

The Consumption of Cinema During the COVID-19 Pandemic

Andrei TACHE-CODREANU

UNATC "I.L. Caragiale" Bucharest, Romania
andrei.atc@yahoo.com

Abstract: Major changes have appeared in the consumption market of cinema in the context of the COVID-19 pandemic. Video on Demand platforms such as Netflix, HBO GO, Amazon Prime and Disney Plus have earned an even wider market share than before the pandemic has started, as the viewers adapted their way of consuming cinema. But the question that all of us is asking is: what will happen with the industry of cinema after our life gets back to normal? Will we return to our habits before the pandemic? Technology has become more and more accessible, so, even before 2020, cinemas have started to have difficulties in competing with VOD platforms. In this research paper I will be analysing the reason why people might return to the cinema after the pandemic is over, and one thing is certain: it is not a technology-related one or because film premieres are being seen first in cinemas. It is rather related to the atmosphere that is created in the cinema hall with hundreds of people experiencing the same story the same time, which is how cinema was aimed to be experienced by its inventors.

Keywords: cinema, film, pandemic, COVID 19, Video on Demand, VOD, OTT, Netflix, HBO GO, Box Office, Amazon Prime, Disney Plus.

How to cite: TACHE-CODREANU, Andrei (2020) "The Consumption of Cinema During the COVID-19 Pandemic", *Concept* 2(21), pp. 203-215.



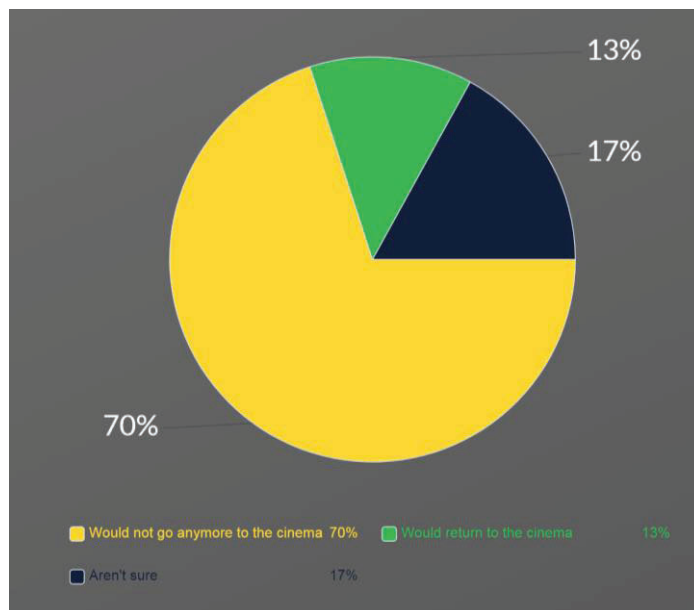
When the first restrictions related to the COVID-19 Pandemic have been given by the authorities in March 2020, I believe that no one was thinking that one year later the virus will be still surrounding us and our lives will simply adapt and move forward in the new conditions. And when I found out back then that me and my colleagues were in the impossibility to shoot our final degree films, I came to an end and started thinking about

how could I perform my job further? But during the summer, when the number of daily cases had decreased, me and my colleagues were all able to shoot our films. But in my opinion, the next crucial question is: how are our movies going to be watched further?

A film is considered a dual product, which is based equally on two sides: a creative one, which offers the artistic value of the final product and an empirical one (Kerrigan, Fraser, & Ozbilgin, 2004). And thanks to the last one, instituted by the industrial character which has been attributed to cinema for the first time by the American market (Balio, 1985), film had the fastest adaptation regarding its distribution during the Pandemic, unlike the rest of the industries that depended on the human contact.

And all of this is thanks to the Video on Demand market, to platforms like Netflix, HBO GO, Amazon Prime, Disney Plus, which were prepared even before the Pandemic in order to fight for the market share of the classic movie theatre. This was the reason why people didn't miss cinema as they missed going to the theatre, opera house or a simple and risk-free dinner at a restaurant.

