across all moviegoer age groups. While not THE major factor to increase foot traffic, this score indicates that the influence of a dine-in option being available at a theatre is significant to increase ATV.
- ✓ Rockstars are **11% MORE LIKELY** to visit a dine-in concept than the average moviegoer across all demographics.
- ✓ Over 51 year old Reliables are the least likely to visit a dine-in concept across all demographics – **22% LESS** than the average moviegoer.
- ✓ 25-30 year old moviegoers and 31-40 year old moviegoers are equally “most likely” to visit a dine-in. They are also most likely to buy alcohol at movie theatres.
- ✓ **30%** of those who stated “date night” as a reason to visit a dine-in at a movie theatre were 31-40 year old moviegoers.
- ✓ Based on experience with SurveyMe theatre clients, we predict comparing the NPS of guests at the point-of-experience (after they have experienced in-theatre dining) will lead to a higher score than **4.8** and show this is a high growth area for movie theatres. The marketing challenge is to get people to try it. The preferred incentive will be some kind off BOGO introductory offer.

“If you are more likely to attend a dine-in theatre over a regular theatre, please explain why?”

- ✓ Despite this being a question that respondents were not forced to answer, **47%** of ALL respondents provide an answer. This shows that there is a substantial passion and willingness amongst moviegoers to share opinions and improve overall dine-in concept experience.
- ✓ **74%** of responses came from Females and **26%** came from Males. This is consistent with the overall population sample.
- ✓ There are 3 principal reasons for why people choose dine-in over a regular theatre:
 1. **Convenience** – **18%** of all respondents stated having dine-in and movie under one roof makes their life easier. This is essentially a function of making the most of limited time. This includes: dining and watching a movie in one place, not needing to plan dinner before or after, and saving time visiting other places.
 2. **Enhanced Theatre Experience** – **13%** of respondents across all demographics stated availability of dine-in enhances their overall theatrical experience making the experience more special.
 3. **Personal celebratory occasions** – **5%** of respondents stated they go to a dine-in for special occasions (e.g. date night, birthdays, anniversaries, “girl’s night out”).

“If you are more likely to attend a **dine-in theatre** over a **regular theatre**, please explain why?” Continued...

- ✓ **Over 1 in every 4 (28%)** 31-40 year olds state “enhanced experience” factors most. Across all age demographics Female Rockstars are most motivated by “enhanced experience” as their main reason.
- ✓ **15%** of those who chose Enhanced Experience have a perception that there's more modern facilities at a dine-in than a regular theatre.
- ✓ **32%** of moviegoers over 51 years old, who prefer dine-in theatres, said it is for the convenience factor, compared to only **10%** of moviegoers aged 18-24.
- ✓ Females are **13%** more likely to care about the enhanced experience than Males.
- ✓ **30%** of personal celebratory responses came from the 31-40 year old demographic. This age group is also one of the most likely to attend a dine-in and to prefer alcohol service at the theatre.

