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## Fewer Americans Go to the Movies

Theater Owners Consider Cutting Ticket Prices One Day a Week

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The number of movie tickets sold in the U.S. slipped 1.5% last year. *Thomas B. Shea for The Wall Street Journal*

LAS VEGAS—America's moviegoing audience shrank yet again in 2013, and theater owners are considering a radical idea to turn the tide: cutting ticket prices.

Well, at least some of the time.

A report from the Motion Picture Association of America released Tuesday said that domestic movie box-office sales rose to \$10.9 billion last year, from \$10.8 billion in 2012.

But the increase was the result of higher ticket prices, not attendance. Indeed, the number of tickets sold slipped yet again, this time 1.5% to 1.34 billion from 1.36 billion.

That extends a longstanding trend: The number of tickets sold fell nearly 11% between 2004 and 2013, according to the report, while box office revenue increased 17%.

With home-entertainment options improving all the time— whether streamed movies and television, video games, or mobile apps—and studios releasing fewer movies, people are less likely to head to their local multiplex.

Box-office growth was much stronger in many overseas markets, particularly China, though slower than in 2012. China's box office grew 27% last year, compared with 36% in 2012, reaching \$3.6 billion—the first time a foreign market has surpassed \$3 billion, the MPAA said.

In the U.S., though, steadily rising ticket prices have cut both ways, bolstering overall revenue but damping demand.

The average U.S. movie ticket price in 2013 increased to \$8.13, up from \$7.96 the year prior, according to the National Association of Theatre Owners, the industry group representing North American cinemas. And in some cities, a movie ticket is well over \$10, with 3-D and IMAX movies surcharges bringing them closer to \$20 a pop.

Now, the nation's movie theaters want to try their hand with cheaper movie tickets. The theater owners association is in early talks with theater chains and movie studios to experiment with a program that would discount ticket prices on one yet-to-be-determined weekday, officials said.

The theater owners association plans to start the program in one state sometime this year.

Details on the program, including where it might debut, were scarce. But officials said it would mimic programs in Canada and Latin America, where patrons can count on seeing movies less expensively on a certain day every week. Because the lower price would run all day, it would be a broader discount than bargain matinees.

To work, the program would require cooperation among numerous theater chains and studios, so that one chain doesn't cannibalize the others' business. The theater owners association wouldn't set a standardized price but would only introduce the concept, said the organization's chief executive, John Fithian.

"There is a portion of the populace who can't afford to go to the cinema on Friday night," said Mr. Fithian, speaking at CinemaCon, an annual convention for exhibitors and studios.

Mr. Fithian made the proposal as part of a presentation of industry data along with Chris Dodd, head of the MPAA.

Mr. Dodd, the former Connecticut senator, is traveling to China in the coming weeks, and he will push for changes in the quota system imposed on foreign movies.

Almost 14 new screens a day are being built in China. But Hollywood would still like to see China allow those screens to show more foreign films, currently limited to 34 a year.

The Asia Pacific region exceeded Europe, the Middle East, and Africa in box office for the first time last year, with \$11.1 billion, up from \$10.9 billion.

Latin America grew at a 7% pace, the same as Asia, but lags far behind in box office total, with \$3 billion.

Growth in Latin America was led by Brazil, Mexico and Argentina, said Mr. Dodd, who added that spurring moviegoing in other emerging markets like Colombia is "one of the areas I hope to focus on."

Meanwhile, the number of movies released by the six major studios that are part of the MPAA also dropped 11% in 2013 to 114. In 2006, the major studios released 204 films.