



▲ Kino International (Berlin, Germany) - Credit: Chris Gonz
◀ Cineworld (United Kingdom)

Box Office and Beyond: the cultural, social and economic impact of cinema

Executive Summary

Cinema is one of the most popular activities across Europe, it is one of the primary hubs for cultural exchange, a local community activity, a central plank in the health of the entire audiovisual industry, a mainstay of our social activity for over 100 years and one that is evolving with the acceleration of new technology and societal change.

Across Europe in 2023, there were very nearly one billion visits to the cinema, down from the peak of 1.36bn in 2019 and well on the way to coming back. There are just under 40,000 screens based in 12,300 cinemas in Europe in 2023, employing close to 100,000 people in France, Germany, Italy, Spain, and UK alone.

Cinema has a central place in the media economy of the future, as an out-of-home leisure and cultural experience but also as the dominant launchpad for both large and small films. Films with an exclusive theatrical window perform better on the following windows too, but also films released theatrically in more than one territory are more likely to be available on more VOD platforms. Cinemas act as the main value creator for rights holders in a way that no other release window can, and if they didn't exist, we would need to invent them.

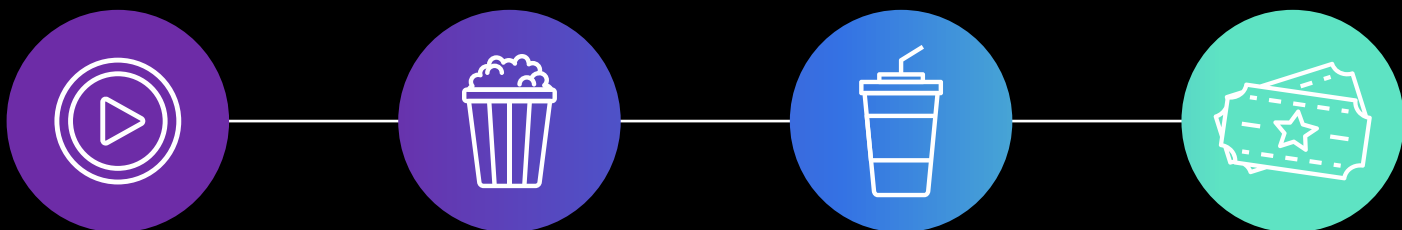
Cinema acts as a mirror to our own cultures and other cultures, reflecting back stories that describe, shape, and illuminate our own experiences. Around Europe and the world, producers are making a wide variety of films. It is the cinema that selects, and curates films, communicates with audiences, and ensures that this diversity of film production finds its audience. The cinema is the place where smaller films come alive and remain alive.

A local cinema with an engaged audience is an effective vehicle for community issues and support, from wider global issues (such as climate change, sustainability, democracy, pluralism, an openness to other points of view) to more local issues (public transport, environment, supporting local food and drink suppliers). Cinemas are also a gateway into other activities in the community, and a trip to the cinema is often accompanied by a visit to a restaurant, pub, bar, local shops and other cultural activities.

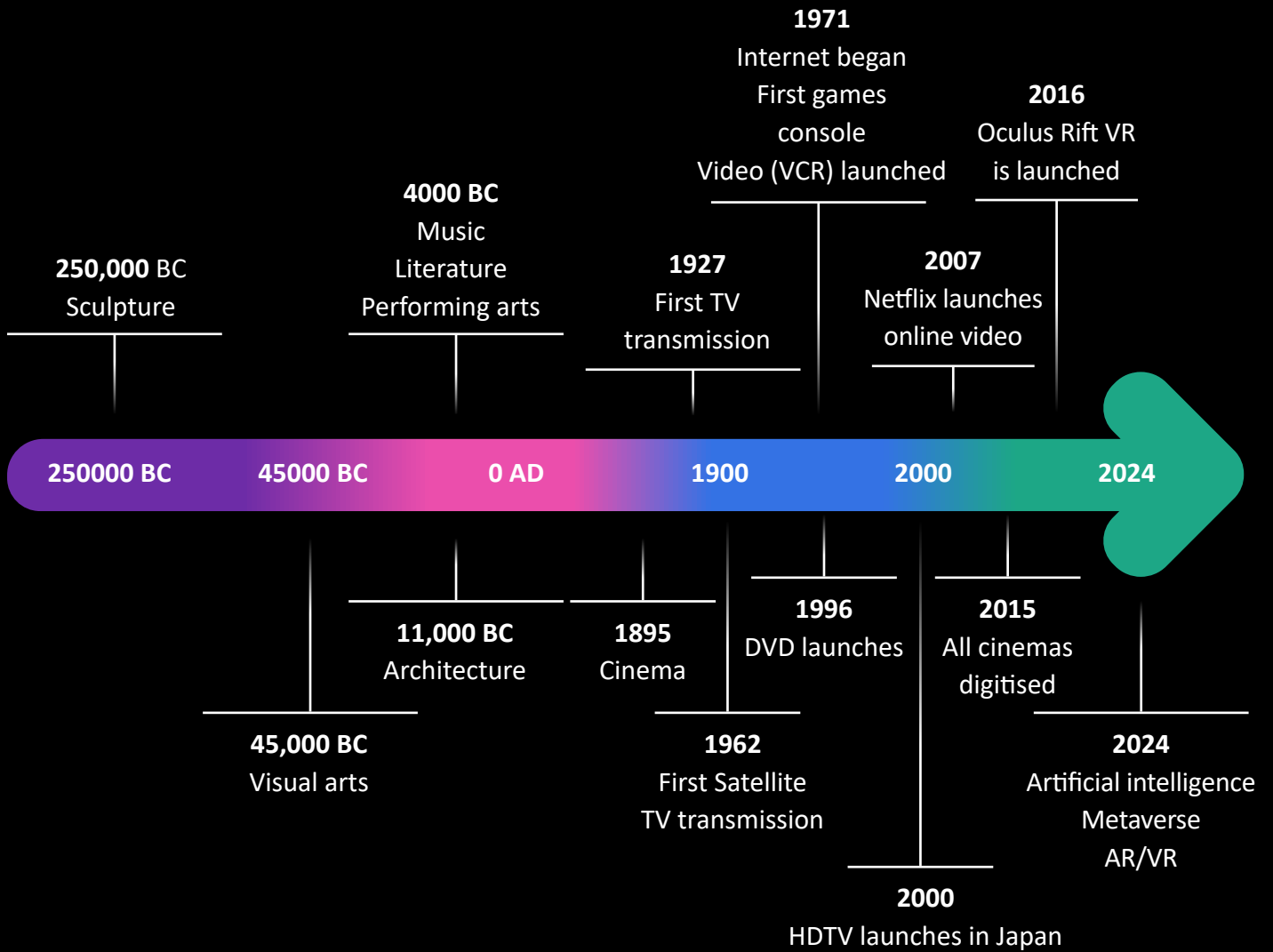
While the home-based sector is advancing technology-wise, what the home cannot replicate is the big screen, and this is an area where cinema has been investing. However, that experience is not just about technology, it is about offering something over and above the expected experience, including the curation of films and events.

The cinemagoer is a modern, enthusiastic consumer of all types of content, media and leisure such as gaming and VOD, and cinema attendees don't exist in a silo away from the general population. The young people sitting at home playing video games and ordering films from VOD platforms are also proportionally more active cinemagoers.

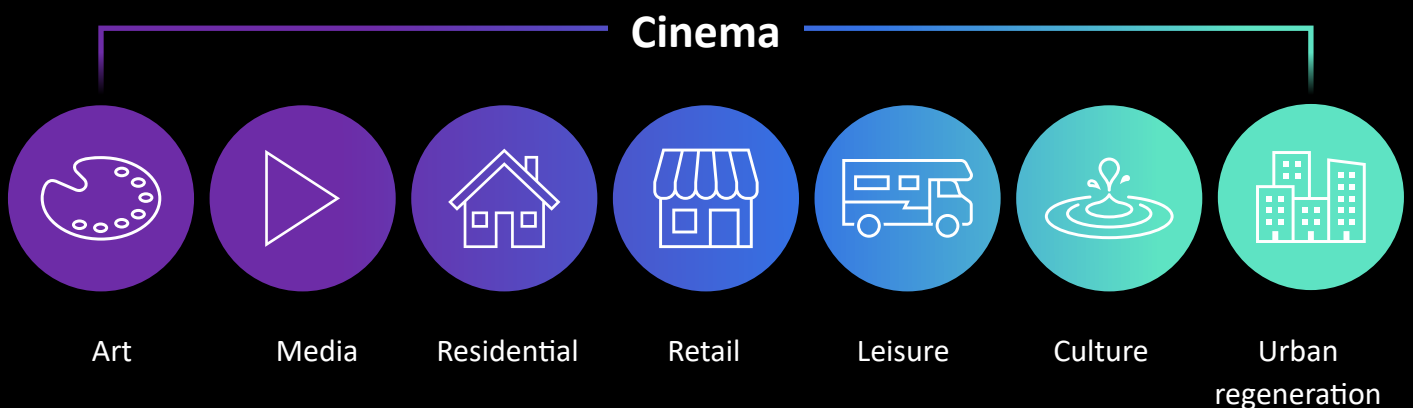
The heart of the cinema sector remains the socialised nature of the viewing experience and the cinema where a film is shown for the first time. Watching together as a shared experience has positive influences on our emotional wellbeing and connectedness, reduces social isolation and offers an accessible and affordable experience for all members of society.



