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# Entertainment Evolved: Exploring Movie Theaters, Casinos, and Eatertainment

This report analyzes visitation data for three out-of-home entertainment categories to understand how the wider industry has changed over the past three years.



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# The Evolution of Out-Of-Home Entertainment

Out-of-home entertainment came to a screeching halt at the onset of the pandemic. Now, more than three years later, movies, restaurants, and casinos are welcoming patrons once again – although shifts in consumer preferences means that much in the space has changed.

This white paper draws on the latest location intelligence data as well as psychographic and demographic insights to uncover the changes taking place in the entertainment space. The analysis focuses on three out-of-home entertainment categories – movie theaters, casinos, and [eatertainment](#) concepts – and aims to answer questions such as: How is the theater industry adapting after months of at-home streaming? How are food and fun combining to drive visits? And who is likely to choose a casino vacation in 2023?

## Entertainment Overview

Consumers' expectations around out-of-home entertainment began to shift well before 2020 with the sharp rise of in-home [dining](#) and [entertainment](#). Prior to the pandemic, the increase in usage of [food delivery apps](#) and [video streaming platforms](#) were already forcing legacy consumer categories to adapt to changing times. Still, COVID has had an undeniable impact on the industry.



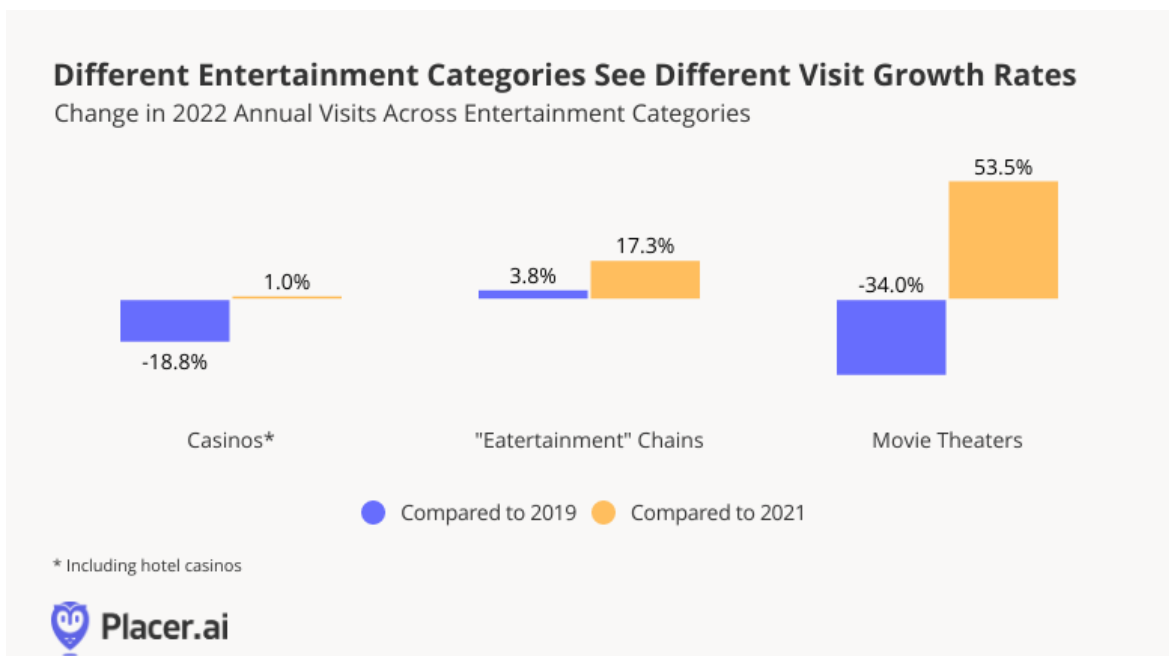
Of the three categories analyzed, “eatertainment” brands are experiencing the strongest recovery.

Of the three categories analyzed, “[eatertainment](#)” brands – venues that combine dining with a structured entertainment aspect – are experiencing the strongest recovery. The concept had been [gaining traction](#) for several years pre-COVID, and the reopenings allowed [leading brands](#) in the space to resume their growth trajectory. In

2022, foot traffic to the category was up 3.8% relative to 2019 and 17.3% relative to 2021.

The casino category – which has experienced a **choppier recovery** than than other entertainment segments – managed to maintain its 2021 visit levels, but 2022 traffic still remained below 2019 levels with a 18.8% year-over-three-years (Yo3Y) visit gap overall. Some of the dip may be due to the rise of **online sports betting** in recent years and the pandemic-induced increase in **online poker** and other casino games in certain states. The persistent visit gap could also be due to the **lingering** Yo3Y gap in domestic air travel.

Meanwhile, movie theaters saw the largest year-over-year (YoY) jump in visits between 2021 and 2022, although traffic to the category has remained significantly below 2019 numbers. But movie theaters have also experienced regular **foot traffic spikes** following successful releases – and cinema leaders are finding creative ways to offset the dips in visits by taking advantage of the surges. Theater chains have also invested in **upgrading** everything from snacks to seats and screens and introduced **promotional events** and niche programming such as “**popcorn and pajamas**” to give movie-goers a reason to leave their streaming devices.



## Movie Theaters: Blockbuster Potential

Long [before the pandemic](#), online streaming of movies had grown into a massive industry. And when theaters [closed](#) in 2020, consumers got even more comfortable with watching movies from the couch. Several streaming platforms – including those owned by traditional studios – invested heavily in meeting consumers in their living rooms with large amounts of direct-to-streaming content. The sale of large screen TVs [soared](#).