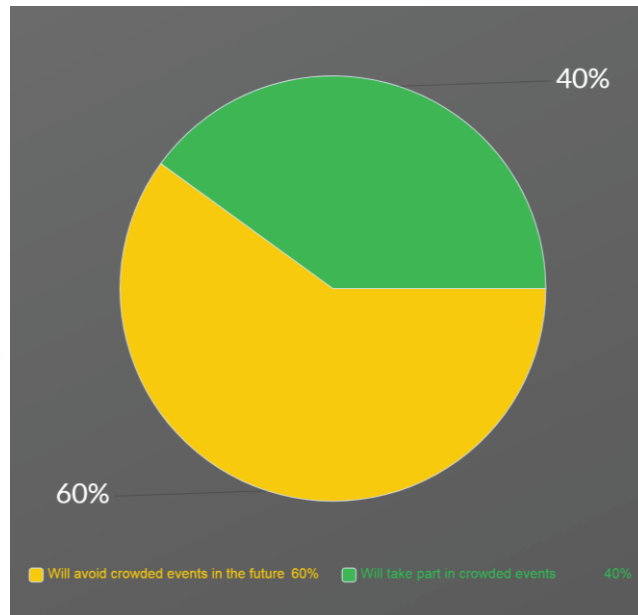
I believe that one question that we are all asking ourselves is how movies are going to be watched after the pandemic? Will we return with the same relaxation in movie theatres? A study made on 1000 people from the US and posted by Marketwatch.com in May 2020 could answer our question.



Graph no 1 - Source: Marketwatch.com

70% of the respondents declared that, if it would be available at the same time as in movie theatres, they would prefer watching a movie premiere at their home, and even paying an equivalent price as the ticket from the movie theatre. The same study is showing us one more thing: 60% of the respondents said that they will be avoiding a good period of

time gatherings with many people, even if the restrictions of this type are going to be raised by the authorities. (graph no 2).



Graph no 2 - Source: Marketwatch.com

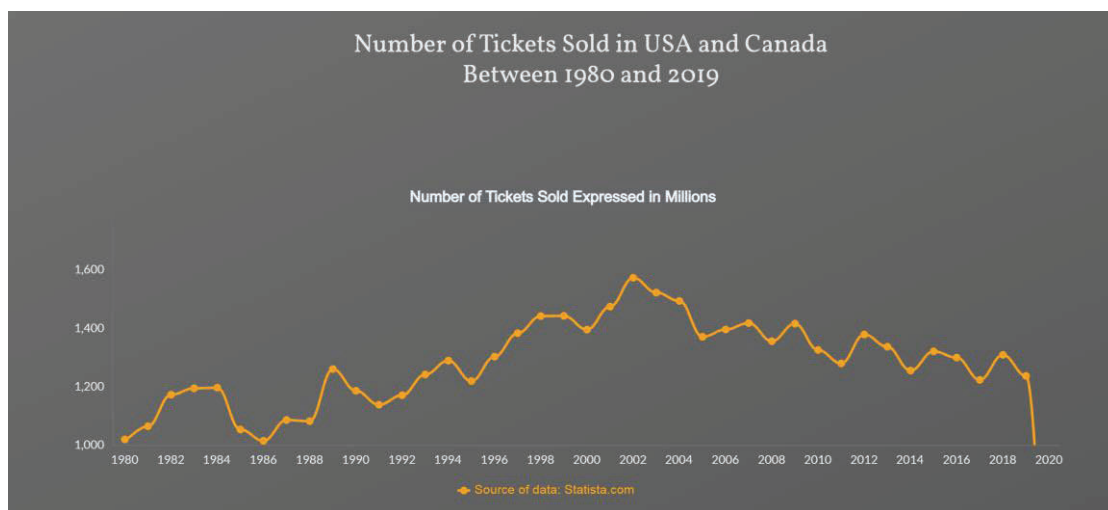
But how does the European market look like? A study made in April 2020 in Poland is showing us a set of information that could be more optimistic: 85% out of the 19,581 people that have been asked answered that they are planning to go to the cinema in the first two months after a possible restriction release, and 20% even declared that they are intending to go as soon as possible. However, I have calculated the number of daily cases of COVID-19 per one thousand citizens from each of the two mentioned countries and the following conclusions have been revealed: the US had at May 1st 2020 33,970 COVID-19 cases per day (**0.1 cases per 1000 citizens**) and on the other side Poland had 228 cases in the same day (**0.006 cases per 1000 citizens**) => **16.6 times less COVID-19 cases per 1000 citizens**. We could therefore conclude that the polish people could have been less affected emotionally at that time by the effects of the pandemic.