Arts and media timeline

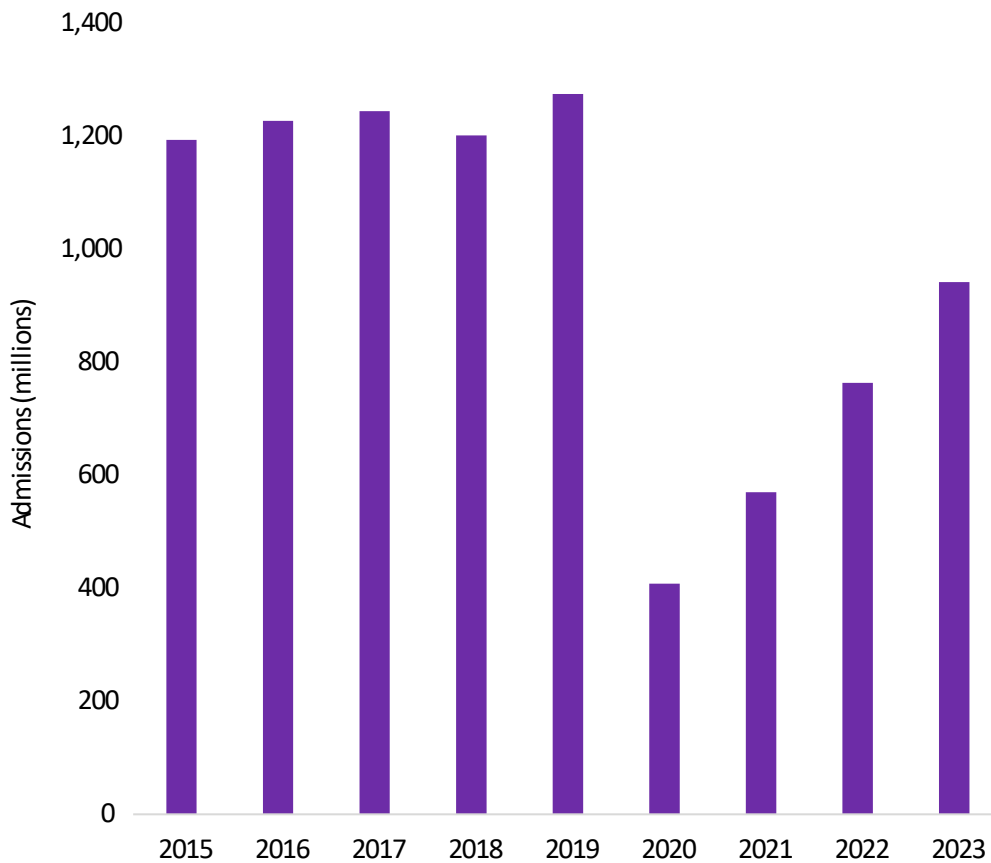


Cinema's intersections with society



Cinema is one of the most popular forms of leisure activity across Europe, one of the primary hubs for cultural exchange and local community activity, a central plank in the health of the entire audio-visual industry, and a mainstay of our social activity for over 100 years, and it is evolving with the acceleration of new technology and societal change. Across Europe in 2023, there were very nearly 1 billion visits to the cinema, down from a peak of 1.35 billion in 2019 but up 21.7% on 2022 and well on the way to full recovery.

Figure 1: European cinema admissions



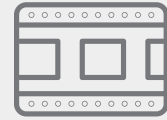
Source: UNIC

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The sector is coming to terms with changes in people’s cultural, social, and leisure habits and also coping with a cost-of-living crisis that is affecting all aspects of discretionary spending. Despite these circumstances, the European cinema sector is bouncing back, and by 2023 box office revenue in the continent was at 80% of its 2019 level, itself a record year, with a steady progression upwards each year.

Several European countries have reached or are very close to 2019 box office levels: Austria, Belgium, Czech Republic, Finland, France, Latvia, Lithuania, North Macedonia and Slovakia are on a par with or less than 5% below the average 2017–19 box office, underlining the resilience of cinema as a medium and the extent to which it is greatly valued by people.

In Ireland, 87% of people who went to the cinema before the pandemic had returned by end-2023, a pattern that is being replicated across Europe.



87%

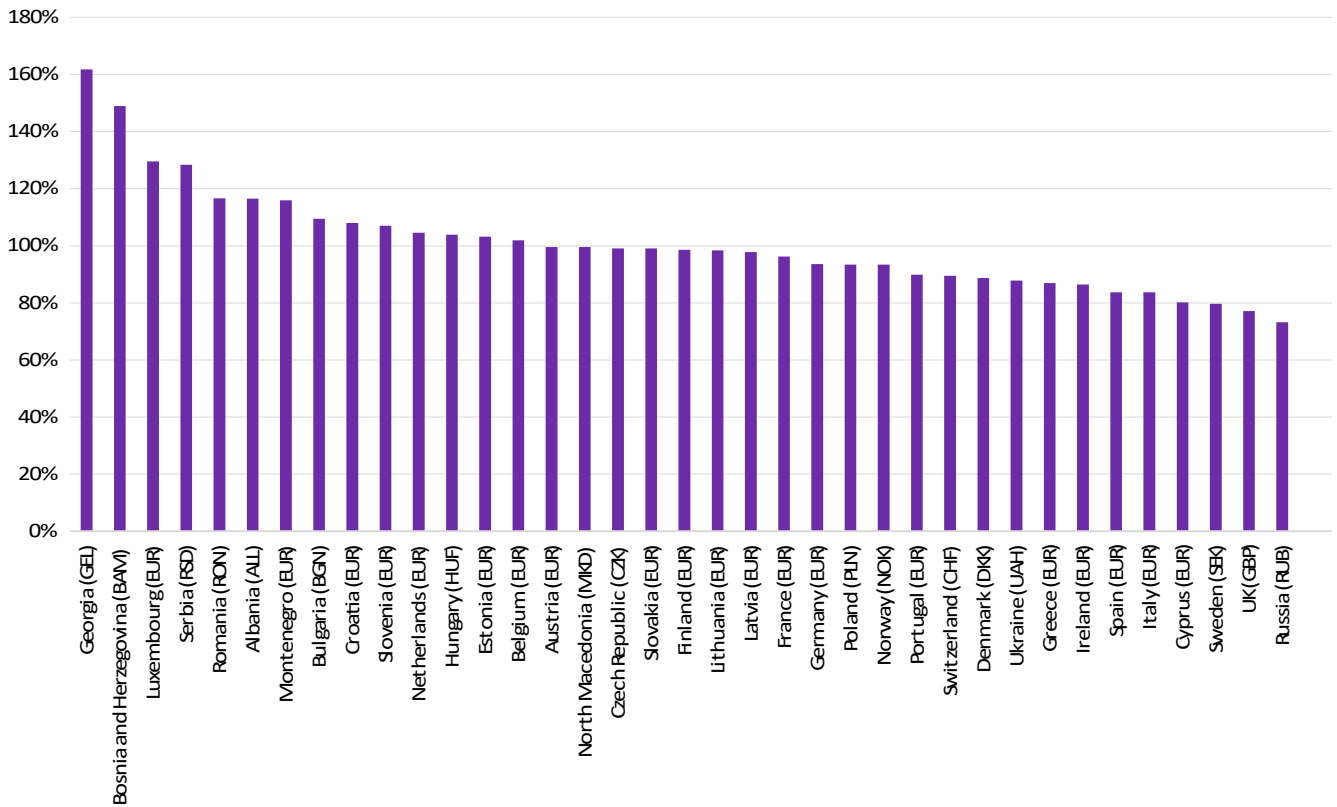
Proportion of Irish cinema-going population that has returned to cinemas since COVID-19 (Cinema First)



