



Australian Government



MATTHEW HANCOCK

ASSISTANT MANAGER, STRATEGY AND RESEARCH

MATTHEW.HANCOCK@SCREENAUSTRALIA.GOV.AU

BEYOND THE BOX OFFICE: UNDERSTANDING AUDIENCES IN A MULTI-SCREEN WORLD

Measuring the lifecycle of Australian feature films

In a multi-screen world it is important that audience measurement techniques take into account the lifecycle of each distribution access point. Just as screen content makes the changing landscape, so too do the tools used to access content. Screen Australia's new feature film provides one example of how this can be done.

By the end of their lifecycle, most theatrical releases in Australia will be available across six key access points: cinema, rental and purchase on DVD, Blu-ray, video, subscription and free-to-air television. Understanding the lifecycle of each distribution access point is essential to ensure that the data collected through screening or downloading services. In addition, there are a number of other factors that can influence the lifecycle of a film, such as the timing of its release and the marketing support it receives.

In assessing performance across the various access points, Screen Australia uses a range of metrics to provide a comprehensive view of a film's performance. These metrics include the number of screens a film is shown on, the number of copies sold, the number of downloads, and the number of views on free-to-air television. By combining these metrics, Screen Australia can provide a more complete picture of a film's lifecycle and its impact on the Australian film industry.



18

BEYOND THE BOX OFFICE UNDERSTANDING AUDIENCES IN A MULTI-SCREEN WORLD

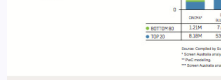
Applying the model to the Australian state

Success still benefits cinema films with higher box office tend to lead downstream viewings. However, Total Audience Viewings analysis shows lower-grossing films performing relatively well on television. Strong television does not ensure under-performance in cinema, but these results demonstrate the significance of theatrical and subscription television in building an audience beyond the box office.

Overall, Australian cinema releases 2007-2009 had an average Total Audience Viewings of 10.5 million across domestic cinema, DVD and Blu-ray sales, television and video on demand. The top 20 films accounted for 73.8 million viewings. Cinema contributed 50 per cent of Total Audience Viewings, the rental and purchase of DVD and Blu-ray discs 26 per cent, television 12 per cent and video on demand 12 per cent. The top 20 films generated 81 per cent of Total Audience Viewings, with the top 10 films generating 61 per cent. The top 10 films generated 61 per cent of Total Audience Viewings, with the top 5 films generating 41 per cent. The top 5 films generated 41 per cent of Total Audience Viewings, with the top 1 film generating 11 per cent.

Television, however, ratings analysis shows that cinema film releases made up 61 per cent of subscription television as of February 2010. In 2009, 18 films which had generated an average box office of \$1 million or less generated 10 per cent of subscription television. In 2008, 14 films which had generated an average box office of \$1 million or less generated 10 per cent of subscription television.

The nature of television viewing would also have contributed. Free-to-air television has a large incumbent mass audience, and subscription television has an 11.5 million paid-up audience. This means that free-to-air television and subscription television can complement each other with a broad range of content or a narrower range of content, providing more opportunities for multiple viewing and rental releases. A free-to-air programme can watch both local and foreign films at a lower price point in relation to the cinema or DVD.



BEYOND THE BOX OFFICE: SCREEN AUSTRALIA 19

Success still benefits cinema films with higher box office tend to lead downstream viewings.

However, Total Audience Viewings analysis shows lower-grossing films performing relatively well on television. Strong television does not ensure under-performance in cinema, but these results demonstrate the significance of theatrical and subscription television in building an audience beyond the box office.

Overall, Australian cinema releases 2007-2009 had an average Total Audience Viewings of 10.5 million across domestic cinema, DVD and Blu-ray sales, television and video on demand. The top 20 films accounted for 73.8 million viewings.

Cinema contributed 50 per cent of Total Audience Viewings, the rental and purchase of DVD and Blu-ray discs 26 per cent, television 12 per cent and video on demand 12 per cent. The top 20 films generated 81 per cent of Total Audience Viewings, with the top 10 films generating 61 per cent.

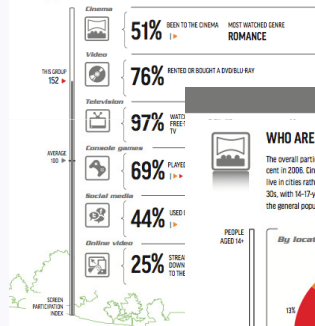
The top 10 films generated 61 per cent of Total Audience Viewings, with the top 5 films generating 41 per cent. The top 5 films generated 41 per cent of Total Audience Viewings, with the top 1 film generating 11 per cent.