Figure 1 - Source: Statista.com

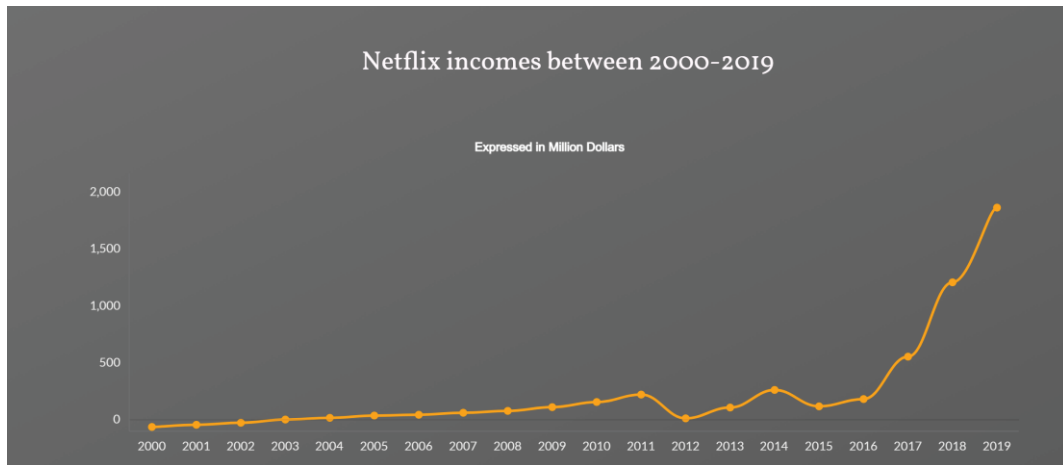
Polish people have been asked in the same study why they will be returning to the cinema after the pandemic is over, and 78% of them have responded that they will do it for the good atmosphere, and only 10% for the possibility of watching a film in a premiere and for the big screen. Therefore, we could conclude that the cinema has become for 78% of the respondents only a social activity, for the atmosphere it offers. People are able to watch nowadays the same movie a few weeks after its launch in cinemas, once the exclusivity contract for movie theatres expires. And the technical factor of the big screen of the film theatre is becoming less and less relevant as TV's and Home Cinema systems are becoming more and more affordable and capable to substitute a cinema hall for most people's desires.

And coming back to the US, I suggest analysing the number of tickets sold in cinemas starting from 1980 until 2020. We can see an overall increase until the year 2003 and after that moment the number of entries in cinemas has started to have an overall decrease.



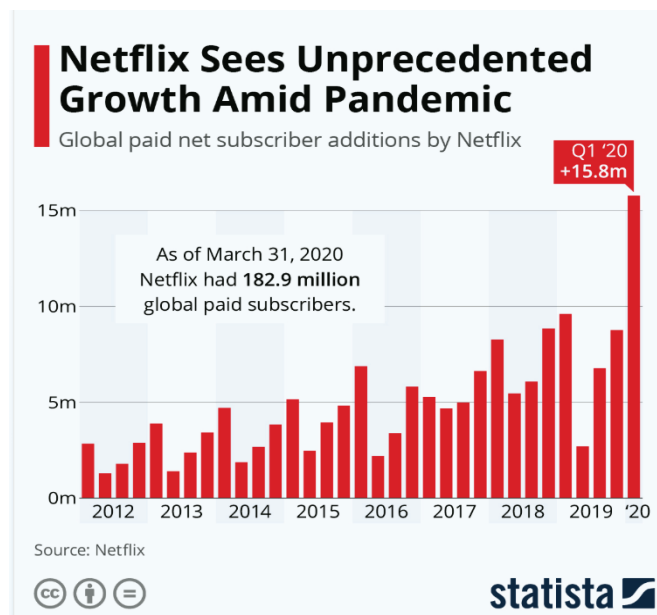
Graph no 3 - Source: Statista.com

In comparison, I would propose studying the incomes of Netflix globally in the graph below, expressed in millions of dollars. We can observe a continuous increase which becomes stronger and stronger until the year 2019, when the last data was found. For the ones who don't know, the company has started its activity in 1997 by sending DVD's with movies to people's houses through postal services. It was not until 2007 when the technology was prepared in order to stream high quality films through the Internet, and that is the moment when Netflix has moved exclusively online.



Graph no 4 - Source: Statista.com

Between the graph with the number of entrances in the US cinemas and the income of Netflix we can see a very interesting competition relationship: in 2012 we can see that the Netflix income has decreased significantly (graph no 4), but on the other hand we can see an important increase of the number of cinema entries in the same year (graph no 3). And in 2014, when cinemas had an abrupt decrease in tickets sold (graph no 3), at Netflix we are able to see a significant increase in its incomes compared to the last year (graph no 4). From this relationship we could say that these two industries are in a direct and continuous competition for gaining viewers, the movie theatre having ultimately a decrease tendency in its number of tickets sold, compared to the continuous increase of incomes for Netflix.



And below we can observe the Netflix data for the first quarter of the year 2020, when the pandemic had just started: 15.8 million new subscribers, comparing to the first quarter of the year 2019, when they registered just under 10 million new subscription payers (graph no 5).