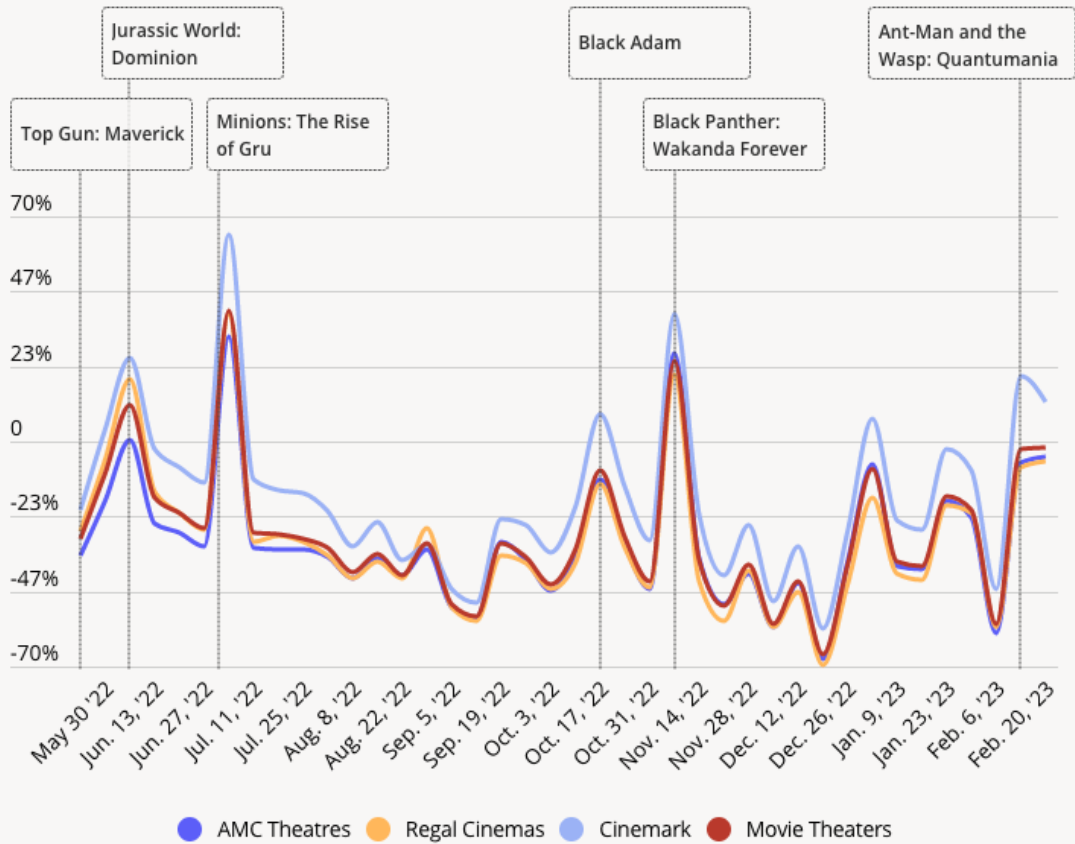
Despite the ease of watching movies at home, foot traffic data indicates that there is still a strong demand for an in-theater experience.

But despite the ease of watching movies at home, foot traffic data indicates that there is still a strong demand for an in-theater experience. In 2022, multiple [box-office hits](#) drove [foot traffic surges](#) and [increased revenue](#) to theaters, with several movies including Minions: The Rise of Gru and Black Panther: Wakanda Forever leading to major Yo3Y visit peaks.

The apparent demand for certain blockbusters could explain why movie studios are shifting their [strategy](#) away from a streaming-first approach to include more theatrical releases. It also gives an indication of how the sector could evolve by focusing its attention on the types of content that create an in-person draw versus those better consumed from the comfort of one's own couch.

## Change in Weekly Visits to Movie Theaters

Year-over-Three-Year Comparison



### New Releases: A New Pricing Model at the Box Office

Still, most weeks of 2022 saw movie theater visits remain below 2019 levels – leading some chains to try a new pricing strategy.

Earlier this year, AMC Theatres announced the launch of [Sightline at AMC](#), a dynamic ticket pricing initiative aimed at filling more seats and driving revenue growth.

Dynamic pricing allows theaters to charge more for better seats, or for tickets to



popular titles screened during peak hours. This new pricing strategy can drive revenue growth even if [overall attendance](#) is somewhat lagging compared to previous years. At the same time, theaters could also offer cheaper tickets for less popular times, seats, or titles, which could increase attendance to off-peak showings and attract lower-income or budget-conscious movie-goers.