104.6%

Cinema box office in Netherlands in 2023 compared with the average for 2017–19 (UNIC)

Figure 2: Europe’s recovery in cinemas, 2023 box office compared with 2017-2019 average, in local currency



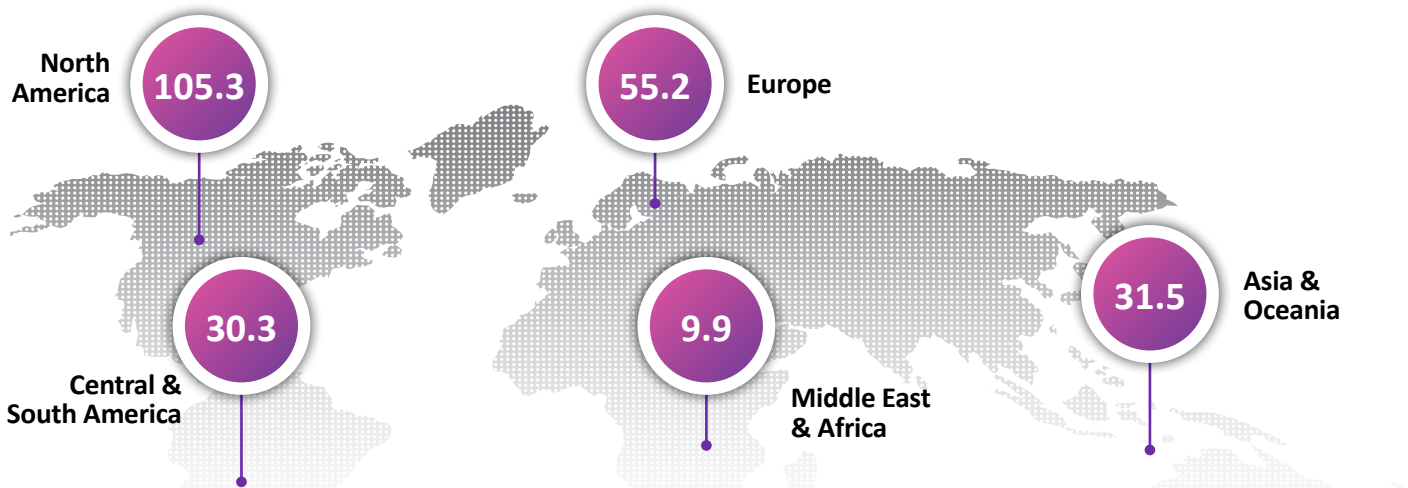
Source: Omdia, UNIC

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Each country, and indeed each region, is following a different path to recovery. Though learnings can be transferable, the market structure, competitive environment, success of local-language films, and consumer shifts vary and alter the dynamics in play in each case. However, markets can recover fully; indeed, Omdia forecasts that all markets will have recovered by 2025/26. This is not to ignore the challenges that cinemas have faced in the recovery from full closure, including a restricted supply of films, changing customer behaviour, actors’ and writers’ strikes in the US, the cost-of-living crisis, and an energy crisis to name the most obvious. However, the steady recovery of European and global cinema markets is encouraging and points to their ability to thrive once more. This is important for governments, because cinemas are economic generators, creating jobs, buying in goods and services, and paying local and national taxes.

Importantly, cinemas are also a vital part of the European cultural fabric on many national levels: in Europe, there is a long history of producing feature films (in fact, 2022 was a record year for European film production), and the first commercial screening of a film famously took place in France back in 1895. In comparison with other parts of the world, Europe has a high provision of cinema as a cultural and entertainment medium, second only to the US with 55.2 screens per million inhabitants, significantly higher than the rest of the world.

Figure 3: Global comparative screen density by region, 2023 (per mn inhabitants)



Source: Omdia

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Films reflect national culture or subcultures and the wider world to the audience; they frame moral and political discussions; and they entertain and educate. As a venue, a cinema is a social hub, a part of architectural heritage and civic pride, a place to meet, a place for discussion and the exchange of ideas, and more than ever a place to eat and drink and socialise. It is also an educator of people, whether through early lessons in life or the bigger themes as we age.

This is a good time to portray the importance of cinema from a cultural and social perspective. We have recently experienced the power of cinema as a global cultural enabler and as an economic force in creating value for films and other IP. Last year, the 'Barbenheimer' buzz was a timely reminder of the unmatched power of cinema to create awareness and excitement and to start a global conversation. However, cinema can regularly elicit that excitement. Examples include the success of Korean film *Parasite* and the French film *Anatomy of a Fall*. Likewise, the success of event cinema screenings, such as *Taylor Swift: The Eras Tour*, André Rieu, and productions by the National Theatre also serves as a timely reminder that cinemas' programming is evolving and shows how the cinema can help people access other art forms besides film.

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Cinema's pivotal role between art and media

Film is often referred to as the seventh art (the other six are architecture, sculpture, music, performing arts, literature, and the visual arts). The oldest of these dates back around 800,000 years, and the newest (excepting film) is around 3,500 years (earliest recorded piece of music). This shows how young film is as an art form, beginning with the first public screening by the Lumière brothers in 1895.

When set against the other arts, cinema is new. When set against other media, film can seem old given the pace of innovation, but it is also the first screen medium, showing the way for future technologies. As the newest form of art, cinema represents the “end of the old,” but it also began the “new” era of media, kick-starting the screen-based media revolution that has led to television, video, streaming, gaming, virtual reality, the metaverse, and beyond. Cinema is the link between these two eras. From its early origins as a cheap form of mass entertainment, showing films, news, and entertainment, cinema has become a more valuable premium entertainment and cultural format, particularly since digitisation and the segmentation of the cinema venue into distinct experiences and pricing levels. Both as art and media, cinema is as relevant today as it has always been, and cinemas provide a diverse cultural outlet in their communities in addition to launching films into the audiovisual chain.



Sommerkino Kulturforum - Credit: Oliver Look

Cinema and culture

Cinema straddles several distinct sectors, notably culture, art, leisure, entertainment, and media. It is the beginning of the economic life of a film, setting a benchmark for future value creation, but it is also an art form and a cultural good. It sits alongside the arts, sometimes melding them all together as a form of high cultural endeavour. Additionally, especially in rural areas, the local cinema often offers the only cultural activity in a town, serving a vital role for all the people living there, including some minority groups, through its curation of appropriate films and the activities it hosts. Cinema-going is one of the most affordable cultural activities, and new initiatives such as subscription models make the cinema even more affordable for frequent visitors. Cinemas also create popular, and more niche, culture within a country when a film or a moment in a film becomes iconic. These moments become part of national culture.

The cinema is also a wider cultural facilitator, bringing other events beyond film to the big screen. Go to most cinemas and you will find opera, ballet, theatre, music concerts, debates, TV programmes, Q&As, art exhibitions, and sporting events on offer. Event cinema, as it is known, fills auditoriums in off-peak times for the cinema but also widens the cultural benefits of the cinema to the local community. Each of these cultural assets gets immense value from opening its product on a cinema screen to a much wider geographical audience, expanding its addressable audience and therefore its relevance and revenue. Getting to watch a play in a theatre is out of reach for much of the world, but a trip to your local cinema to watch the same event is much more accessible and affordable. One-quarter of attendees at event cinema screenings are new to cinema (see the Event Cinema Association's study), proving the worth of cinemas in widening cultural accessibility.

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Mestni Kino Ptuj (Ptuj, Slovenia)

Employment

There were just under 40,000 cinema screens in 12,300 cinemas in Europe in 2023. As well as being at the heart of a community, these venues are the economic engine behind box office generation, a highly impactful part of the advertising sector, and a key client for a range of local and global suppliers (e.g., food and drink, projection, sound and building technology, screens, seating, energy, etc.).

Cinema is also a significant employer of people, both earlier in life on shorter-term contracts but also as a career option, either in head offices or at local cinemas. In the UK, the exhibition sector employed 20,681 people in 2022, according to the BFI.

In France, CNC data shows that 15,218 people were employed in cinemas in 2022 (over 2,000 more than in 2021), almost equally men and women. In Italy, approximately 18,000 people are employed, and in Germany about 25,000 were employed (of which around 15,000 were in marginal employment) at the end of 2023, which means close to 100,000 people are employed in cinemas in France, Germany, Spain, Italy, and the UK alone. This compares to well to other audiovisual sectors and underline cinema is an important economic sector. Cinemas offer a fulfilling and satisfying career for a person and make a substantial and wide-ranging contribution to the economy.