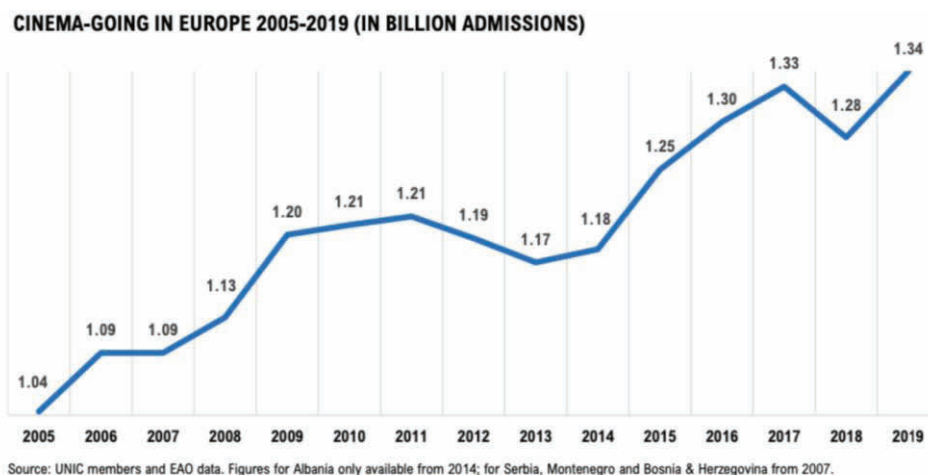
Graph no 5 - Source: Statista.com

The last graph about the Video on Demand market refers to the expectations of its increase, the source being the website Statista.com. We can observe an ascendant curve that is almost reaching 1.5 billion users for all streaming platforms, starting from 1 billion in 2017. The biggest increase can be seen in the pandemic year 2020 (graph no 6).



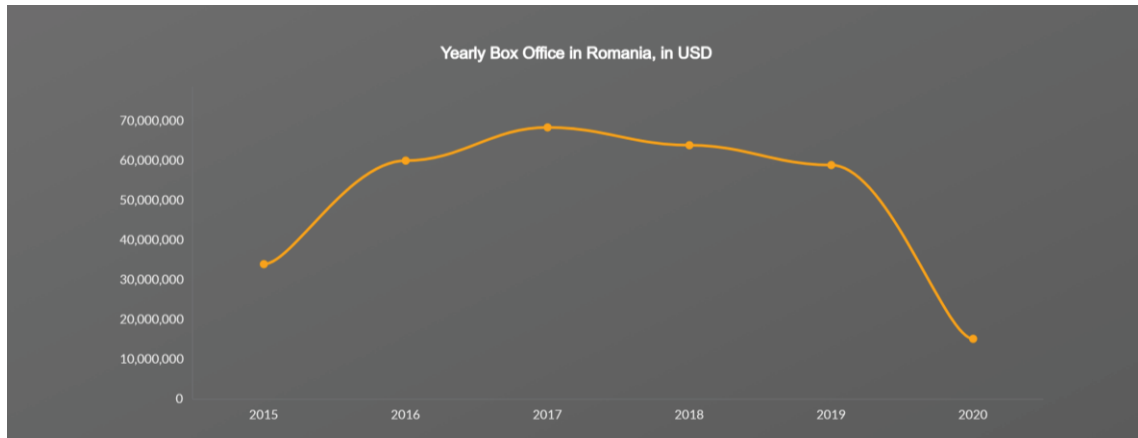
Graph no 6 - Source: Statista.com

Continuing our study with the European market, the statistics are becoming more interesting. The number of tickets sold in European cinemas is in an overall increase (graph no 7), compared to the American market. But we still cannot predict what is going to happen with the market after the pandemic is over and the restrictions are gone, with people that out of commodity or fear maybe will choose to watch films further at their homes.



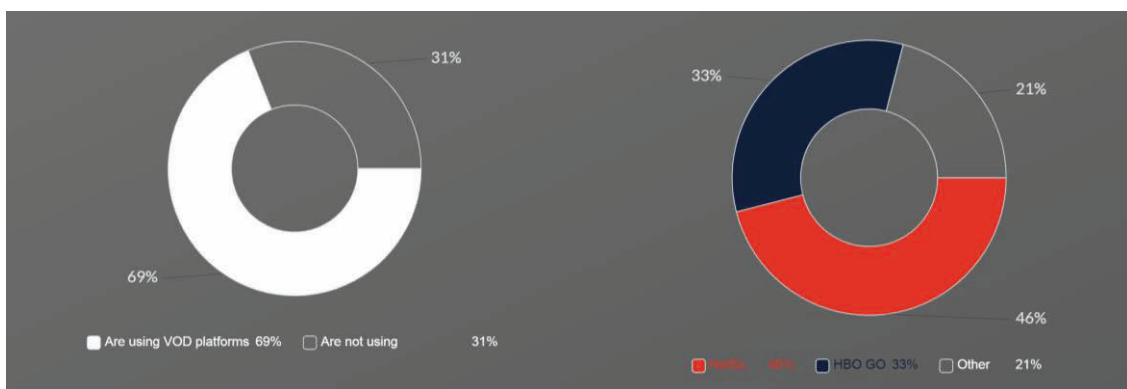
Graph no 7 - Source: Boxofficepro.com

But how does the number of cinema entries look in Romania? In graph number 8 we can see a slight decrease tendency of the Box Office incomes, which has started in 2018. The overall decrease of cinema entries in Europe is reflecting also in Romania, but our market is not accordingly to the European one furthermore: the decrease continues in Romania also in the year 2019, when in the rest of the Europe the number of viewers in cinemas has overcome the record since 2005.