Television, however, ratings analysis shows that cinema film releases made up 61 per cent of subscription television as of February 2010. In 2009, 18 films which had generated an average box office of \$1 million or less generated 10 per cent of subscription television. In 2008, 14 films which had generated an average box office of \$1 million or less generated 10 per cent of subscription television.

The nature of television viewing would also have contributed. Free-to-air television has a large incumbent mass audience, and subscription television has an 11.5 million paid-up audience. This means that free-to-air television and subscription television can complement each other with a broad range of content or a narrower range of content, providing more opportunities for multiple viewing and rental releases. A free-to-air programme can watch both local and foreign films at a lower price point in relation to the cinema or DVD.

REGIONAL FEMALE 14-17 YEARS AUDIENCE

DEBRA, 15, BARCADDINE
There are approximately 225,000 girls like Debra, aged 14-17 living in regional Australia. Like their city counterparts, they are above average participants in many screen media activities, with the second-highest rate for cinema going. They have the highest involvement in video on DVD/Blu-ray, bucking the general downward trend for this activity with a rise of 5 percentage points since 2006.



WHO ARE THEY?

The overall participant base in 2006. Cinema film is cited either 19-30%, with 14-17-year-olds the general population.

By location
15% PEOPLE AGED 14+

By age group
CINEMA GOERS 29%

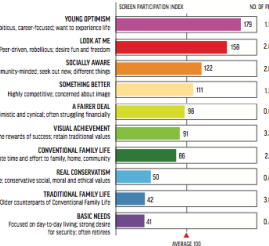


Figures may not total exactly due to rounding.

VALUE SEGMENTS

Roy Morgan's Value segments bring together lifestyle, behaviour, attitudes and values in 2010. The Young Optimists segment had the highest average Screen Participation Index (SPI) across all activities. Young Optimists are more likely to go to the cinema, with a participation rate of 49 per cent. They also lead in social media participation (59 per cent) and online video, both via computer (54 per cent) and mobile (39 per cent). However, their television participation is the lowest of all the segments at just 88 per cent.

At the other end of the scale, Basic Needs and Traditional Family Life have the lowest average SPI scores overall. Their participation rate for television viewing is high but they are more unlikely than other segments to participate in cinema, social media and online video.



AVERAGE SPI



BEYOND THE BOX OFFICE: UNDERSTANDING AUDIENCES IN A MULTI-SCREEN WORLD

THERE ARE **FIVE KEY FINDINGS:**

1. AUDIENCES ARE ADDING NEW SCREENS TO OLD
2. THIS PRESENTS SOME CHALLENGES TO OLDER ONES
3. AMID SUCH CHANGE, PERFORMANCE MEASURES MUST ALSO ADAPT
4. BY LOOKING AT VIEWINGS WE CAN BETTER UNDERSTAND THE IMPACT OF THE PHYSICAL AND ONLINE VIDEO MARKETS
5. BIGGER AT THE BOX OFFICE IS BETTER, BUT TELEVISION ENABLES MANY LOWER-GROSSING FEATURE FILMS TO CAPTURE A NEW AUDIENCE

BEYOND THE BOX OFFICE: UNDERSTANDING AUDIENCES IN A MULTI-SCREEN WORLD

ESTABLISHED DISTRIBUTION POINTS



EMERGING DISTRIBUTION POINTS





BEYOND THE BOX OFFICE: UNDERSTANDING AUDIENCES IN A MULTI-SCREEN WORLD

JUST AS CONTENT MAKERS **NEED TO ADAPT TO**
CHANGING AUDIENCES, SO TOO DO THE METHODS
OF MEASURING SUCCESS.



BEYOND THE BOX OFFICE: UNDERSTANDING AUDIENCES IN A MULTI-SCREEN WORLD

FINANCIAL MEASURES TELL A **VITAL, BUT INCOMPLETE STORY.**

DOLLARS AND EYEBALLS DO NOT ALWAYS CORRELATE.