20,681

Number of people employed in cinema exhibition in the UK in 2021 (BFI)



Louis Garrel and the team of Cinéma ABC (Toulouse, France)

Building value for films

As consumer habits for entertainment changed in the last decade, moving away from physical media to online consumption, cinema has been a stable bedrock enabling this change to happen without undermining the overall value of a film's worth.

As streaming platforms have grown, some see them as competitive to cinemas. However, in the same way as DVD was symbiotic with and not competitive to cinema, streamers are not a substitute for it. Audiences are actively going to the cinema, seeking out an experience that is distinctly different from watching films at home. Cinema has a central place in the media economy of the future, both as an out-of-home leisure, cultural, and social experience and as the predominant launchpad for both large and small films. This is dependent on cinema continuing to invest in experience, service, design, curation, environment, marketing and audience development, and technology.

Industry experience during the pandemic shutdown underlined very clearly the value of the cinema as the primary launchpad for a film.

Across the board, films with an exclusive theatrical window also perform better on the following windows, and films released theatrically in more than one territory are more likely to be available on more video-on-demand (VOD) platforms, according to a recent study by the European Audiovisual Observatory. Cinemas act as the main value creator for rights holders in a way that no other release channel can. A theatrical release window acts as a showcase for a film in the primary visual and aural environment for film watching, and while this applies to all films, it is very important for smaller films and those from underrepresented perspectives. Being shown in a cinema is a vital starting point for a film that might not have been shown at all. A significant number of films stay in cinemas longer than the agreed theatrical window because this enables further transactional (and shareable) revenue to be made. This builds future value for the film in other media because a rights sale is often benchmarked to box office performance. In terms of maximising revenue for films, if cinemas did not exist, we would need to invent them.

Without cinema as a curator and programmer, there would be much less value in film rights and much less discovery of new talent, and consequently there would be lower budgets and fewer films being made and discovered.

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Művész Cinema (Budapest, Hungary)

The economic, social, and cultural value of cinemas to communities

The cinema building is rooted in a community, and any size of cinema has an individual identity within its own locale. A local cinema with an engaged audience is an effective vehicle for community support for local issues (public transport, environment, supporting local food and drink suppliers) and wider global issues (climate change, sustainability, democracy, pluralism, an openness to other points of view). Cinemas regularly work on projects that address accessibility and loneliness, and they host events that are not necessarily to do with films, such as yoga sessions and poetry readings. Community-led cinemas are a perfect example of the power of the screen to bring people together, working against loneliness and isolation, especially amongst older audiences.

The Quorum, an organisation that tracks film marketing trends, surveyed more than 2,000 individuals on their attitudes to cinema. At the end of 2021, research in the US found that 71% of people would be disappointed if cinemas disappeared, even if they do not attend that much. This underlines the role of the cinema as a valuable amenity for most people that would be missed if it disappeared.

A recent BFI study put an economic value on the cultural worth of cinemas to their community, asking the survey respondents to put a price on the value of the cinema to them. Across all users and all types of cinemas, the cinemagoers would be willing to pay an annual donation of £19.20 (EUR 22.07) per person to retain their cinema instead of seeing the same building repurposed for another function. The highest sum was for cinemas that also act as a 'social hub' (defined as including one or more of a cafe, bar/workspace, or restaurant), where respondents gave a figure of £26.39 (EUR 30.34). This is on top of the ticket prices already charged to see a film.

Overall, the report found that these cinemas delivered wider societal value to the community of £600,000 (EUR 689,700) per cinema every year (expressed in willingness to pay and the value of the cinema's existing for users and non-users). This is on top of the added value created by the average cinema (ticket sales, other sales, members schemes), which a previous BFI study found to be £1.18m (EUR 1.36m) a year, not including the wider benefits of related visits to local shops, cafes, restaurants, bars, and other cultural venues.

Cinemas are also a gateway into other activities in the community, and a trip to the cinema is often accompanied by a visit to a restaurant, pub, or bar; local shops; or even a local park or by other cultural activities (such as a visit to a museum or heritage site). Cinemas are crucial to the economic well-being of the leisure, retail, and even residential health of communities. A study carried out in Belgium by Vertigo on behalf of Cinedata in 2018–19 reveals that 33.5% of visitors combined a visit to the cinema with another leisure activity. Overall, 3.5 million cinemagoers said they had visited a bar before or after the film, 2.5 million had gone to a restaurant, and a further 500,000 completed their evening at the cinema with another leisure activity. Cinema acts as a facilitator for other activities.



Cinema Stensen (Florence, Italy) - Credit: Ilaria Costanzo

Innovation

With a settled business model and supply chain for the past 100 years, cinema is sometimes perceived as old-fashioned, but that view itself is out of date. As streaming challenges television for viewers in the home, and the mobile phone makes media transportable, the way we consume film and audio-visual content is evolving, but as the oldest screen medium, cinema has had to constantly innovate to remain relevant for many years. A sector that did not evolve would not last for as long as cinema exhibition has. Introducing sound then colour, new formats, ground-breaking content, new technology, and new types of cinemas, the industry is forever innovating, and it continues to do so today. As the International Union of Cinemas' (UNIC) report 'Innovation and the Big Screen' makes clear, the cinema exhibition sector is highly innovative in finding solutions to today's problems and also in driving forward the cinema business. UNIC is the international trade body representing cinema operators and their national associations across 39 European territories, gathering around 43,000 screens. UNIC provides a voice for European cinema operators on issues of shared interest and advocates for the value of cinema exhibition.

The recent process of modernisation began with digitising the cinema projection booth, but that has opened up a wave of technology and business innovation in the cinema sector: software, hardware, cinema design, seating, in-cinema dining, foyer layout, marketing, data analytics, audience development, business models, and loyalty schemes. Experimentation and innovation in the cinema sector are common and takes place daily. Laser projection is now gaining in the market, bringing an efficient new technology into the cinema world and helping with sustainability and energy costs. High dynamic range is also making its way into cinemas through higher-end projectors and branded entertainment experiences.

Online ticketing is widespread across the sector. With that comes more accurate and consistent data for marketing and programming purposes, an expansion of loyalty schemes that create better value for regular cinemagoers, and an ability to match ticketing data with concessions, enabling cinemas to spot trends and adapt operations dynamically. Cinemas across Europe have pioneered innovative loyalty programmes, providing film enthusiasts with exclusive benefits and a sense of belonging to a cinematic community. The key to successful cinema, as exhibitors know, is finding and engaging with your audiences and using data to understand them.

Cinemas are also experimenting with subscription models, all-you-can eat models, membership schemes, dynamic pricing (flexible pricing based on demand), and other business models to find the right way forward for them and for their audiences. A relevant example of this is the Dutch Cineville card, which brings together 70 art-house cinemas in the country, offering an unlimited viewing pass for €22.50 a month (€18.50 for under-30s). The initiative is also operating in Belgium and Austria and is soon to enter Germany.

There is a growing presence of cinemas on TikTok to attract Gen Z, for example, producing original videos showing some behind-the-scenes cinema life, promoting new film releases, and involving staff. Letterboxd (a social film discovery app) is also growing in popularity within the exhibition sector, especially in the UK, to attract young cinephiles. Cinema exhibitors are also very creative in producing original events around films to attract a wider audience and enhance the cinema experience with special guests for debates after a screening, themed decoration of the foyer for a much-awaited film release, or festivals combining film with music or food.

Exhibitors regularly experiment with new communication channels and social media, such as podcasts on repertory films, posting advance information on new releases, or discussions with film directors and actors, another example of innovative activities that enhance engagement with audiences.



Cineworld (United Kingdom)

Experience and immersion

Cinema is the most immersive form of film watching: people are able to lose themselves in a good story for the duration of the film. This is down as much to curation and community as to the combination of big screen and sound and a comfortable environment. More recently this immersion has also been underpinned by advances in technology.

While the home-based sector is advancing technology wise, what the home cannot replicate is the big-screen experience, and cinema has been investing in making the auditorium, overall environment and cinema experience special. This differentiates the cinema from the home, and elevates the social aspect of going out to the cinema and watching a film that may not have been the choice in the home.

Following a decade of diversification, cinemas now offer a wide range of technological experiences, no longer a homogenous form of film watching. The cinemagoer has the choice of watching in some or all of 2D, 3D, HDR, immersive sound, premium large format, premium small format, 4D, and motion seating. Over the past decade, the offer to customers has diversified and segmented, and premium experiences in the cinema are popular and growing as a share of the market.

