State Of The Market

Global Summary

Tuesday 18th January, 2022

This report was updated by Gower Street Analytics on Tuesday 18th January, 2022, at 12:43:00 UK time, using the latest information from Comscore Movies.
Editorial

Dear industry partners,

In these challenging times, all of us at Gower Street felt it was our duty to support the theatrical industry by doing what we do best: use data to understand where we are right now, look for ways to objectively measure recovery and make recommendations on the steps we have to take to accelerate it.

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On our website at gower.st/reports you can buy the latest reports or you can purchase subscriptions to receive them regularly. Please get in touch if you have any specific comments or questions.

Best Regards,
Dimitrios Mitsinikos
Founder & CEO, Gower Street Analytics

Data Sources

Our source for theatrical data is Comscore Movies.

We have found that the best source for epidemiological data for COVID-19 is the John Hopkins University website. They started tracking the progress of the disease by country on January 22 on a daily basis and they make the data available in CSV formats.

Main page: bit.ly/GSA_JHU
Dashboard: bit.ly/GSA_JHU_dashboard
State of the Global Theatrical Industry

The only major global release of January, SCREAM, got off to a strong start this past weekend. The horror "requel" (the 5th instalment in the hit franchise and first in over a decade) opened #1 in the Domestic market ($30m; $34m 4-day) for Martin Luther King weekend, dethroning SPIDER-MAN: NO WAY HOME. The launch tracked 62% ahead of 2011'S SCREAM 4.

While it may have struggled to topple SPIDER-MAN in international markets the film still picked up $18 million across 50 markets. Highlights included UK/Ireland where a $3.4 million launch at #2 scored the biggest opening for a horror since IT: CHAP-TER TWO in September 2019. It was 10% ahead of last year's A QUIET PLACE, PART II and 19% ahead of SCREAM 4, as well as close to matching 2018's HALLOWEEN (-7%).

SPIDER-MAN: NO WAY HOME was still flying high globally with a 5th consecutive #1 at the worldwide box office. The film has not grossed $1.63 billion. It now stands as the #4 film of all time at the Domestic box office ($702.9m) having overtaken BLACK PANTHER on Monday. Worldwide it is currently #8 with THE LION KING and JURASSIC WORLD, the next two titles ahead of it, likely to fall next week.

Meanwhile THE MATRIX RESURRECTIONS became the first Hollywood import to score a #1 opening in China since NO TIME TO DIE at the end of October. Even so it was an inauspicious launch with $7.5 million, with piracy reportedly already rife in the market following the film's simultaneous release on HBO MAX in the Domestic market last month. The opening was enough to take the sequel past $100 million internationally and $140 million worldwide. Unfortunately, with the two-year anniversary of China's first lockdown beckoning, no other major Hollywood releases are currently scheduled for release in the market. Chinese New Year this year falls Feb. 1. Last year the holiday set an all-time box office record.

The first play-week of 2022 (in most cases beginning in the final couple of days of 2021) achieved the top (Stage 5) level on Gower Street's Blueprint To Recovery in China, Australia, Russia and Argentina. The Domestic market was at Stage 4 levels (see page 7 for stages detail), as were France, Austria, South Africa, Turkey, Japan, a pre-closure Hong Kong, New Zealand, Taiwan, Brazil, Chile, and Colombia. Of the 30 territories tracked in this report the only ones not to achieve at least Stage 3 in the opening play-week were Netherlands (which was in lockdown) and Portugal.

The second play-week had 9 markets falling below Stage 3, including the Domestic market. These included the now closed Hong Kong. However, Turkey regained Stage 5 levels while Russia, Argentina (both Stage 5), Japan, New Zealand, Brazil, Chile, and Colombia (Stage 4) all repeated at previous week recovery-business levels.

These three graphics display how business is tracking in the domestic market, in China and internationally (excluding China), with focus not only on global cumes but also where the losses are coming from.

The market share of open cinemas currently stands at 85%. China witnessed a retraction of open cinemas week-on-week from 85.4% a week ago to 82.4% this past weekend. Both the North American (Domestic) and Latin American markets also recorded small retractions. EMEA and Asia Pacific (exc. China) saw small gains.

Unfortunately the local lockdown in the Netherlands has been extended to January 25. Hong Kong also remains in lockdown. Within the Domestic market, Canadian provinces Ontario, Quebec, New Brunswick, Newfoundland and Labrador, and Prince Edward Island are all currently in lockdown.
As of January 15, the global box office for 2022 stands at $1.19 billion. This is 92% ahead of 2021 at the same stage (when many territories were in lockdown) but 37% behind an average of the three pre-pandemic years (2017-2019). The Domestic markets is tracking 53% behind the three-year average, International (exc. China) is 39% behind. China is now tracking 4% behind the 3-year average. A few markets, including Japan (+5%), are tracking ahead of the three-year average.