25 - 40 year old moviegoers are most likely to dine-in

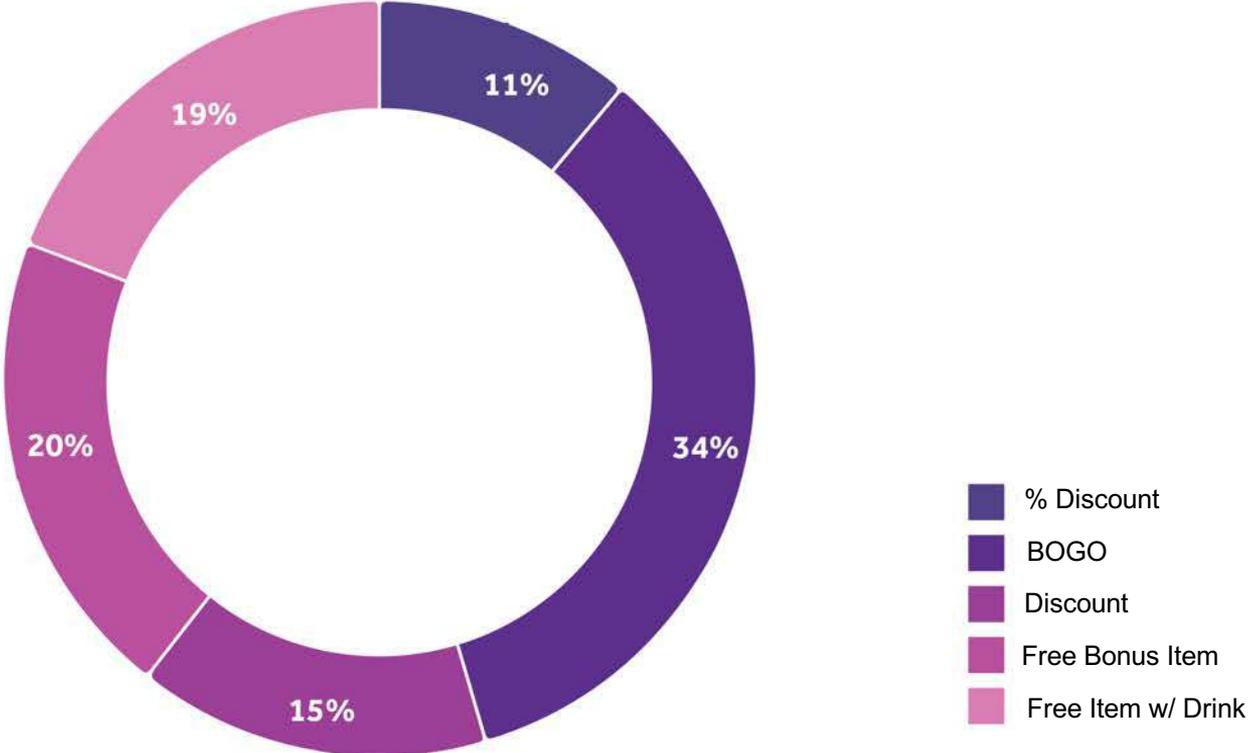
- ✓ Regardless of gender, 31-40 year old moviegoers are the most likely to attend a dine-in theatre followed by 25-30 year olds.
- ✓ 31-40 year olds in this category spend the most at **\$24.67**.
- ✓ 31-40 Females will spend an average of **\$25.24**.
- ✓ 31-40 Males will spend an average of **\$21.16**.
- ✓ 25-30 year old Females are the most likely to attend a dine-in theater, followed by 31-40 Females.
- ✓ Overall, those who say they are highly likely to attend a dine-in theatre will spend around **\$22** at the concession stand, which is **22%** more than the average concession transaction value.



31-40 year old moviegoers who dine-in theatres have highest ATV at the concession



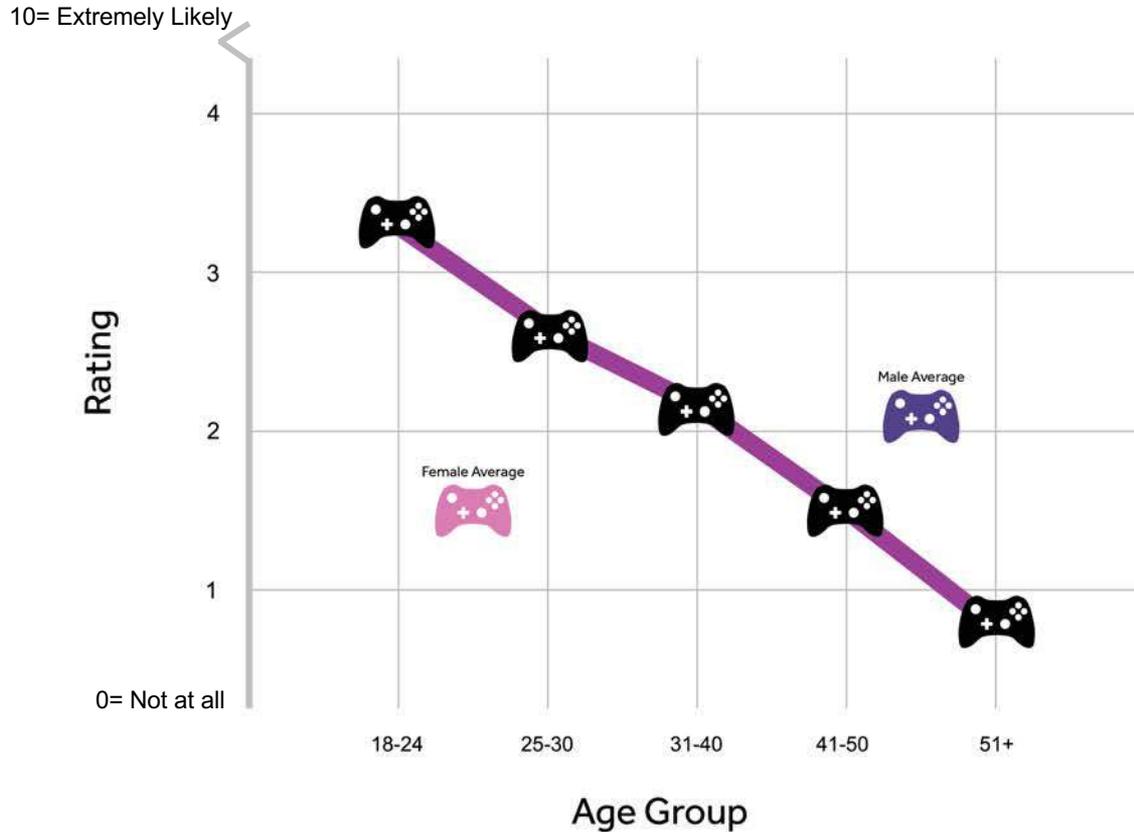
Combo deals are the most popular amongst Dine-in theatre moviegoers