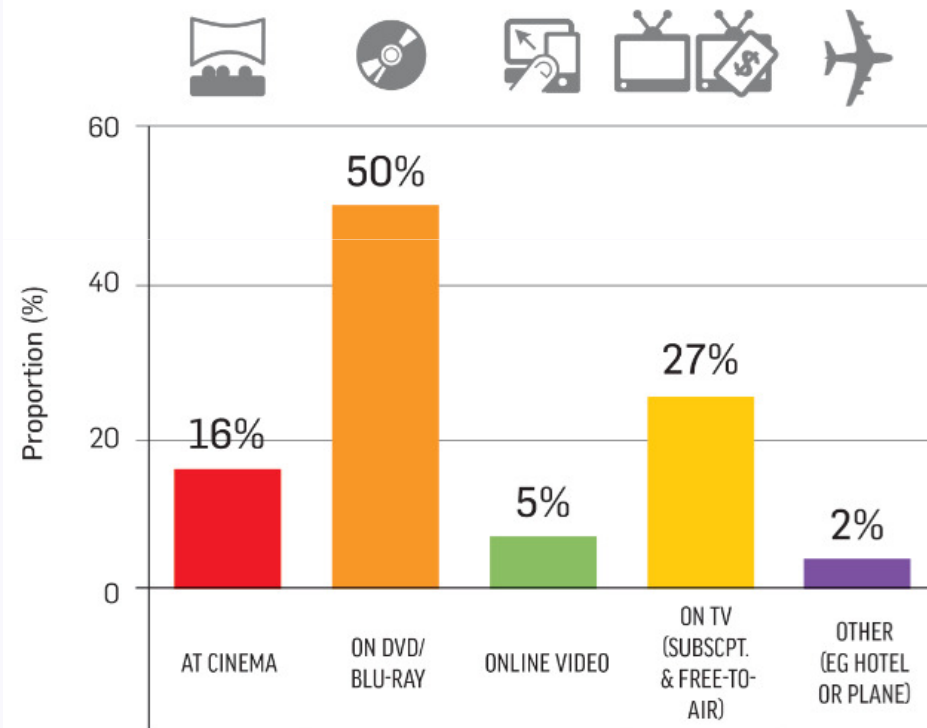
BEYOND THE BOX OFFICE: UNDERSTANDING AUDIENCES IN A MULTI-SCREEN WORLD

OUR NEW MEASURE WAS DEVELOPED IN TWO PHASES:

- A SURVEY OF MORE THAN 1,800 ADULTS AND CHILDREN
- EXTRAPOLATION OF SURVEY RESULTS TO GENERATE MULTIPLIERS FOR MISSING VARIABLES

BEYOND THE BOX OFFICE: UNDERSTANDING AUDIENCES IN A MULTI-SCREEN WORLD

PROPORTION OF VIEWINGS FOR ALL SURVEY RESPONDENTS BY ACCESS POINT, 2011



Source: Compiled by Screen Australia



BEYOND THE BOX OFFICE: UNDERSTANDING AUDIENCES IN A MULTI-SCREEN WORLD

THE MOVE FROM PHYSICAL TO ONLINE VIDEO
PRESENTS **AN OPPORTUNITY TO BETTER MONETISE**
THE PHYSICAL AND ONLINE VIDEO MARKETS.



BEYOND THE BOX OFFICE: UNDERSTANDING AUDIENCES IN A MULTI-SCREEN WORLD

BY USING ESTIMATES INFORMED BY THESE SURVEY FINDINGS WE NOW HAVE A **ROBUST, REPEATABLE AND UNPRECEDENTED MEASUREMENT** FOR FILMS BEYOND THE BOX OFFICE.