Global cases of the virus have now crossed 300 million (329.2m). Over 5.5 million deaths have been recorded (5.56m). The US now accounts for 67 million cases. India has recorded 37.4 million cases - by far the worst hit international market for cases. Brazil has now crossed 23 million cases and has the highest number of deaths internationally with 621k. The UK has recorded 15.2 million cases. France (14.2m) follows, well ahead of Russia (10.8m) and Turkey (10.5m). Italy (8.71m) and Spain (8.09m) have now overtaken Germany, which is also nearing 8 million cases (7.99m). Argentina has now crossed 7 million cases (7.095m). Iran (6.22m), Colombia (5.54m), Mexico (4.37m), Poland (4.32m) and Indonesia (4.27m) follow.
GLOBAL

85%
% MS BY OPEN CINEMAS
GOAL 80%

DOMESTIC
79%
% MS BY OPEN CINEMAS
GOAL 80%

CHINA
82%
% MS BY OPEN CINEMAS
GOAL 80%

INTL W/O CHN
91%
% MS BY OPEN CINEMAS
GOAL 80%

EMEA
90%
% MS BY OPEN CINEMAS
GOAL 80%

APAC (w/o CHN)
91%
% MS BY OPEN CINEMAS
GOAL 80%

LATAM
93%
% MS BY OPEN CINEMAS
GOAL 80%

Regional Trackers
5-Stage Blueprint to Recovery

Every successful building project must start with a blueprint; before foundations are laid or a first brick can be set in place.

Everyone across our industry witnessed the devastating impact COVID-19 had around the world in 2020 and 2021. Its impact continues, though not with the same severity or consistency. Even so the ebb and flow of cases causes consternation among nervous distributors and resulting changes in the release calendar (as well as changes to distribution models) cause addition concerns for exhibition.

Though all markets have now re-opened at some point many have seen re-closures, often multiple times, impacting national and regional box office.

With these constant changes it has never been more important to identify and understand the signs of potential recovery. It is also vital to reset those signs when necessary, as well as track sustainability of business in markets that have achieved important recovery benchmarks.

It is with this in mind that Gower Street created a considered blueprint to recovery, marking five key and identifiable stages which can be applied on city, county, state, territory, regional or global scales, depending on your focus:

Stage 1: Open Day
The foundation point at which a significant majority, 80% by market share, of cinemas are ready to begin operation providing a base from which to build on.

Stage 2: Base Day
The first day of operation in which box office reaches the lowest day’s box office result from the past two years. This would signify a core audience willingness to return to cinemas irrespective of the product offering.

Stage 3: Base Week
The first full-week of operation in which box office reaches the lowest week’s box office result from the past two years. This would signify consistency of audience engagement over a minimum period.

Stage 4: Material Week
A significant milestone from which to build on. This would be the first full-week to achieve a median level of the weekly business seen across the past two years. This would signify broader customer comfort with returning to the cinema environment and require compelling content to bring them in.

Stage 5: Recovery Week
This would be a week with equivalent performance to those in the top quartile of weekly business in the past two years. This would be dependent on a robust release calendar.

From this point it would be hoped the market should react as normal, with an ebb and flow dependent on the release calendar.

However, with reclosers and a still inconsistent calendar we have seen many markets struggle to maintain consistent levels of business. Ideally, once achieved, a market should maintain business above a Stage 3 level with frequent Stage 4 play-weeks and some Stage 5 play-weeks.

To track this we have additionally introduced a market tracker to each market-view page of the this report. This shows where play-weeks over the past year sit within the Stage 3-5 target levels.

China was the first market to achieve Stage 5, back in August 2020. Japan also did so in 2020, while Russia became the first European market to achieve Stage 5 in the first play-week of 2021 (beginning Dec. 31, 2020). By the close of 2021 all but one (South Korea) of the 30 major markets tracked in this report had achieved Stage 5. 18 only did so for the first time in December 2021, including the Domestic market, while UAE and Colombia only managed it in the final week of November.
Market Growth Trackers Explained

Each market-specific page of this report features our Growth Trackers; 5 donut graphs that measure progress towards each of the 5 identified stages of our Blueprint To Recovery (see previous page for detail). With these donut graphs we aim to help individual markets measure their own growth and identify others that might provide planning guidance.

So, how do they work?

The stage 1 donut looks at cinemas open. The outer edge measures normal market share of the cinemas currently open (in blue) and progress toward the 80% requirement (orange). The grey is the remaining 20%.

The inner edge measures the actual number of open cinemas. Here the blue section is cinemas reporting; orange is minimum number of cinemas required to hit 80% market share in a normal year; grey is total number of cinemas in the market that report to Comscore.

The latest week’s figures for cinemas open by market share (and the goal) are displayed in the donut hole.

The stage 2-5 donuts measure box office targets. The donut hole shows the day (stage 2) or week (stages 3-5) goals alongside the result for the current day or week and the percentage of the target reached. If the target has been reached then the date this was first achieved is displayed in the donut hole.

Here, the outer edge of the donut shows the current day or week percentage result. The inner edge shows the best day or week result recorded so far since recovery began. This is useful in seeing any regression as well as improvement.

Additionally each market-specific page also features a graph, below the donuts, that tracks how well each market has sustained its recovery over the past year. Each play-week shows which, if any, of the full play-week stages (stages 3-5) have been achieved and where business is falling short of a "base" level.