Experience is not just about technology but about offering something over and above the standard experience. The programming schedule, underlining the role of the curator, and the community and social involvement of watching films with others is a critical element of the experience. Appropriate film choices for a community support that community's cultural life and enhance their individual and social experience.

The customer can also eat a full meal at their seat or sofa, watch in a uniquely designed auditorium from a leather reclining seat, watch a film in an entertainment centre that offers other activities before and after, see it with friends in a hired private cinema (2 to 10 seats), or relax with family in a child-friendly auditorium with playground equipment. They can also see a director being interviewed about the film, see new versions of old films, or attend a growing number of film festivals, often curated to a certain theme or audience.

Not all the above cinema experiences will suit everybody, but that is the point of an increasingly segmented sector: offer a different experience to demographic groups that will appreciate it. Truly, the cinema experience has multiplied to become the experiences of cinema.

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Cinemas create iconic moments, that go on to become national culture.”



Kinopolis (Germany)

Global impact

Being the first to see a film is also a fundamental part of going to the cinema – that feeling of being part of something new. The notion that you are part of a shared local experience but also part of a global phenomenon is a powerful positive, enhanced today by social media as much as by the mass media. Connectedness, being part of the global group, is an intrinsic part of wider well-being.

As the hype around a big release begins to build, the cultural relevance of that project also builds, bringing people together in a way that a restaurant, bowling alley, or bar cannot match. The film is the global attraction, but the cinema is the facilitator of that global power, marketing and communicating with audiences well before the theatrical release and building anticipation and future audience. Once the release happens, the cinema is the meeting point for ideas, relevance, impact, and experience. Other media cannot replicate the impact that a cinema can have on our wider cultural life, because the experience is a global one, as well as an intensely personal and yet shared one.



Olympion (Thessaloniki, Greece) - Copyright: Vasilis Ververidis

Transparency

In the modern media ecosystem, and as films move on from the cinema release into subsequent windows, cinema is valued as one of the most transparent sectors. This is the only time that the public and the industry see a film's true popularity and worth in its box office performance and the number of admissions. Subsequent revenue windows are less transparent: streaming and VOD systems often do not publish detailed viewing figures. Such transparency is one of the reasons that cinema is a key value creator for a film. The transactional nature of cinema-going helps this process, keeping the value appropriately high for rights holders and creators before the film heads into a less transparent streaming world. Transparent disclosure helps rights holders navigate the best route for their film, and business in the cinema sector can be clearly evaluated based on yearly box office results. This also ensures that the cinema can be used as a benchmark for future revenue.



Cinema Paradiso (Sankt Pölten, Austria)

Storytelling

Another fundamental theme of cinemas is storytelling. We hear stories from an early age, often from parents or teachers. The ability to pass on a wide range of stories, information, and experiences is what marks humans out from other species. Progressing from the oral storytellers of old, film is now an engaging way to pass on a visual story. The filmmaker has the advantage of using sound and vision to bring a story to life, and a big screen in a social context is the most impactful place to watch this vision. The story's impact is magnified and shared in a cinema. The cinema is a place to see a variety of stories, and curated cinemas offer a chance to see stories that might not be shown elsewhere, standing outside the mainstream. The cinema finding the film and making it available is a major boon to society. This is very important for community cohesion and fostering mutual understanding and respect for other values and perspectives.

While the cinema is not exclusively the place for stories to be told, it is the one with the greatest capacity for the individual to switch off and immerse themselves in that story, provoking the greatest emotions and memories. Cinemas perpetuate the storytelling tradition on the grandest scale, passing on our generational and human experiences using the newest art form we have to achieve this.



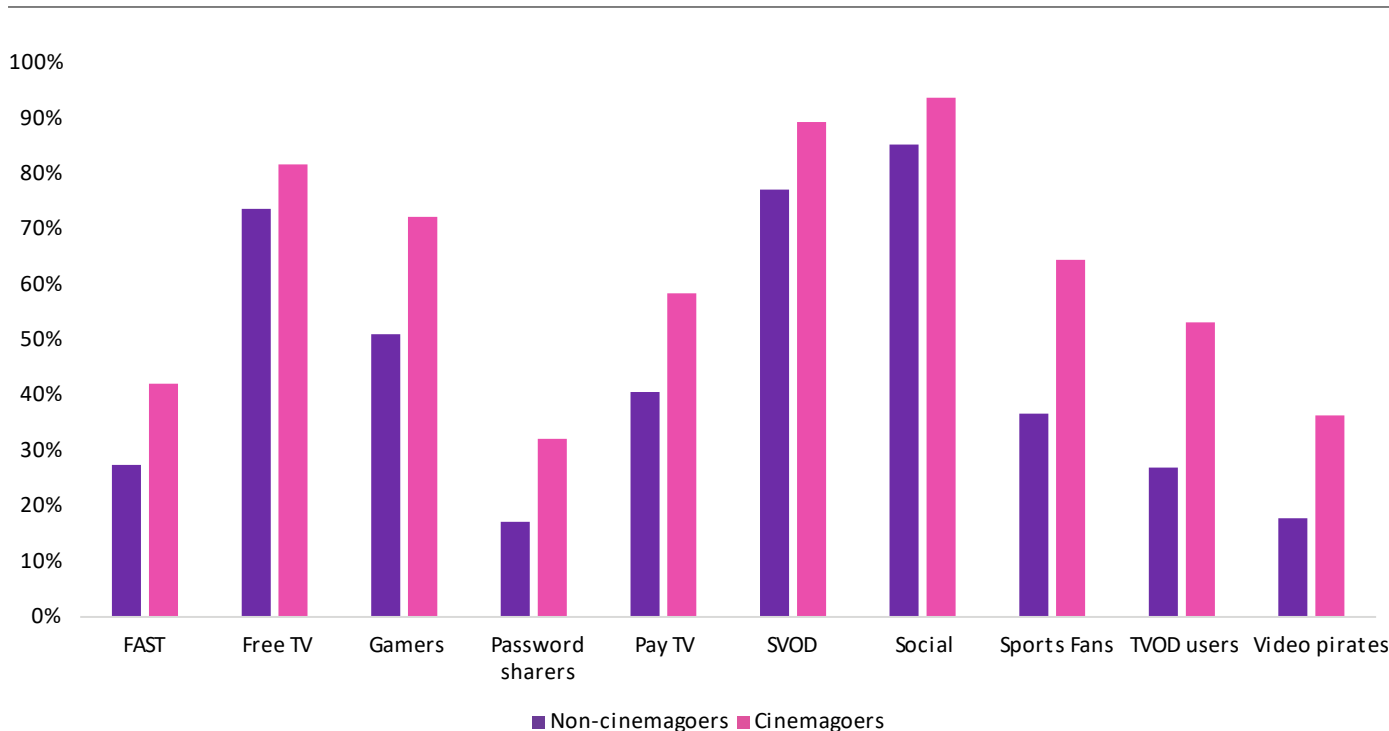
Il Cinema Ritrovato (Bologna, Italy) - Copyright: Lorenzo Burlando

The cinemagoer: An enthusiastic consumer of all media

The cinemagoer is a modern, enthusiastic consumer of all types of content, media, and leisure such as gaming and VOD, and cinemagoers do not exist in a silo away from the general population. They are the general population, and importantly they are highly active consumers of media and culture, significantly more so than non-cinemagoers. The young people who spend time at home playing video games and ordering films from VOD platforms are also proportionally more active cinemagoers. In most countries, the picture is the same as the data presented for Spain, where cinemagoers are significantly more engaged with other media than non-cinemagoers. For example, 72% of cinemagoers are gamers, compared with 51% of non-cinemagoers. For transactional VOD (TVOD), cinemagoers are twice as likely to engage with buying content on VOD than non-cinemagoers (53% compared with 27%). As for the recent move to free-ad supported streaming TV (FAST) channels, 42% of cinemagoers use them compared with 27% of non-cinemagoers. The gap is less pronounced for more widespread services (such as free TV and streaming services), but there is still a gap. The picture here is clear: cinemagoers actively engage with the world around them and see great value in cinema as part of their media mix. The ability to have a varied media and culture mix is important to people, and each medium does not threaten the others' existence; it complements them.

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Cinemagoers actively engage with the world around them and see great value in cinema as part of their media mix”

Figure 5: Spain, media usage split by cinemagoers and non-cinemagoers



Source: Omdia

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The individual

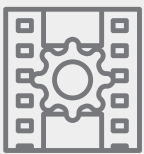
The cinema frames an individual's life, posting markers along the course of their stay on this planet. The cinema acts as a socialiser for young children, helping to stretch attention spans and entertain while they are learning. Cinemas' role of curation is key to their ability to engage all age groups including younger audiences, such as at children's matinees and parent-and-baby screenings. There are also targeted initiatives for younger audiences such as the young programmers, where teenagers are given the opportunity to curate and organise a film cycle or a festival in the cinema addressed to their peers.