BEYOND THE BOX OFFICE: UNDERSTANDING AUDIENCES IN A MULTI-SCREEN WORLD

100 AUSTRALIAN FILMS THEATRICALY RELEASED IN THE THREE YEARS SINCE 2007:

- 91 HAVE BEEN RELEASED ON VIDEO
- 59 ON SUBSCRIPTION TELEVISION
- 36 ON FREE-TO-AIR TELEVISION

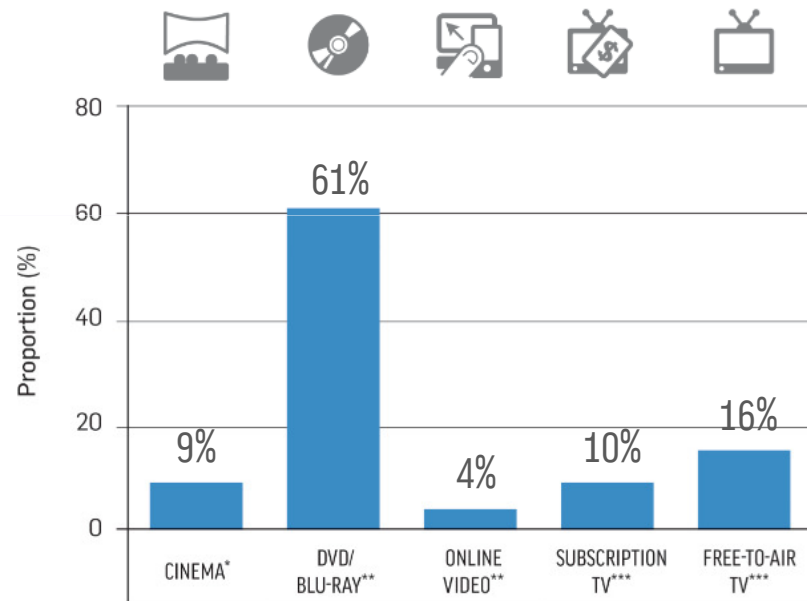


BEYOND THE BOX OFFICE: UNDERSTANDING AUDIENCES IN A MULTI-SCREEN WORLD

TELEVISION ENABLES AUSTRALIAN FEATURE FILMS
TO BE **SEEN BY MORE PEOPLE IN MORE AREAS**
ACROSS THE COUNTRY

BEYOND THE BOX OFFICE: UNDERSTANDING AUDIENCES IN A MULTI-SCREEN WORLD

PROPORTION OF TOTAL AUDIENCE VIEWINGS ACROSS MULTIPLE PLATFORMS FOR FEATURE FILMS WITH CINEMA RELEASE 2007-2009



Source: Compiled by Screen Australia

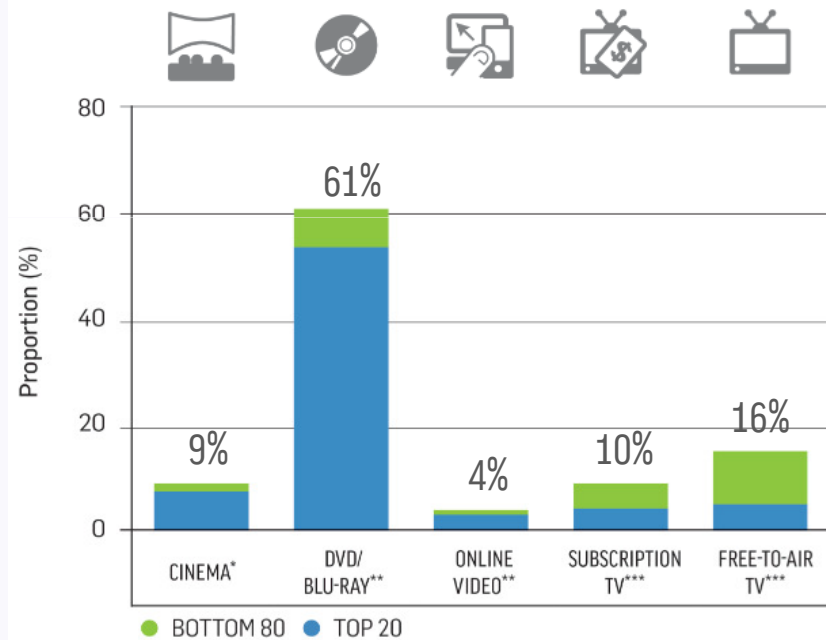
* Screen Australia analysis of MPDAA data.

** PwC modelling.

*** Screen Australia analysis of OzTAM and RegTAM data.

BEYOND THE BOX OFFICE: UNDERSTANDING AUDIENCES IN A MULTI-SCREEN WORLD

PROPORTION OF TOTAL AUDIENCE VIEWINGS ACROSS MULTIPLE PLATFORMS FOR FEATURE FILMS WITH CINEMA RELEASE 2007-2009



Source: Compiled by Screen Australia

* Screen Australia analysis of MPDAA data.

** PwC modelling.

*** Screen Australia analysis of OzTAM and RegTAM data.

BEYOND THE BOX OFFICE: UNDERSTANDING AUDIENCES IN A MULTI-SCREEN WORLD





BEYOND THE BOX OFFICE: UNDERSTANDING AUDIENCES IN A MULTI-SCREEN WORLD

THERE ARE SEVERAL CONSIDERATIONS AS TO WHY **BRAN NUE DAE** RATED HIGHER THAN **AUSTRALIA** ON TELEVISION, THEY INCLUDE:

- LENGTH OF LIFECYCLE
- AUDIENCE DEMOGRAPHICS
- SUPPLY CONSTRAINTS



Australian Government



MATTHEW HANCOCK

ASSISTANT MANAGER, STRATEGY AND RESEARCH

MATTHEW.HANCOCK@SCREENAUSTRALIA.GOV.AU