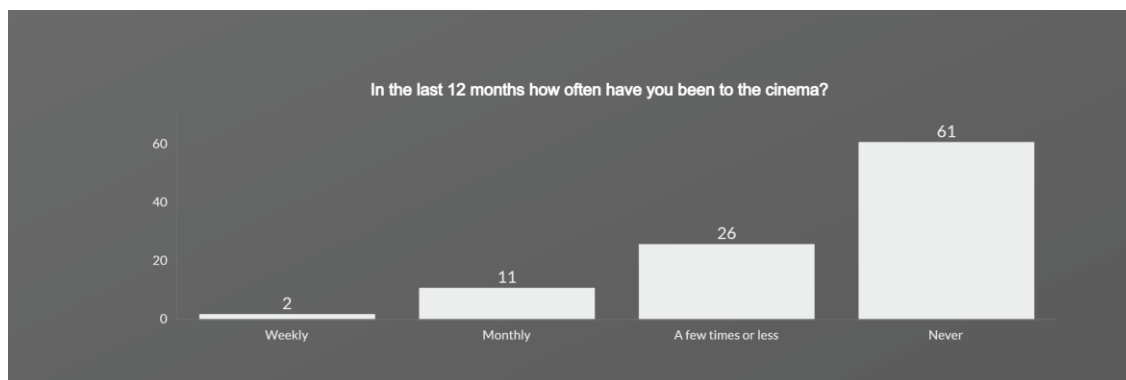
Graph no 8 - Source: Boxofficemojo.com

Further, I suggest analysing a study presented by Bold by Initiative, in which 1200 people from the urban area in Romania have been asked if they used Video on Demand platforms. Nearly 70% of them responded that they are using, all these numbers being recorded before the pandemic has started. Currently we can only assume that the number of users in Romania has increased, following the global trend presented earlier in this work. The same study reveals us that 46% of the respondents are using Netflix, 33% HBO GO and 21 % other platforms (graph no 9).



Graph no 9 - Source: Bold by Initiative

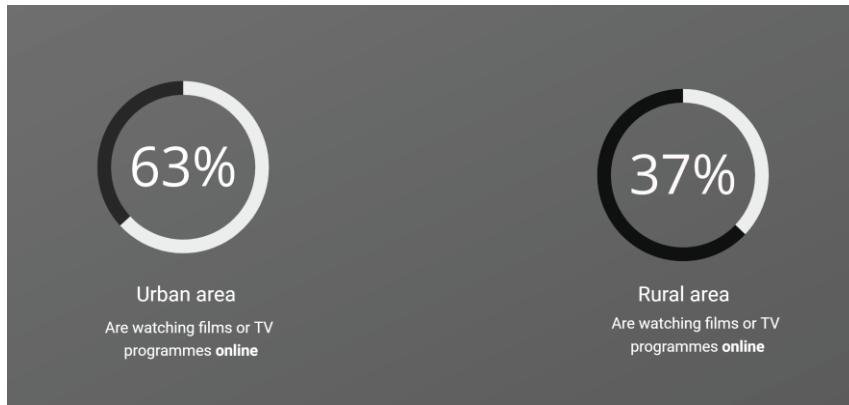
A study published on the website culturadata.ro is presenting us something very interesting for our research: Romanian people from the urban and rural areas have been asked how often they have been to the cinema in the last 12 months, and only 2% of them responded that weekly. 11% have responded that they are going to the cinema monthly and 26% a few times a year or less. In the end, 61% of the people have responded that they haven't been to the cinema in the past year (graph no 10).



Graph no 10 - Source: Culturadata.ro

Another study, published by the euronews.com website, is helping us understand better the situation in Romania. The European country with the best attendance in movie theatres is France, where 29.3% of the respondents in the study have declared that they have been at least 4 times to the cinema in the year 2016. Romania is on the last but one place, with 7.1% of the respondents going at least 4 times to the cinema in 2016.