As we move into adulthood, the cinema is a vital step towards becoming independent, a safe space for teenagers to socialise away from their parents, discuss new ideas and perspectives with friends, share emotions, explore new ideas through the medium of film, grow their cultural references, and of course, be entertained. For young adults, it is often a safe choice for a first date, with a guaranteed conversation afterwards. Move on a few years, and the cinema is a night out with friends and partners, an escape from work and daily life, but also a place to share with family as children experience the magic for themselves. For much older people, it is a safe place to go to with a partner, but also maybe a chance to get away from domestic responsibilities, keep the brain active, and keep up with the world. Some cinemas organise special screenings in the morning, often accompanied by a post-film talk over a cup of coffee, creating a valuable space for connectedness and social inclusion.

Cinema is with people at every stage of their life and forms part of a person's individual lifelong memory bank, no matter what age or gender. The gender split amongst cinemagoers is very even: in France in 2022, 53.3% of attendees were women and 34.1% of all visitors were over 50 years of age, underlining that cinema is for everyone at all stages of life.

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Cinema frames an individual's life, posting way markers along the course of our stay on this planet.”



53.3%

Proportion of cinema audience in France in 2022 that was female (CNC)



34.1%

Proportion of over-50s in French cinema audience (2022 CNC)

Education

Cinema is an educator of people, from the early lessons in life (be respectful of others) to the bigger themes of adult existence (such as democracy, pluralism, politics, culture). From an early age, cinema can teach children the basics of socialisation in addition to engagement in and enjoyment of stories. Many schools offer film literacy programmes for their pupils, using the educator aspects of cinema to help learning. The cinema introduces children to culture and perspectives outside their immediate world and allows under-represented groups of people to be represented on screen, fostering a sense of community and belonging and extending the person's horizons. Cinemas also host screenings for schools, not just allowing the pupils to watch new films but also providing a space for debate and exchange of ideas, bringing the school into the wider community.

For older audiences, the same applies, and films such as Al Gore's *An Inconvenient Truth* can kick start a global conversation and environmental movement that endures today. Cinema is a marketplace of free ideas, intercultural exchange, and education into other perspectives of life. A well-curated film programme can be tailored to local audience needs as well as society's wider conversations.



School screening, Puskin Cinema (Budapest, Hungary)

Health and well-being

Being with people can also take place in theatres, pubs, restaurants, bars, comedy clubs, and bowling alleys, but where the cinema differs is in the story on the screen and the sharing of reactions with others. Shared experiences have positive influences on our emotional well-being and connectedness, and there are numerous pieces of research showing that sharing an experience enhances its intrinsic value, even if the participants do not communicate about the experience itself. A BBC report also found that we are 33% more focused when we watch on the big screen than when we watch on the small screen. Crying during a film produces oxytocin, a hormone associated with feelings of empathy and compassion. Cinemas remind us of what it is to be human.

The UK network MediCinema is a unique charity that screens films to patients of all ages in hospital. The films for groups are often chosen to open difficult conversations between people, and personal screenings enable those who are unable to see usual screenings, allowing them to spend time viewing with loved ones.

MediCinema's research shows that patients feel less anxious, less isolated, and in less pain: 93% of patients felt a reduction in stress and anxiety, and 86% said MediCinema helped them cope and supported their mental health.

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The cinema acts as a social hub, and a town without a cinema is one that lacks that vital heart of civic life.”



BabyBio screening, Nordisk Cinemas (Denmark)

Civic pride

A cinema that is architecturally interesting or has an arresting design adds its mark to a town. It can project and enhance the town's architectural fabric, giving pride to local people and sending a message to others about that town's importance. But the importance of a cinema is wrapped up not only in its architectural heritage but in the present day too. Acting as a lynchpin of the town centre, a cinema brings people into a town or city, anchoring a whole community around it. The cinema acts as a social hub, and in some towns is the only social and cultural meeting point: a town without a cinema is one that lacks this vital heart of civic life.

In the previously mentioned BFI study, 63% of respondents reported that their local cinema venue contributes to the local sense of pride in the area where they live. The highest levels of pride, at 70%, are reported for cinema venues with a 'social hub'.

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What has become clear is how much cinemas need films but also how much films need cinemas.”



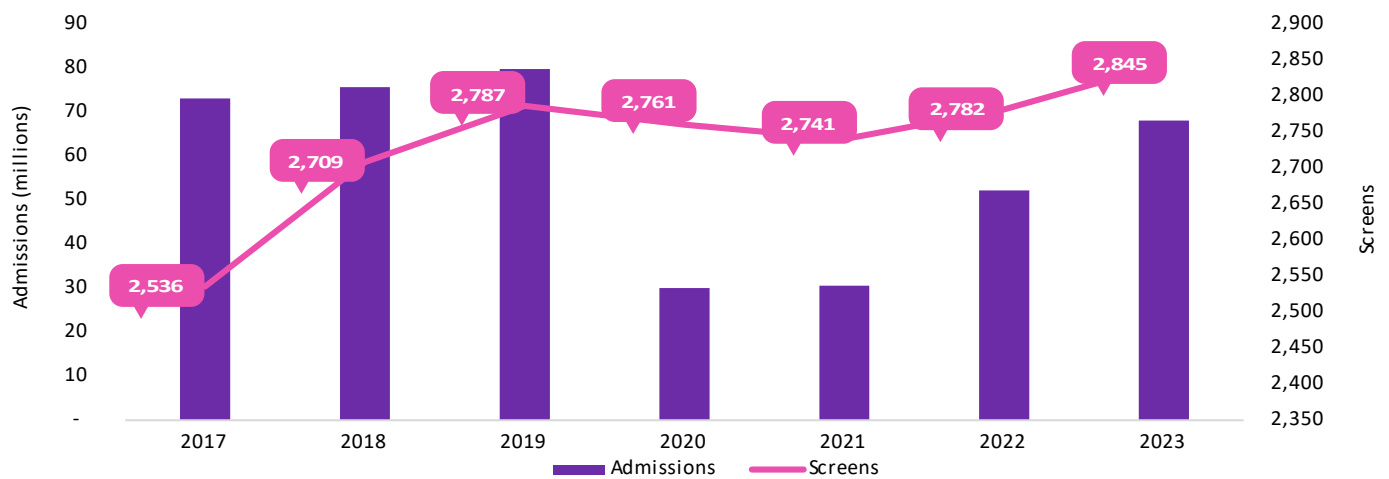
Kino International (Berlin, Germany) - Credit: Chris Gonz

Mirrors of our own

Cinema acts as a mirror of our own cultures and other cultures, reflecting back stories that describe, shape, and illuminate our own experiences. These stories are important vehicles for building cultural identity and for allowing others to understand this identity. Local filmmakers, distributors, and the cinemas that show the films play a crucial role in enabling these stories to be told, reassuring us in our identity and bonding us together. Around the world, local films attract people to the cinema, but these films do not always travel well. They can be highly specific to a particular group rather than portraying universal themes. It is cinemas that discover and champion such films, and this applies to many European films, helping them find an audience.

In a further example of the circulation of European films, across the Europa Cinemas network between 2019 and 2022, the European market share for the entire network of sites (1,209 sites in 2023) increased from 53% to 55.7%. This is all the more remarkable because British films were not included in the 2022 data (they are no longer considered European), and as of 2022, they would have added another 5 percentage points to the total. The whole network generated 68.2 million admissions in 2023, grossing €459.2m in box office revenue across 33 countries, a significant economic contribution as well as a cultural one.