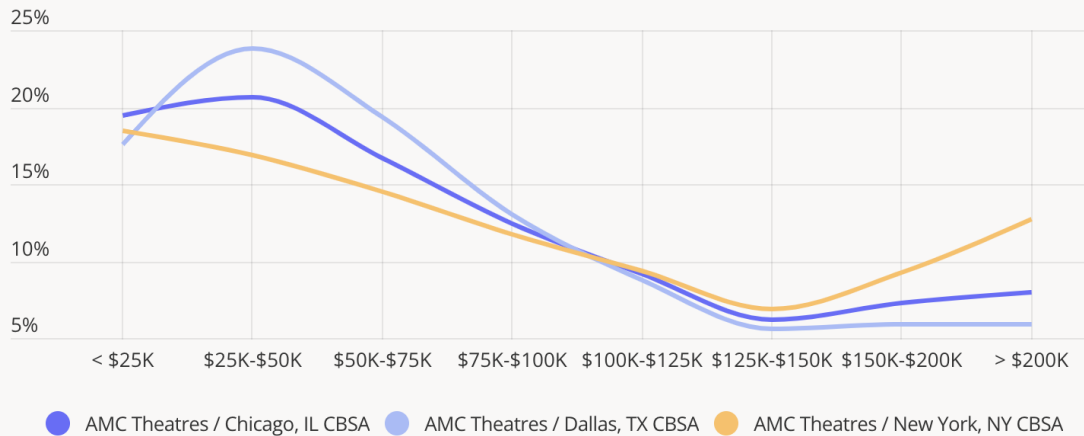
**An in-depth understanding of local consumer demographics can help companies set appropriate prices at both ends of the spectrum**

To determine an effective pricing table, movie theater chains need more than just internal data on the popularity of certain films or rows of seats. An in-depth understanding of local consumer demographics can help companies forecast the demand for premium tickets and set appropriate prices at both ends of the spectrum.

Analysis of the HHI (household income) distribution of AMC's potential visitors in various markets provides insight into the likely demand for tickets at different price points. For example, AMC locations in Dallas, TX have trade areas with a higher share of residents earning between \$25K and \$50K than do AMC venues in New York and Chicago. And among the three markets, New York theaters have trade areas with the highest share of residents earning \$100K and up. It seems, then, that AMC in Dallas, TX could expect stronger demand for discounted movie tickets, while theaters in New York, NY may have more visitors willing to splurge on premium admission.

## AMC Theatres' New Pricing Strategy - What Should the Considerations be?

Differences in Household Income Distribution\* Across AMC Theatres Trade Areas



\* Based on Census 2019 Data of Trade Areas in H2 2022



## Has Movie Goers' Behavior Changed?

The new dynamic pricing model brings the movie theaters closer to other types of out-of-home entertainment venues such as [concerts](#), which may reflect a [change](#) in audiences' perspective on in-theater movies. Many post-pandemic consumers appear to consider movie theaters socializing destinations, and chains have [responded](#) by introducing social elements to certain showings, such as "[margarita and a movie](#)" night.

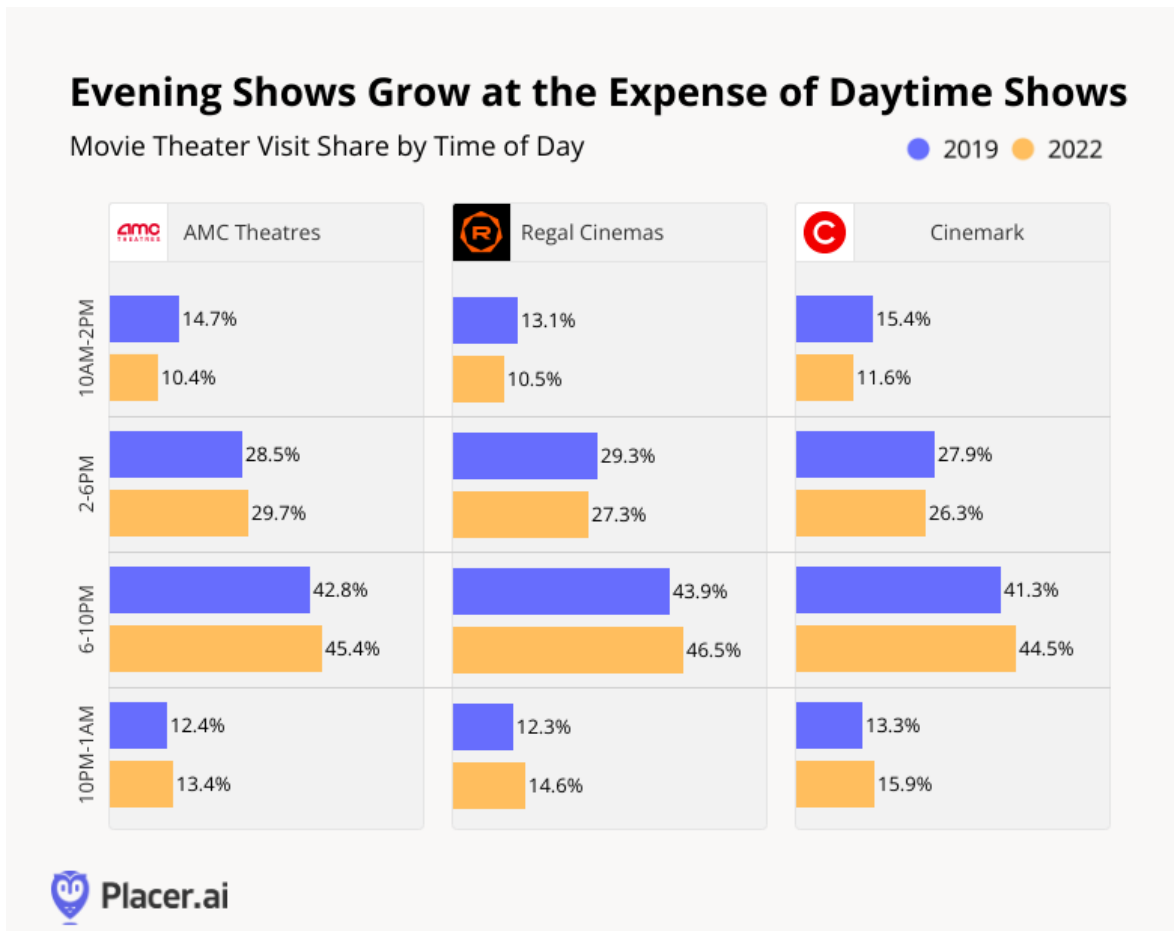


The relative rise in evening visits may be due to the increasingly social nature of a movie outing.