eSPORTS GAMING



“On a scale of 0-10, how likely are you to attend an eSport video gaming event put on by a movie theatre near you?”



eSports gaming is currently niche with very narrow commercial appeal

- ✓ Where “0 = not at all and 10 = extremely likely” - across all age groups, when asked if moviegoers would attend an eSports gaming event, the average score was **2.1**. This suggests that there is no mass appeal.
- ✓ Only **4%** (393) of all respondents said they were “extremely likely” to go to an e-gaming event.
- ✓ Male and Female Millennials (**38%** of all who scored 9 or 10) are most likely to attend an eSports event. Albeit a statistically insignificant sample, this represents that Male and Female Millennials are equally likely to attend an eSports event.
- ✓ Amongst all Millennials the number of “0 & 1” scores (i.e. “not at all”) outweighed “9 & 10” scores (i.e. “extremely likely”) by ratio of **5.8 times** to 1.
- ✓ There is insufficient data to make any observation between loyalty and non-loyalty program members when it comes to attending an eSports event. Given the lack of difference in other questions asked in the study, we would not expect a statistically significant enough difference with a larger sample.
- ✓ Overall, while increasingly popular, eSports is still very much in its commercial infancy and unless there is cross-collaboration with specific events supported by major eGaming companies, then there is no immediate market beyond a very niche Millennial market for movie theatres in 2018.

Our Final Thoughts...



“We hope that this research has provided some memories and ideas for the future!”

The SurveyMe Team

Bitesize – Candy in 2018

- ✓ Price elasticity decreases at the concession as the age of moviegoers increases. The most reliable concession visitors are Over 51 year olds. They also have the lowest ATV and are the most conservative with what they buy (i.e. popcorn and soda). They are also the most resistant to long lines at the concession. Faster concession line management, for example popcorn & soda, will increase the number of Reliables visiting the concession.
- ✓ Millennials are the most price resistant at the concession and the most likely to sneak food in. They want indulgent foods (e.g. fries, ice cream, pizza) and will pay a premium for customization or personalization of these foods. They would be extremely likely to visit Build-Your-Own pizza concepts in movie theatres.
- ✓ Female Rockstars (31-50) are the biggest spenders at the concession.
- ✓ Loyalty programs have no major impact on increasing ATV at the concession.



Bitesize – Cocktails in 2018

- ✓ Alcohol service does not strongly motivate moviegoers to visit a movie theatre. Guests are far more likely to drink alcohol with in-theatre dining than purchase it from a concession stand.
- ✓ Alcohol is most popular with the 31-40 year old demographic for both Male & Female moviegoers.
- ✓ Cocktails are most popular with Female moviegoers.
- ✓ Beer is most popular with Male moviegoers.
- ✓ Females who buy alcohol spend **32%** more than an average Female moviegoer.
- ✓ Males who buy alcohol spend **26%** more than an average Male moviegoer.



Bitesize - Cinema Cuisine in 2018

- ✓ Guests who buy alcohol are **39%** more likely than the overall average to choose to attend a dine-in theatre versus a regular theatre.
- ✓ The **31-50** age group is the demographic most likely to dine-in. This is no different from the general US demographic. Good films, actors, and theatre locations drive moviegoers to the theatre but convenience, experience and event-celebration will drive moviegoers to dine-in and therefore increase ATV.
- ✓ **0.5%** of ALL moviegoers currently buy hot beverages (tea, coffee, hot chocolate) but **27%** of them want to buy hot beverages at the concession.



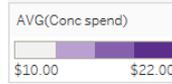
Bitesize – eSports in 2018

- ✓ There is no mass market appeal and only a tiny niche market appeal amongst a fraction of Millennials for attending eSports gaming events in movie theatres in 2018.