The problem of boulevard cinemas is very well known in Romania, as most of them have been closed after the 1989 Revolution. The fight with the international cinema chains which are putting almost all their resources in screening blockbuster movies is a harsh and unforgiving one, boulevard cinemas being replaced with the ones in shopping malls. Here watching a film becomes almost exclusively a social activity, done between shopping, and the pure intention of going to the cinema in order to watch a film finds itself lost in this consumerism environment. But how does the number of VOD platforms users look in the rural area of Romania, an area where movie theatres are almost inexistent? A study made in 2018 and published on culturadata.ro is showing us the following data (graph no 11):

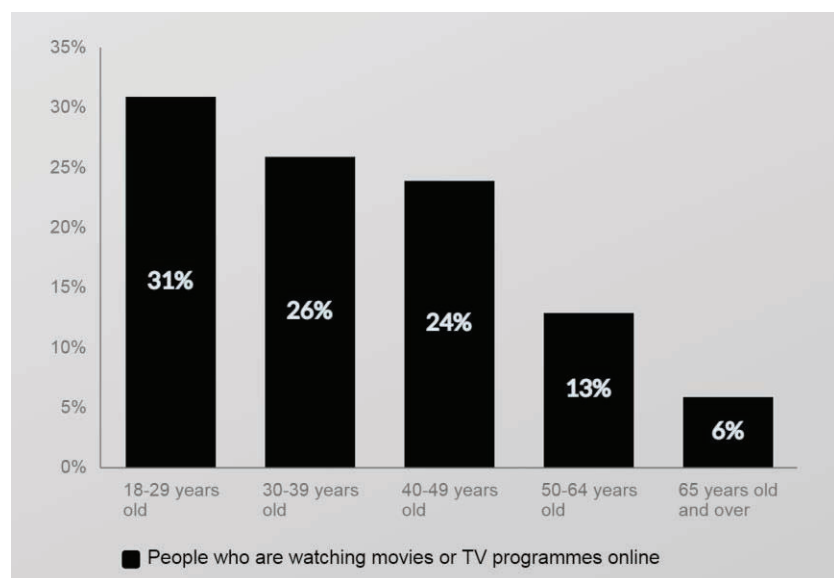


Graph no 11 - Source: culturadata.ro

First, the percentage in 2018 of the users in the urban area was of 63%, from 69% in 2019 (in the study presented earlier in graph no 9). And out of the 37% which refers at the rural area, we can figure out the potential increase in this population segment, especially if we take into consideration the percentage of people that have declared in the same study that they are following daily at Television news, shows, films or series: 79%. It is interesting to point out that in this moment there are smart modules that are able to transform any old TV of up to 15 years into a smart TV that can screen content on Netflix, HBO GO or any other VOD service.

And if we would analyse the graph no 12 (below), we can observe that 31% of the young population, between 18 and 29 years old, is watching movies or TV programs online, according to culturadata.ro, while only 6% of the population of 65 years or older are doing so. The new generations will surely be more accommodated with the online film consumption, so in 30 years from now the generation that I belong to at the moment (with a market share of 31%) will replace the actual seniors one, and the young ones that come from behind will surely be even more familiarized with watching films online. So, in a perspective look, we can predict an increase that is almost certain for the streaming platforms.

Graph no 12 - Source: culturadata.ro



The tendency presented is also sustained by the theory introduced by the American sociologist Thorstein Welben, which is stating that the transformation of a society is determined by the change and evolution of technology. And as technology that surrounds us is constantly evolving, society feels a need to adapt, to be constantly updated with the new tendencies that surrounds us and ultimately changing our lives. This theory is known as *technological determinism* (Dr. Awasya & Patel, 2020).

More, the way in which films are promoted around us could determine also our tendency in the way we watch them. The marketing strategy of a cultural product has to be in a constant adaptation according to the requests of its environment (Enache, 2015), and considering the *technological determinism*, the environment in which films will make their path into being promoted will be in a constant change as technology evolves. As so, in the future the way in which we watch cinema and the way in which it is promoted as a cultural product will be influencing each other.

In 2012, Lucian Pricop, Ada Solomon and Maxim Meca were writing in their book *Marketing and Cinema, Art-Technic-State of Mind* about the principal characteristics of cinema, and the last of the ideas mentioned was that the consumption of cinema has a **collective and immaterial character** (Pricop, Solomon, & Meca, 2012). Today, 9 years later, this theory seems to be changing slowly in our times, the modern spectator starting to consider more than ever a film as an **immaterial product** that is **being watched at home and alone** in most of the cases.

Conclusions

So what do we know until now? That people have declared that they will be afraid to go in crowded places for a while, including movie theatres. In the USA, the number of cinema entries is in an overall decrease starting from 2003, a period when Netflix was developing as a company shipping DVD's to people's houses and introducing in 2007 its online streaming platform. With all of these into consideration, the number of spectators in Europe has been in an overall increase, reaching a record of tickets sold in the year 2019. However, no one can anticipate what is going to happen with this market after the pandemic.