Figure 6: Europa Cinemas network results



Source: Omdia

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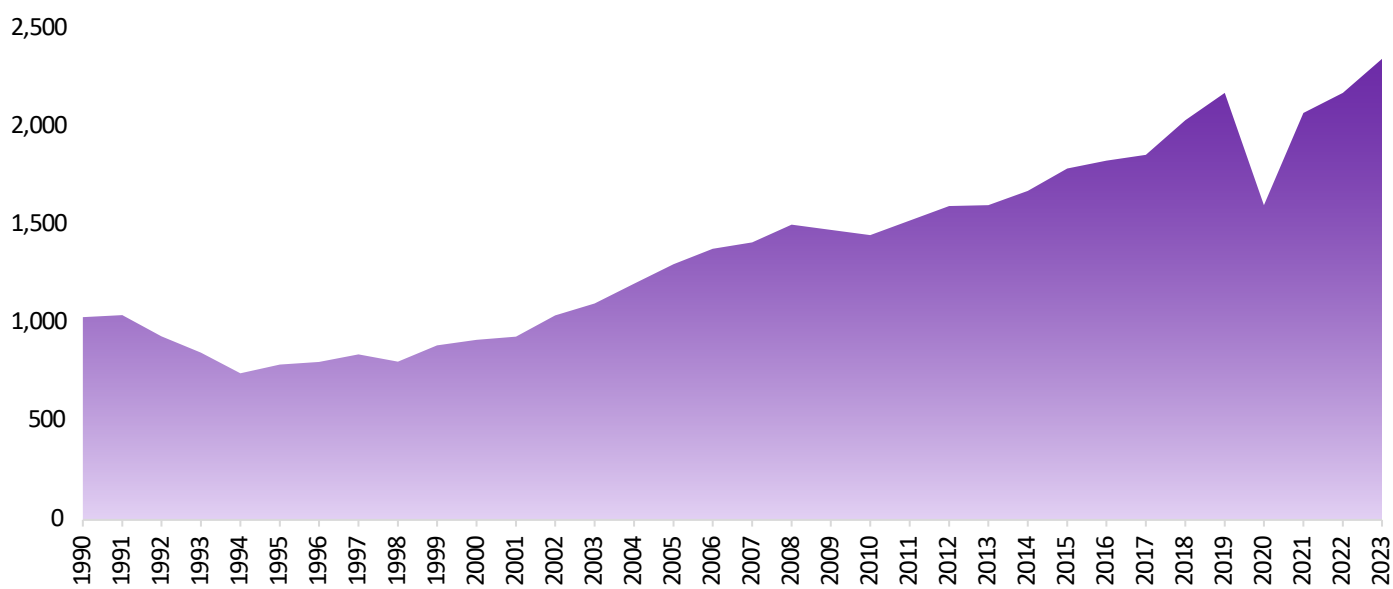
In some European cities, there are special screenings for expat communities; for example, some cinemas in Brussels hold weekly screenings of films with English subtitles. More widely, there are film screenings for language minorities or migrant communities living near the cinema, such as in Austria where dedicated cycles of films from the Balkans are shown subtitled in German with the film crew sometimes hosted at the premiere. In Poland, there are several examples of cinemas screening films with Ukrainian subtitles or dubbing for Ukrainian refugees. Cinemas also create a sense of greater social inclusion for minority groups. One example is MonGay evenings in Berlin ('Celebrating queer films every Monday evening').

The cinema also helps to reflect local cultures, not necessarily national identities, in film. A cinema offers a place where young filmmakers and, more generally, local filmmakers can screen their films to a local audience, which would not happen on a VOD platform. The cinema can be a showcase for early talent to be shown to people who will appreciate the local nature more.

European films in 2023

In 2023, more than 2,300 feature films were produced across Europe, back to record levels, and accounting for a quarter of the global film production volume. These films are a vital part of Europe's cultural make-up and of the cinema economy. According to the European Audiovisual Observatory, the market share for European films in 2023 was 26.4%.

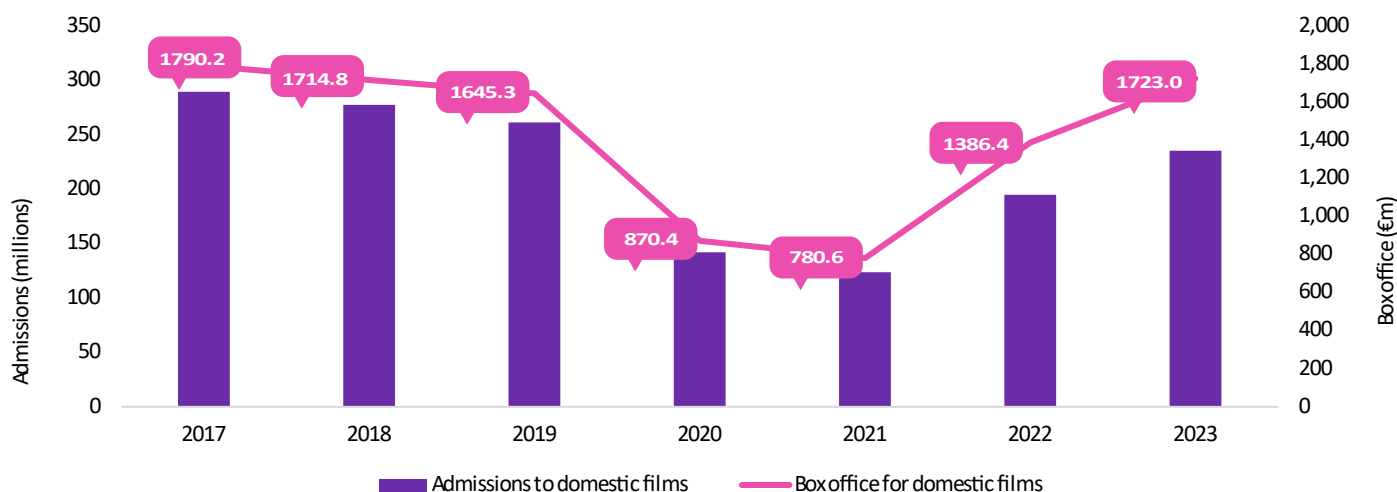
Figure 7: volume of feature films produced in Europe



Source: Omdia, EAO

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Figure 8: Europe, domestic films admissions and box office



Source: Omdia

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There are between 400 and 900 first-run films released in cinemas each year in European countries, depending on the country. The core of these releases comprises the same films (US studio global tentpoles, successful European films, and global independent films), but the majority are either local indie films, foreign films (to that country) or art-house films. The cinema schedule is diverse and varied, offering something for everyone, and it is the cinema's ability to select which films to play that creates the diversity in the first place. The cinema as curator plays a central role in a society's diversity.

In 2023, several popular domestic films drove box office upwards, a notable example being the Italian film *C'è ancora domani*, which outperformed *Barbie* and *Oppenheimer* in Italy by attracting 4.8 million visits to the cinema in 2023 and became the highest-grossing European film in its own territory across the continent.

In fact, there were many examples of successful domestic films: French films *Astérix et Obélix: l'empire du milieu* and *Alibi.com 2* attracted 4.6 million and 4.3 million visitors respectively. More globally, *Anatomy of a Fall* took 1.3 million admissions in France, won an Oscar in 2024 for Best Original Screenplay, and was also nominated for Best Picture in its own right. In Spain, *Campeonex* generated 1.95 million admissions while *Ocho apellidos marroquíes* continued the successful local franchise, attracting 1.2 million people. In Germany *Die Drei ??? - Erbe des Drachen* and *Rehagout-Rendezvous* brought 1.58 million and 1.51 million people respectively in to see them in their home market, while *Manta Manta - Zwoter Teil* also attracted 1.25 million visits. In Romania, four local projects made it into the top 10, headed by *Miami Bici 2*, which attracted 2.54 million people. In the Nordic countries, Danish project *The Land of Short Sentences* made it into the top 10 with 0.35 million admissions, while Norwegian film *Den første julen i Skomakergata* was the number 4 film in the country with 0.41 million admissions. In Serbia, the period thriller *Čuvari formule* attracted 0.25 million visits, making it the second most popular film in the country in 2023. These examples all show the strength of national films, which can compete with the global films on an equal basis thanks to the power of the cinema.

European films are much more present in cinemas than in many other media. Cinemas are where European films, including those mentioned above, have their moment in the spotlight.

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Cinemas
are where
European films
have their
moment in the
spotlight”



Passage (Berlin, Germany) - Credit: Daniel Horn

Society

As the lights dim, we are exhorted to turn phones off, keep conversations for later, and settle into an individual experience, but it is one shared with others. Immersing oneself in a film for two hours is a personal journey, driving inner thoughts and emotions along until the end credits. We share these emotions with others as we laugh, cry, gasp, and jump with fright. During a study undertaken by academics at the UK's University College London, participants were fitted with biometric sensors that measured heart rate, body temperature, and electrodermal activity. Watching *Aladdin* together, they were found to have much stronger emotional reactions than when watching alone. The heartbeats began to synchronise and follow the film's narrative structure. The shared experience with friends, family, and strangers is intensely social. 'Social' is the core of cinemagoing and helps create bonds with our friends and the wider community.