Analyzing visit times to AMC Theatres, Regal Cinemas, and Cinemark reveals that between 2019 and 2022, the share of evening visits – between the hours of 6 PM and



1 AM – increased, while the percentage of earlier visits decreased. This relative rise in evening visits may be due to the increasingly social nature of a movie outing. The increase in share of evening visits also indicates that, despite the [persistence of hybrid and remote work](#), many people are still likely working typical office hours and choosing to put off their fun until the end of the workday.



## The Evolution of Movie Theaters

In 2022, blockbuster titles drove foot traffic surges to theaters nationwide, and many consumers chose evening showtimes over matinees. And as consumer preferences

shift, a dynamic pricing model has the potential to help movie theater companies capitalize on both of these trends and drive more foot traffic to theaters.

## Casino Resorts: Finding the Visits Jackpot

Casinos were [hard-hit](#) by COVID restrictions, and while the category has narrowed the visit gaps since the reopenings, many casinos are still seeing visits lag behind pre-pandemic levels. But some gaming companies are seeing success by expanding their facilities to appeal to a wider entertainment-seeking audience.

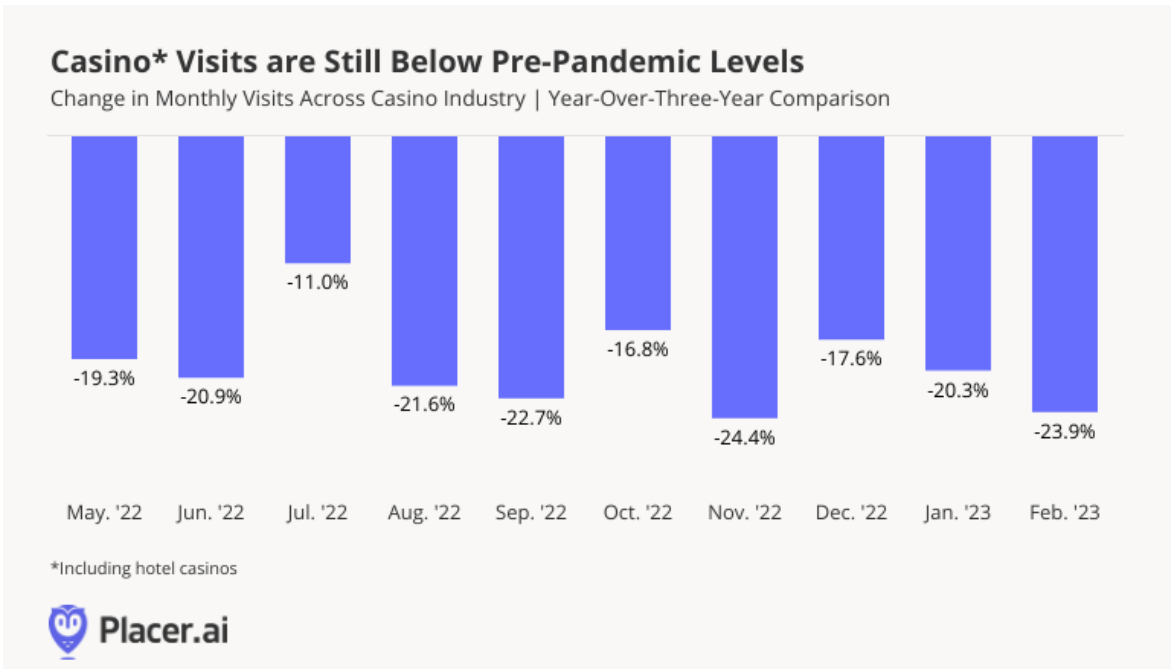
### Casinos Still Recovering From COVID Impact

Like in the movie theater industry, foot traffic to the casino category is also still seeing relatively wide Yo3Y visit gaps. These visitation lags may be partially attributed to the drop in business [travel and hotel](#) stays, as many casinos have a hotel on their premises.



Some casinos are finding ways to drum up visits by creating an experience that can't be found online.

The change in visitation patterns could also be due to the increased availability of a digital alternative – [online gaming](#) and [sports betting](#) has taken off in recent years. Still, some casinos are finding ways to drum up visits by creating an experience that can't be found online.