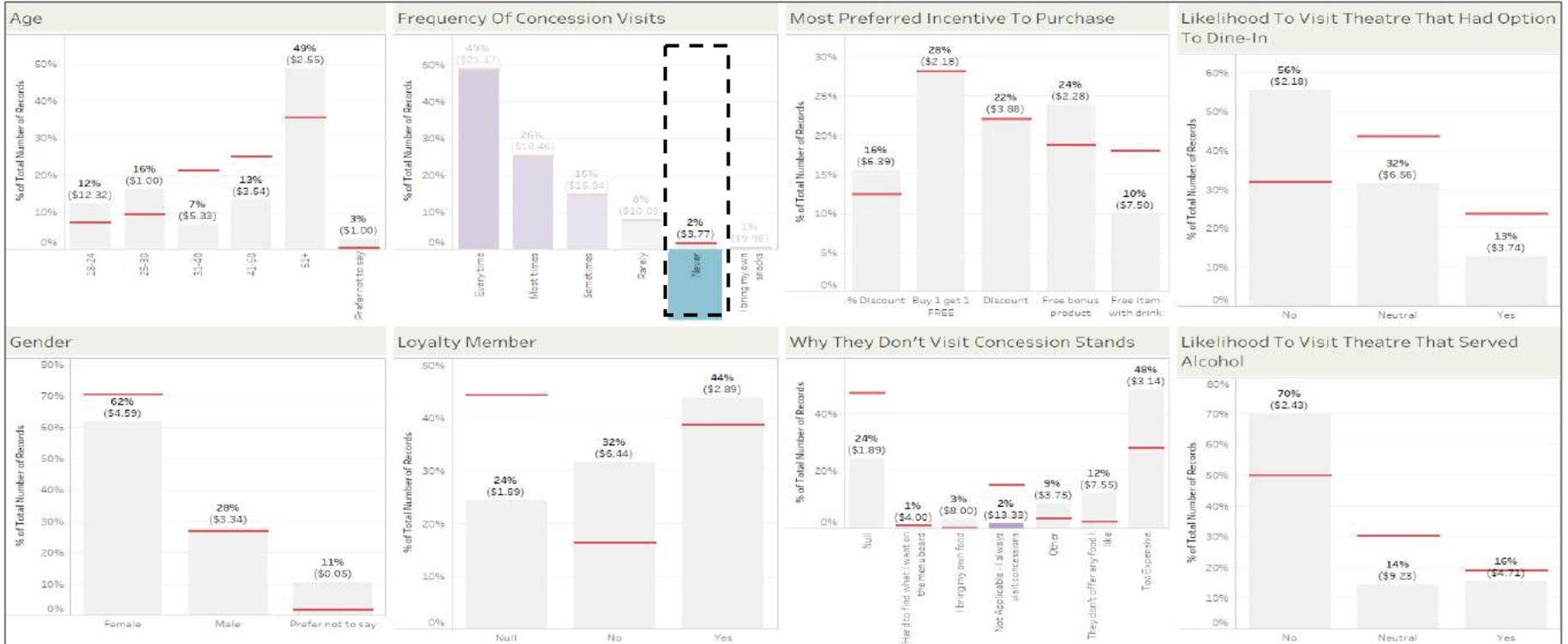


Profile - Rebels

Filtered value



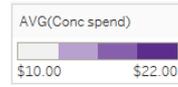
Population average (% of total respondents)



Rebels don't go to concessions. They think concessions are too expensive, don't offer the food they like, or bring their own food. Higher concentration of folks below age 30 arrive right before the movie begins. They don't care about dine-in or alcohol, and look for free bonus product. They prefer not to reveal their gender, but those that did are mostly female.

Profile - Reliables

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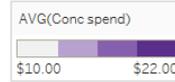
Population average (% of total responders)



Reliables have the lowest average \$ spend and they look for discounts on concessions more than any other group. They care the least about dine-in or alcohol availability. While they complain about price, they don't really think concessions are too expensive and they visit every time most likely to buy popcorn & soda only. They try to skip survey questions wherever they can!

Profile - Rockstars

Filtered value



Population average (% of total respondents)



Rockstars are moviegoers who like to try new things. The younger group is comprised of 31-40 year olds who buy concessions pretty much every time and are highest spenders. They would definitely go to a dine-in theatre or one that serves alcohol. They are highly engaged people, who will give you feedback and expect action based on that. Most preferred incentive is a BOGO.

When you are ready to listen differently...

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