Picturehouse (United Kingdom)

Diversity

All cinemas offer variety to their audiences. Art-house cinema is at the heart of cinema's diversity and cultural presence, and Europe is known for its thriving art-house cinema, something that has not been knocked off course by the pandemic. In Switzerland, for example, ProCinema reports that in 2023 a total of 2,419 independent films were screened (313 new releases, 2,106 re-releases), generating more than 2 million admissions Swiss cinemas in this category. This corresponds to a market share of around 26 % of all cinema admissions.

Similarly, in France the 'Art et essai' share of the market was 21.5% in 2022, with the film *En corps* heading the list at 22nd in the box office ranking.

Helping to support art-house cinemas, the global art-house cinema network CICAIE brings together 2,474 cinemas in 46 countries. The organisation runs a series of events, including the European Arthouse Cinema Day, underpinning the importance of diverse cinema programming across the continent of Europe and beyond and showcasing the significant civic engagement of art-house cinemas worldwide.

The range of films and festivals on offer to people across Europe highlights how diverse our world is but also emphasises that cinema is the home of diversity. It is the cinemas that select and curate films, communicate with their audiences, and ensure that this diversity of film production actually finds its audience. These cinemas are the places where smaller films come alive and remain alive as cinemas invest in creating a curated experience and liaise with audiences to create a high level of cultural and social engagement. This would not happen without the cinema's central role.



26%

Market share of art-house cinema in Switzerland in 2023 (ProCinema)



Accessibility

The issue of accessibility in cinemas is of paramount concern in 2024, more so than it has been before. The rise in the number of deaf / hard of hearing and visually impaired people – the audience that could miss out on the cinema experience – is substantial. With no harmonised approach to legislation, there is wide variation in provision of screenings for these audiences, but the sheer number of people affected (an estimated 50 million people in the EU are deaf / hard of hearing) has led to some solutions making their way to the market. These include apps and smart glasses. An example of networked collaboration is the Polish project Cinema Without Barriers initiated in 2022, now operating within Europa Cinemas' Collaborate to Innovate scheme. The project consists of a series of regular screenings for visually and hearing-impaired audiences two days a week in cinemas in Poznań, Wrocław, and Jarocin.

Many cinemas, with or without government or local authority help, organise screenings for older audiences with a range of complex disabilities, including dementia and Alzheimer's. The screenings differ from standard sessions: lights are left on and there is more prominent signage. The screenings are also for carers. In a similar vein, cinemas also organise screenings for elderly people who may be suffering from loneliness or be carers themselves. Typically, these sessions will offer drinks and a chance to socialise.

There is recent regulation around wheelchair accessibility in Europe which opens up many buildings, including cinemas, further to wheelchair users. Such measures can be expensive, and some form of public support would be an investment to increase accessibility in these areas.



Autism-friendly screenings, Glasgow Film Theatre (United Kingdom)

Sustainability

The cinema industry was early in driving through a major environmental initiative when it began the process of digitising cinemas in 2005. At its height, the industry was using 1.2 million miles of celluloid annually to produce film prints for distribution of films into cinemas (that is equivalent to 5× the distance from the Earth to the Moon), all of which needed to be made and removed. This cost the distribution sector well over €2bn a year in addition to the costs of delivery, recovery, and destruction of prints. This process of improvement has continued as projection technology has improved, and with laser projection now in the ascendant, continues to advance. Laser projection is more efficient than Xenon lamps, and several cinema circuits, and indeed countries, have stated an aim to switch entirely to laser soon. The delivery of films into cinemas is also moving towards broadband technology, which removes hard drives and physical delivery from the industry's carbon output.

There are many examples of cinema's work towards greater sustainability, including the work done by Germany's Kino Natürlich, spearheaded by CICA member AG Kino. Many cinema associations have working groups looking at specific measures that cinemas can take that have an immediate impact. Many of the actions are investments aimed at reducing energy consumption by heating, ventilation, and air conditioning systems; projectors; and the building itself. A first step is to find a provider of renewable energy or, indeed, creating your own energy source. This can include installing heat pumps, adding solar panels to the building, or in more extreme cases, creating a power generation plant. Automating building systems makes the cinema more efficient, and using local materials and suppliers reduces transportation costs. At a time when energy is expensive, cinemas have been highly innovative in reducing their consumption of it, helping their carbon output and the wider environment. Other common examples include waste management strategies, customer education and engagement, reusable packaging for food and beverage preparation and consumption, and greener transportation options for staff and suppliers.

The environment has become a priority for all cinema operators. For example, among Europa Cinemas' network members, 55% were planning to increase spending on green activities and the rest aimed to maintain investment at current levels, despite the challenges of the economy, while 83% believed greener business was both essential and would help long-term economic growth.



Where now?

Every so often, cinemas must justify their existence as media and consumption patterns change around them, and the pandemic period made that need even more acute. The sector was in the process of refreshing itself before it was so abruptly interrupted, prompting content owners to seize the opportunity to experiment with release strategies in a way that until then had not been possible. This led to unprecedented disruption of the media chronology. After this experimentation, distributors chose to come back to cinema, concluding that it remained the most effective medium to launch films. Streaming platforms coexist with free and pay TV, transactional video, and internet routes to market, making the post-theatrical platform more complex than ever before. Its simplicity, transparency and impact give cinemas a central place in the media economy of the future as an out-of-home leisure experience, the dominant launchpad for large and small films, and equally importantly, as a valued cultural and social activity within society. The continued support of the public sector where needed and the encouragement of public-private partnerships are crucial to the long-term health of cinemas and towns.

What has become clear is how much cinemas need films but also how much films need cinemas.

Content types and watching methods may shift and adapt because of external events (the rise of video and DVD, pay TV, the financial crash, VOD, and streaming) but the heart of the cinema sector remains the socialised nature of the viewing experience, the diversity of curated choice on screen and the cinema where a film is shown for the first time. The heart of cinemas' success is the experience, and the cultural, social and economic value they offer. These core principles have driven the last hundred years of cinema and will drive the next hundred years as well.

“
Cinemas
remind us of
what it is to
be human”



This report has been commissioned by:

Author:

David Hancock | Chief Analyst, Media and Entertainment, Omdia



The International Confederation of Arthouse Cinemas – CICAE is a global member-based, non-profit organization founded in 1955. As a network of networks and a bridge between different stakeholders within the international arthouse sector, the CICAE, today, brings together over 2.400 arthouse cinemas with more than 4.400 screens in 46 countries worldwide. It unites 15 national and regional arthouse cinema associations as well as individual cinemas and festivals across the world.

The long-standing collective action of CICAE members has – among other things – led to the development of sustainable national markets for films with high cultural value and the opportunities for their regional and international circulation. It also saw the emergence of numerous national schemes and regulations to support independent and arthouse cinemas helping these unique and crucial cultural institutions to thrive.



Created in 1992 with the support of the European Commission (Creative Europe / MEDIA Programme) and the CNC (France), Europa Cinemas is the first network of cinemas focusing on European films. It has become in 30 years a network of 1,263 cinemas and 3,121 screens in 39 countries. Its main objectives are to provide operational and financial support to cinemas that undertake to give a significant part of their screenings to non-national European films and to put in place activities for young audiences. Open to all types of cinemas, the network has also expanded well beyond the European Union via the Eurimages programme and the Institut Français. Europa Cinemas thus contributes to making Europe and its cultural diversity a shared idea around the world. Through its common actions, the network is also a place of exchange, which offers several meetings stimulating the sharing of best practice put in place by the member cinemas: a major network conference every two years, seminars and labs on innovation and audience development, exchange programs between cinemas, participation of network exhibitors in the five Europa Cinemas Label juries and since 2021 an innovation fund “Collaborate to Innovate”. In 2024, Europa Cinemas launches a new scheme “Training Boot Camps”.



UNION INTERNATIONALE DES CINEMAS
INTERNATIONAL UNION OF CINEMAS

The Union Internationale des Cinémas/International Union of Cinemas is the European grouping of cinema trade associations and key operators, covering 39 territories across the region. UNIC promotes the cultural, social and economic benefits of a vibrant cinema-going culture in Europe and provide a strong and influential voice for European cinema operators on issues of shared interest.

UNIC team advocates for the value of cinema exhibition in Europe by:

- Providing UNIC members with up-to-date information on policy developments and market trends at both European and national level;
- Representing the exhibition sector at institutional meetings, conferences and trade-related events at both the EU and national level;
- Liaising, on the sector’s behalf, with other industry stakeholders in Europe and with partners in the US;
- Co-organising CineEurope, Europe’s premier get-together for the cinema exhibition community.



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