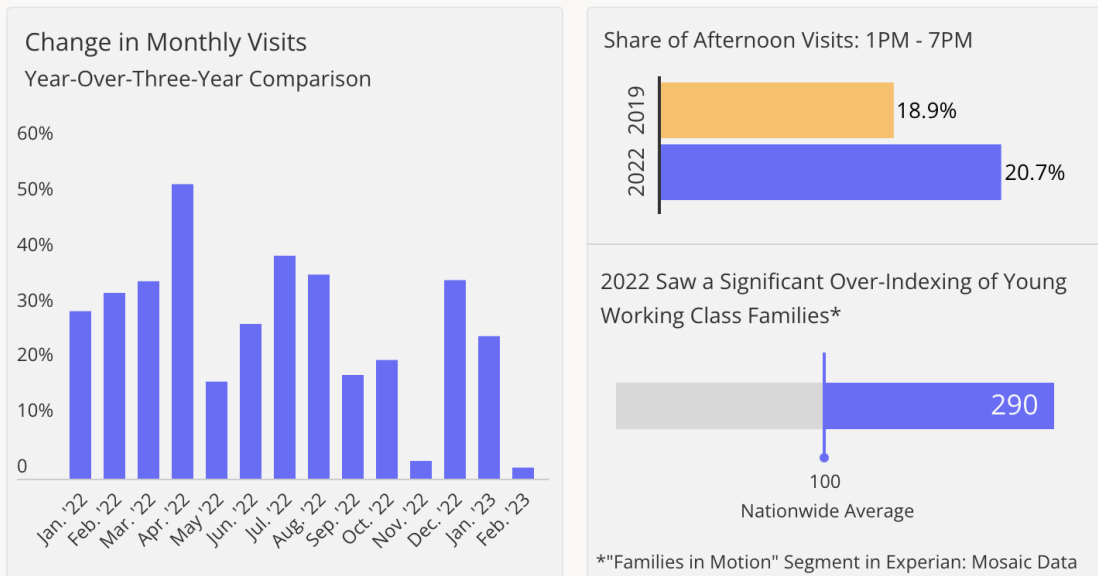


## Island Resort & Casino (Harris, MI)

While casinos are certainly destinations for grown-up fun, they also have a history of being [family-friendly](#) getaways. And as consumer preferences shift and casinos look to [expand their traditional audience](#), venues that provide attractions for all ages and offer a wider array of activities are poised to hit the jackpot.

At the [end of 2021](#), the Island Resort & Casino in Harris, MI, completed a multi-phase expansion which included new rooms, a remodel, and a pool with water park features. According to the [Experian: Mosaic](#) dataset, the resort's [trade area](#) in 2022 contained more residents within the "Families in Motion" segment than the nationwide average. And the resort's share of afternoon visits – prime time for groups with young kids enjoying the waterpark – also increased in 2022, while monthly visits to the property have consistently surpassed 2019 levels.

## The New Waterpark at Island Resort & Casino (Harris, MI) Helps Increase Visits



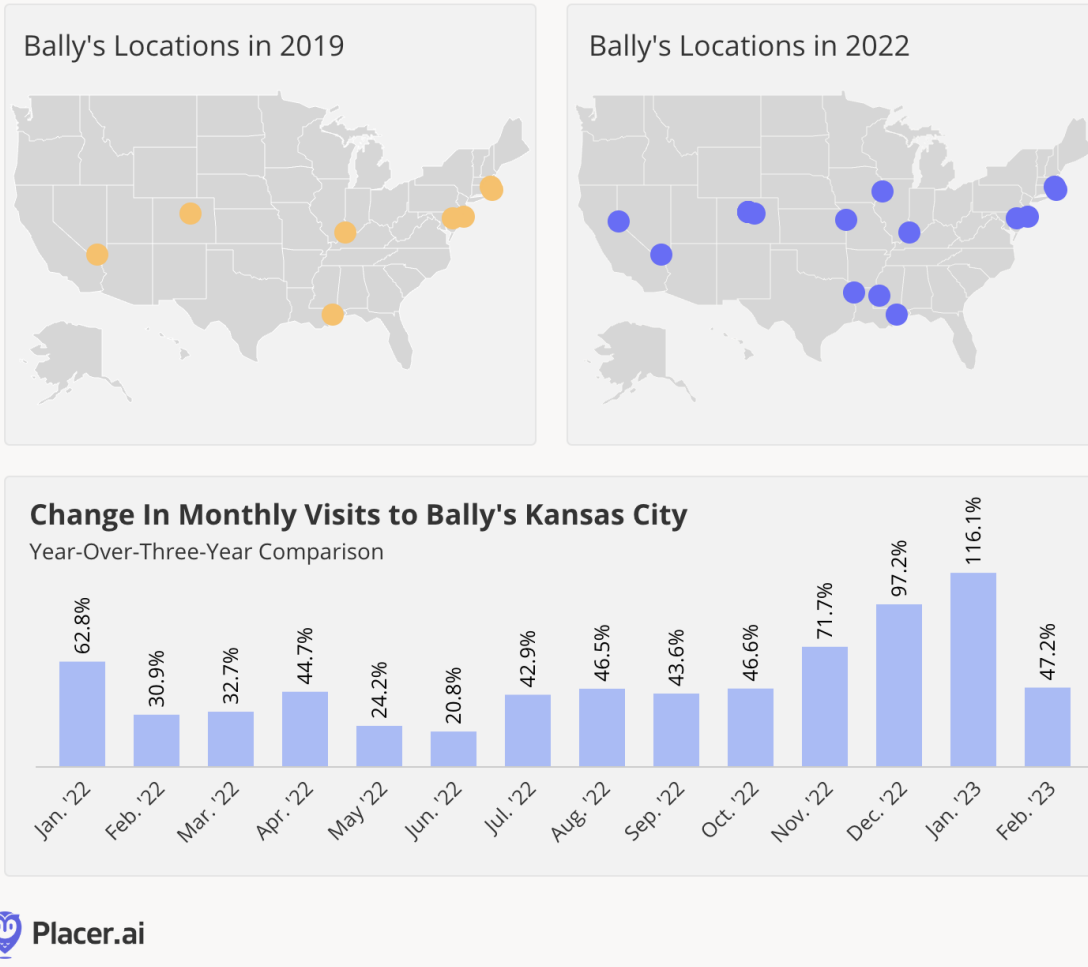
When it comes to attracting family vacationers, Island Resort & Casino in Harris, MI has certainly played its cards right.