The movie theatres industry and the Video on Demand one are in a constant battle for spectators, the classic cinema hall being in an overall decrease tendency. At the other side, we know for sure that the VOD market has been in a constant growth that has been accelerated by the COVID-19 pandemic. Furthermore, it has a greater developing potential, as technical equipment has become more and more accessible. Would this mean that the classic movie theatre is about to disappear? Convenience or fear have made 70% of the people to prefer watching a movie premiere from home even after the restrictions are lifted, and the study from Poland is showing us that the reason for which people wish to return to movie theatres is the social aspect of it.

About Romania, we can only assume that the number of viewers from the “virtual cinemas” is following the increased number tendency that is manifesting in the whole world, especially by considering that 61% of the Romanians haven't watched one single film in a cinema in 2018, as presented from the website Culturadata above in this research. More, Romania is on the penultimate place in Europe regarding the people's presence in movie theatres, in the year 2016 only 7.1% of the Romanians having been more than 4 times at a cinema, according to euronews.com.

Technology is becoming more and more advanced, screens at our homes more and more generous and affordable, but the social part of the movie theatre, that magic that is happening in the same place where you and other dozens or hundreds of people are feeling in the same time, that is going to be irreplaceable. But for now we have to surpass the pandemic, and recently the World Health Organization has announced that we will be fighting with the SARS-CoV-2 at least until the end of 2021, and we cannot anticipate for now how we will feel in a cinema hall after this period. What we know for sure is that currently thanks to the technology, the technical experience of the movie theatre has been brought to our homes, and the idea of watching a movie premiere without having to leave our house and expose ourselves has become something normal. And as humanity finds itself at a turning point now, from a technology and a pandemic angle, we consider that that also the Cinema as we used to know it will experience important changes.

Cinema, even if it has gained millions of spectators, it has never been a performance! Only an illusion of it. The truth taken from the theatre has been added to the illusion pictured on a canvas. After the moment when sound appeared in cinema, suicides and bankruptcies happened. Chaplin even said back then that the cinema will die soon. It didn't. It only became a little lazier, in the zone of the cinema language, helped by the literal crutch – the dialogue! Sometimes present until saturation.

Now the movie theatres are empty. Or with little spectators. The pandemic is invoked. The restrictions. The pandemic has only rushed a phenomenon that has already started to settle: the avalanche of new cinema forms aimed for the receiver. A modern receiver. One who wishes for 3D, 4D, who wants to find himself in virtual stories, only him, in a form of assumed autism. Nowadays we have another type of Spectator. And another type of Spectacle. And again something is dying in cinema! I am not pleading for conservatism, but I understand that the movie theatre will maybe remain only for premieres, special events, awards galas...then the Spectator will take refuge and will watch a movie on his mobile phone, on his way to work, or at home, in front of a giant TV, maybe accompanied by his friends or all by himself!

The pandemic has actually rushed loneliness. The relentless alienation of the modern human.

The way of empathy of the '70s, '80s, '90s has already gained the feeling of a museum! From the illusion on a canvas, modern cinema has offered to its viewer the

good or the unfortunate change of he himself becoming an illusion! Let's watch carefully "The Purple Rose of Cairo", the film by Woody Allen, and we will discover the premonition of a genius filmmaker long before the technological siege.

Prof. univ. dr. Laurențiu DAMIAN, 07.03.2021

References:

1. BALIO, T. (1985) *The American Film Industry*. Madison: University of Wisconsin Press.
2. DR. AWASYA, G., & Patel, M. K. (2020) *OTT Viewership and Pandemic: A study on New Trends of online video content and cinema hall footfalls*. Retrieved from researchgate.net: [https://www.researchgate.net/profile/Gajendra-Awasya-2/publication/349136247_OTT_Viewership_and_Pandemic_A_study_on_New_Trends_of_online_video_content_and_cinema_hall_footfalls/links/602231e692851c4ed55b8eb9/OTT-Viewership-and-Pandemic-A-study-on-New-Trends-of-online-video-content-and-cinema_hall_footfalls/links/602231e692851c4ed55b8eb9/OTT-Viewership-and-Pandemic-A-study-on-New-Trends-of-online-video-content-and-cinema_hall_footfalls](https://www.researchgate.net/profile/Gajendra-Awasya-2/publication/349136247_OTT_Viewership_and_Pandemic_A_study_on_New_Trends_of_online_video_content_and_cinema_hall_footfalls/links/602231e692851c4ed55b8eb9/OTT-Viewership-and-Pandemic-A-study-on-New-Trends-of-online-video-content-and-cinema-hall-footfalls/links/602231e692851c4ed55b8eb9/OTT-Viewership-and-Pandemic-A-study-on-New-Trends-of-online-video-content-and-cinema-hall-footfalls)
3. KERRIGAN, F., Fraser, P., & Ozbilgin, M. (2004) *Arts Marketing*. Oxford: Elsevier ButterWorth Heinemann.
4. PRICOP, L., Solomon, A., & Meca, M. (2012) *Marketing și cinema, Artă-Tehnică-Stare de spirit*. București: Tritonic

