

## Theatrical remains key for studios' film release strategies

*Diverse movie release models performed similarly in 2021, but theatrical remained the core revenue driver in each instance*

**London, 28<sup>th</sup> March 2022:** Ampere Analysis modelling has found that despite the diversity of models adopted by the major studio groups, US studios' film release strategies were all similarly successful in 2021. A major new report by Ampere compares how the three main film release strategies used by studios in 2021 — Theatrical-only, Premium Video on Demand (PVoD), and Duplex (films available on SVoD while still in cinemas) — performed relative to pre-pandemic expectations.

Ampere's analysis of 61 movie releases found that each strategy resulted in comparable net revenue for the studios, indicating that — at least in the first release window — no particular strategy was superior. Ampere also found that although each strategy performed similarly overall, box office revenues contributed the bulk of studio takings in each model, confirming the relevance of the theatrical window, even within a depressed market and with a variety of alternative release options available.

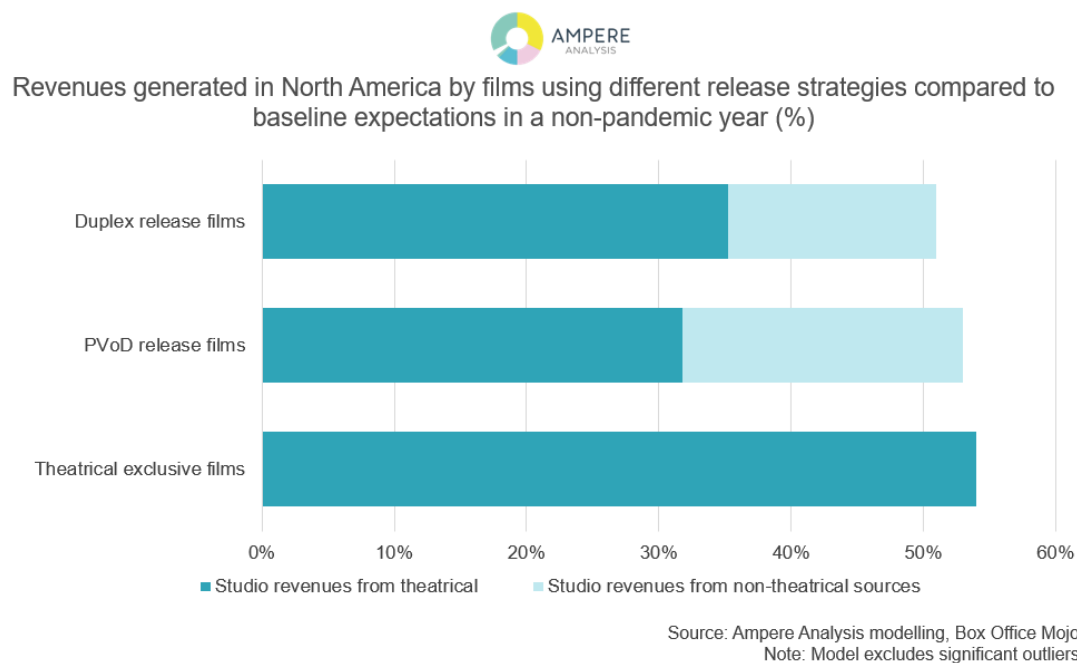
### **Theatrical releases continue to deliver at the box office**

Net domestic theatrical revenues for six US studio groups reached nearly \$2.4bn in 2021, down at half of the value Ampere estimates could have been achieved pre-pandemic.

Ampere's study found that theatrical-exclusive films—excluding outliers—generated \$1.1bn in net studio revenue or 54% of pre-pandemic estimates. Titles released via Premium VoD generated \$0.35bn in net revenue or 53% of pre-pandemic targets. Titles released via a hybrid SVoD/theatrical strategy generated \$0.65bn in revenue or 51% of pre-pandemic expectations.

While all three strategies performed similarly against expectations, even PVoD and Duplex strategies saw box office contribute a majority of net revenues. Under both models, theatrical accounted for over 60% of the revenues generated by studios,

meaning that while hybrid strategies can be effective, they continue to rely strongly on a healthy theatrical market.



**Peter Ingram, Analyst at Ampere Analysis says:** “New hybrid strategies proved viable in 2021 in a depressed theatrical market, but with cinemas keen to have studios return to pre-pandemic normality after two years of reduced revenues, it will be important for distributors and exhibitors to find a balance that suits both of their interests. Unless agreements can be reached with cinemas to allow hybrid strategies beyond 2022, studios will need to assess whether they can meet revenue expectations from VoD alone with no, or very limited, theatrical support.”

Ampere’s study also notes that it will become increasingly difficult for services to add new VoD subscribers as the domestic market becomes more saturated, making it harder to leverage movies for service additions. Ampere believes that the safest strategy for studios is to continue supporting the domestic theatrical market by releasing new films in cinemas, given it continues to be the core revenue driver for new release movies.

**Ingram concludes:** “ If studios wish to pursue divergent release strategies in 2022 and beyond, they must evaluate the risks entailed with a VoD-only debut window, both in terms of the immediate impact on any given release, and of the longer effect on the health of the theatrical market, which our research has shown remains the strongest proposition to support film releases in meeting target expectations.”

Ends

**For more information, please contact Greenfields Communications:**

Rocio Anton [rocio@greenfieldscommunications.com](mailto:rocio@greenfieldscommunications.com) T : +41 78 335 00 30

Corinna Staedel: [corinna@greenfieldscommunications.com](mailto:corinna@greenfieldscommunications.com) 912 506 5674

Lucy Green [lgreen@greenfieldscommunications.com](mailto:lgreen@greenfieldscommunications.com) T: 0208 778 3784/07817 698366

**Ampere Analysis**

Roya Sanei T: 020 3848 7145 [roya.sanei@ampereanalysis.com](mailto:roya.sanei@ampereanalysis.com)

Dan Stevenson T: 020 3848 6401/07973 157317 [dan.stevenson@ampereanalysis.com](mailto:dan.stevenson@ampereanalysis.com)

**About Ampere Analysis**

Founded in January 2015, Ampere Analysis is a new breed of media analyst firm. The company's experienced team of sector-leading industry analysts specialises in pay and multiscreen TV and next generation content distribution. Our founders have more than 60 years' combined experience of providing data, forecasts and consulting to the major film studios, telecoms and pay TV operators, technology companies, TV channel groups and investment banks. [www.ampereanalysis.com](http://www.ampereanalysis.com)