### Bally's Corporation (Kansas City, MO)

Another gaming company winning big by investing in its facilities is [Bally's Corporation](#) (formerly Twin River Holdings). The company operates 15 casinos in 10 states and has adopted an [aggressive expansion](#) strategy in recent years. In August 2021, as part of Bally's [unified branding initiative](#), the company's Casino KC in Kansas City, MO was renamed [Bally's Kansas City](#). The casino subsequently underwent a massive [property expansion and renovation](#) which added new restaurants and amenities.



## Rebranding and Expansions Drive Visit Growth for Casinos Purchased by Bally's Corporation



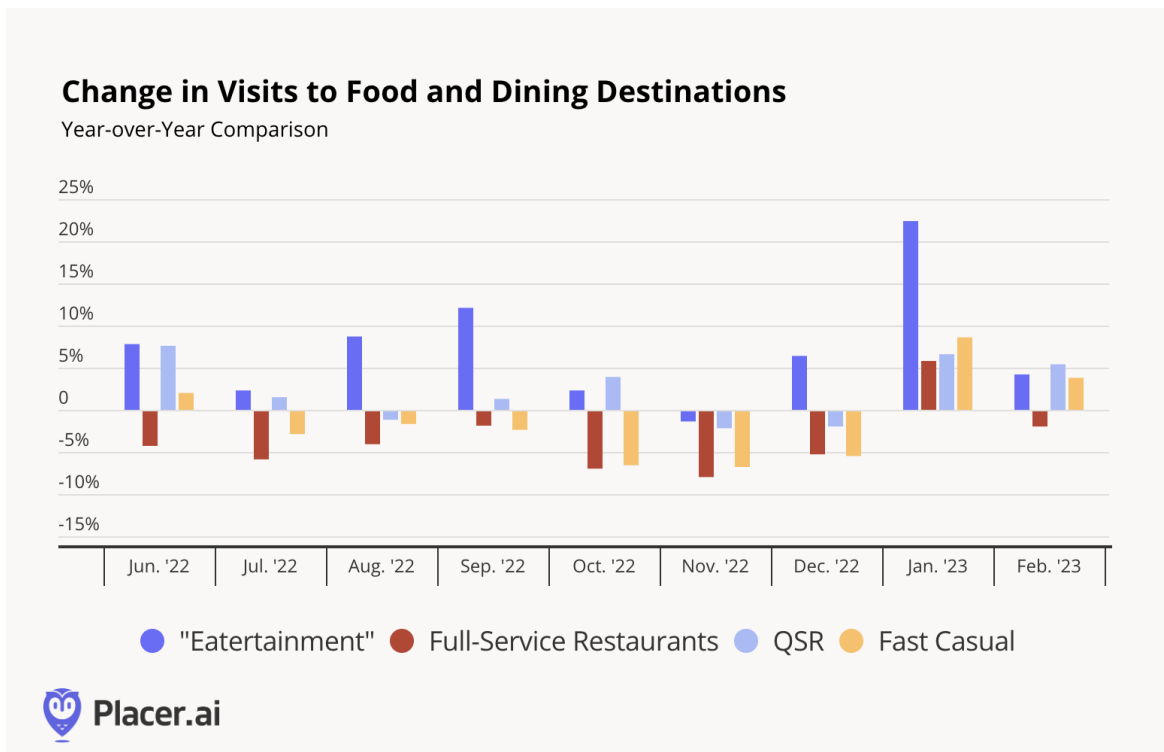
By 2022, the new Bally's Kansas City succeeded in driving significant foot traffic compared to 2019 – and strong visitation patterns continued through the beginning of 2023, perhaps thanks to the complex's investment in socializing opportunities.

### Casinos Investing in Facilities and Amenities Outperforming Wider Category

While traffic to the casino category as a whole has not yet reached pre-pandemic levels, brands that invested in their facilities to attract new types of visitors were the clear winners.