Online references:

1. Box Office Mojo (2021) *Romanian Yearly Box Office* [Online]. Available at <https://www.boxofficemojo.com/year/?area=RO> (Accessed: 8 February 2021)
2. Box Office Pro (2020) *UNIC Reports Record 1.34 Billion Visits to European Cinemas in 2019* [Online]. Available at <https://www.boxofficepro.com/unic-reports-record-1-34-billion-visits-to-european-cinemas-in-2019/> (Accessed: 8 February 2021)
3. Euronews (2017) *How frequently do Europeans go to cinema?* [Online]. Available at <https://www.euronews.com/2017/08/29/how-frequently-do-europeans-go-to-cinema> (Accessed: 8 February 2021)
4. Institutul Național pentru Cercetare și Formare Culturală (2019) *Barometrul de consum cultural 2018* [Online]. Available at: <https://www.culturadata.ro/wp-content/uploads/2019/10/Barometrul-de-consum-cultural-2018-web.pdf> (Accessed: 8 February 2021)
5. IQADS (2019) *Studiu BOLD by Initiative: 7 din 10 români din mediul urban folosesc cel puțin un canal de video streaming pe bază de abonament* [Online]. Available at: <https://www.iqads.ro/articol/48474/studiu-bold-by-initiative-7-din-10-romani-din-mediul-urban-folosesc-cel-putin-un> (Accessed: 8 February 2021)
6. LYN PESCE, Nicole (2020) *70% of people would rather watch movies at home, even if theaters reopen: survey* [Online]. Available at <https://www.marketwatch.com/story/70-of-people-would-rather-watch-movies-at-home-even-if-theaters-reopen-survey-2020-05-21> (Accessed: 8 February 2021)

7. SAS, Adriana (2020) *Share of people who plan to visit cinemas after their reopening due to the coronavirus (COVID-19) outbreak in Poland in 2020* [Online]. Available at :<https://www.statista.com/statistics/1115876/poland-people-who-plan-to-visit-the-cinema-after-reopening-due-to-covid-19/> (Accessed: 8 February 2021)
8. SAS, Adriana (2021) *Reasons for returning to the cinema after the coronavirus (COVID-19) epidemic in Poland in 2020* [Online]. Available at: <https://www.statista.com/statistics/1115851/poland-visiting-cinema-after-the-coronavirus-pandemic/> (Accessed: 8 February 2021)
9. STOLL, Julia (2021) *Box office revenue in the United States and Canada from 1980 to 2020* [Online]. Available at <https://www.statista.com/statistics/187069/north-american-box-office-gross-revenue-since-1980/> (Accessed: 8 February 2021)
10. STOLL, Julia (2021) *Netflix's net income from 2000 to 2020* [Online]. Available at <https://www.statista.com/statistics/272561/netflix-net-income/> (Accessed: 8 February 2021)
11. STOLL, Julia (2021) *Number of movie tickets sold in the U.S. and Canada from 1980 to 2020* [Online]. Available at <https://www.statista.com/statistics/187073/tickets-sold-at-the-north-american-box-office-since-1980/> (Accessed: 8 February 2021)
12. The Numbers (2020) *Domestic Movie Theatrical Market Summary 1995 to 2021* [Online]. Available at: <https://www.the-numbers.com/market/> (Accessed: 8 February 2021)
13. Wikipedia (2020) *Netflix* [Online]. Available at <https://en.wikipedia.org/wiki/Netflix> (Accessed: 8 February 2021)

Andrei Tache-Codreanu has graduated the Bachelor and the Master's degree in Film Directing at The "I.L. Caragiale" National University of Theatre and Film, in Bucharest, where he is currently in his first year of PhD studies in cinema. In 2020 he has also graduated the English studies of The Faculty of Marketing at the Academy of Economic Studies in Bucharest, and in 2017 he had graduated the classes of the FAMU Filmmaking Summer Campus in Prague. His student films, both documentaries and fiction, have been awarded in film festivals such as Mumbai Shorts International Film Festival, South-Eastern Europe Cinema Schools Festival, Hyperfest International Student Film Festival, Cinemaiubit International Student Film Festival. He is now in post-production with both his final master's degree film, a short fiction, and his new short independent documentary film.