## Eatertainment: An Appetite for Experiences

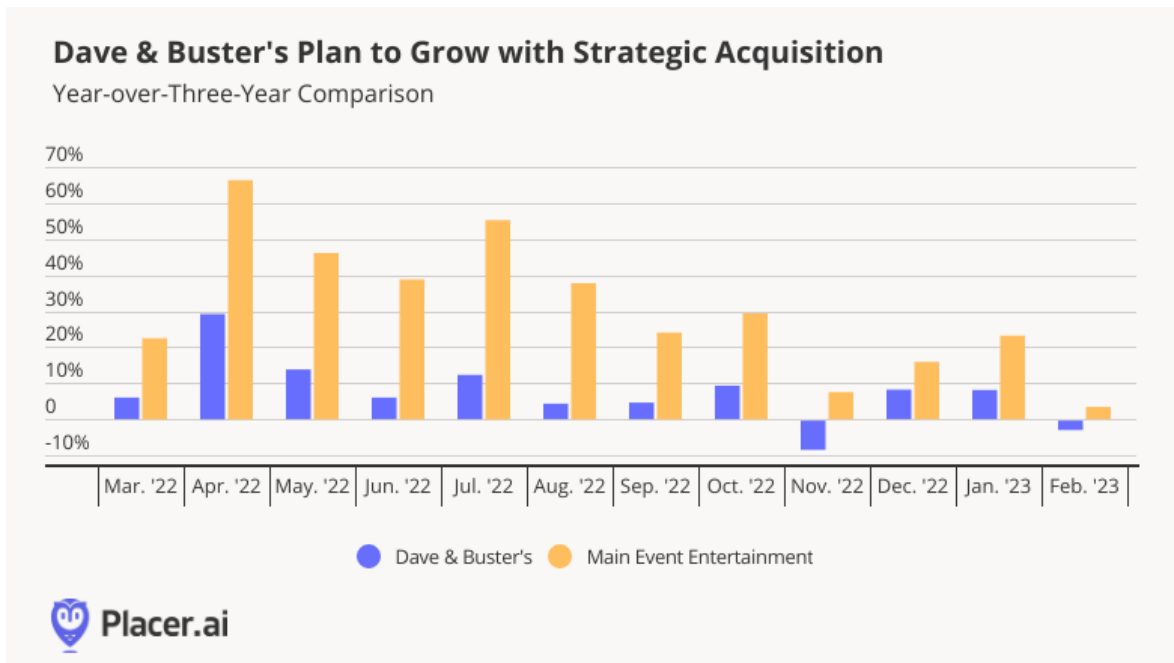
As pandemic restrictions on gatherings become a thing of the past, consumers are looking to get more [socializing](#) into daily activities – including dining. [Eatertainment](#) chains – brands that offer guests a combination of dining and play – have been around for decades. But since the second half of 2022, interest in these chains has swelled compared to other dining categories, with YoY visits to the eatertainment category consistently exceeding 2021 levels.



### Dave & Buster's and Main Event Entertainment

In a previous [report](#) we spotlighted [Dave & Buster's](#) and [Main Event Entertainment](#) as brands to watch in 2023 – two veteran eatertainment chains capitalizing on the recent surge in demand for the food and gaming concept. Following the trends in the wider eatertainment category, Main Event Entertainment and Dave & Buster's – which

recently [merged](#) – are both seeing elevated Yo3Y visits compared to 2019 and early 2020.



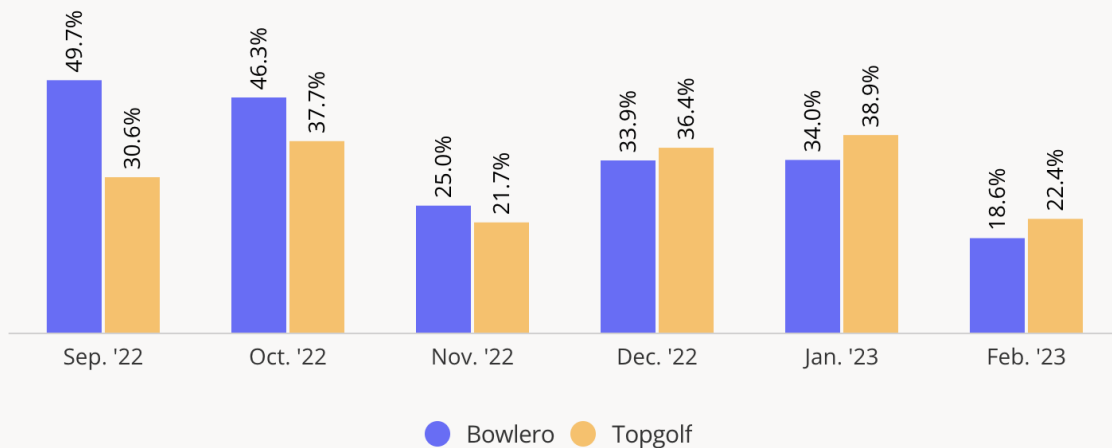
## Bowlero and Topgolf

[Bowlero](#) has been a leader in the bowling space for years, and the corporation includes a [growing](#) number of bowling alley brands – about half of which carry the [Bowlero](#) name. With demand for eatertainment concepts picking up speed, Bowlero is garnering plenty of attention and visits from food and fun seekers.

[Topgolf](#) – a relatively [new driving range](#) concept that features food, drink, and digital scoring – is also [growing its appeal](#) among traditional-format golfers and newbies to the sport alike. The chain has plans to [continue expanding](#) both globally and domestically and its significant traffic growth over the past three years seems to indicate that the demand for this type of eatertainment concept is strong.

## Bowlero and Topgolf Both Seeing Strong Increase in Visits

Year-over-Three-Year Comparison



### Widespread Demand for Eatertainment

Diving into the [psychographic](#) makeup of Topgolf and Bowlero's trade areas reveals the demand for eatertainment options across a variety of consumer segments. [Trade Area Analysis](#) of Bowlero and Topgolf venues using the [Spatial.ai: PersonaLive](#) dataset reveals the widespread appeal of eatertainment concepts across different consumer segments.



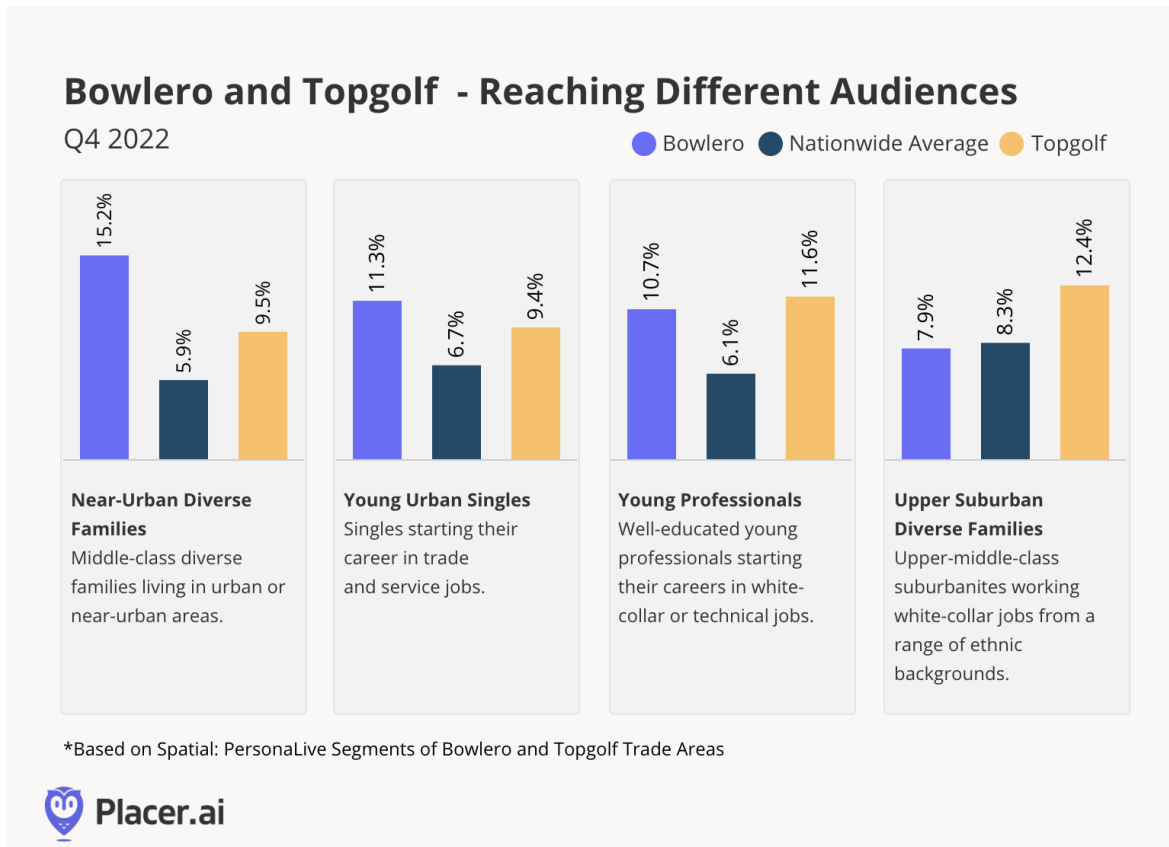
Location analytics reveals the widespread appeal of eatertainment concepts across different consumer segments.

Both seem to attract families, but Bowlero serves a higher percentage of "Near-Urban Diverse Families", while Topgolf is favored among "Upper Suburban Diverse Families". Bowlero and Topgolf also appeal to singles, as both brands draw a relatively similar





contingent of “Young Urban Singles” and “Young Professionals”, indicating that the rise of eatertainment is being met by a healthy demand across different segments.



## Out-Of-Home Entertainment in the New Normal

The out-of-home entertainment industry has evolved significantly in recent years. And while some changes can be attributed to the COVID lockdowns and social distancing, the pandemic also accelerated a shift in consumer behavior already underway pre-pandemic.

And with inflation [topping](#) COVID as consumers’ primary concern, entertainment venues looking to regain visits need to make themselves particularly attractive to budget-strapped consumers. Many of the brands seeing success in this space have found ways to position themselves by offering consumers something extra – a casino

experience along with family-friendly amenities, or a 3D movie along with [gourmet snacks](#). With every form of dining and entertainment increasingly available at consumers' fingertips, entertainment chains – including dining concepts, movie theaters, and casinos – are investing in creating an experience that can't be replicated at home and foot traffic data indicates that it's working.

## Key Takeaways

1. **Uneven recovery across the out-of-home entertainment industry.** In 2022, eatertainment traffic exceeded 2019 levels while casino and movie theaters still saw significant Yo3Y gaps.
2. **Movie theaters experienced visit surges following blockbuster releases.** While overall movie theater weekly traffic remained below 2019 levels, the release of particularly cinematic titles still drove Yo3Y visit surges – indicating that there still is demand for in-theater viewing of certain types of movies, and it indicates the potential power of newer content forms.
3. **Dynamic pricing can help theater chains adapt to shifts in consumer preferences.** By implementing dynamic pricing, theater chains can get the most out of blockbuster releases and attract visitors during lulls in the release calendar.
4. **Casino companies that invested in their facilities are drawing new crowds and outperforming the wider casino recovery.** Bally's Corporation expanded and renovated its Kansas City casino, driving significant traffic increases to the venue. Island Resort & Casino in Harris, MI, also remodeled and succeeded in increasing its share of vacationing families.
5. **The growth of the eatertainment category indicates a strong demand for the concept.** YoY eatertainment visit growth outpaced visit growth to other dining categories for much of 2022. Brands like Bowlero, Topgolf, Dave & Buster's, and Main Event Entertainment have succeeded in appealing to a wide variety of consumers looking to dine, socialize, and have fun all in one place.