



national film and video foundation
SOUTH AFRICA
an agency of the Department of Sport, Arts and Culture

Box Office Report South Africa

**2021 performance and
10-year time trends**



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List of abbreviations and Definition of key terms

AUS: Australia	International films: films produced outside of South Africa.
CAN: Canada	Admission: the total number of tickets sold (cinema attendance).
GBO: Gross Box Office	Cinema: a place where people go to watch films for entertainment.
IND: India	Subscription Video on Demand: services that allow consumers to access an entire catalogue of content for a flat rate, typically paid monthly.
NFVF: National Film and Video Foundation	Gross Box Office: the amount of money raised through ticket sales (revenue).
SVOD: Subscription Video-on-Demand	Market Share: the percentage of an industry or market sales earned over a specified period.
SA: South Africa	
SCI-FI: Science Fiction	
UK: United Kingdom	
USA: Unites States of America	
Movie: a cinematographic and/or theatrical film.	
Domestic films: films made locally by South Africans and shot in South Africa.	

Executive Summary

Background

This report investigated the performance of South African box office films by examining total annual revenue, trends and key drivers of audience consumption. Therefore, highlighted in this report are the performance of films released on box office in 2021, determinants of box office revenue, the trends of films released between 2012 and 2021, and the impact of the COVID-19 pandemic on SA's film industry.

Results

South Africa's box office revenue amounted to over R325 million for the year 2021. Majority (60%) of this revenue was generated by 10 of the 155 films released in the country, and none of the top 10 films was produced locally. A total of fourteen films were locally produced in 2021, and they only contributed one percent to the revenue generated in 2021. Multivariable analysis of gross box office (revenue) showed that the determinants of revenue were the number of people admitted in cinemas to watch movies, the number of screens movies were shown on, and the number of theatres the movies were shown in.

The trend analysis of all films released in SA over

the last ten years showed that annual revenue was increasing prior to the COVID-19 pandemic despite a decrease in the number of films released. This contradiction was most likely due to most of the revenue being generated by a small number of the films produced each year and an increase in the number of theatres and admissions during the years before the pandemic. The trend analysis of locally produced films showed that the number of local films released and the revenue generated by local films have been decreasing over the years. The relatively poor performance of local films would also have contributed to discouraging local producers from releasing new films.



This decrease in the number and revenue of local films in the past decade may be explained by South Africans having low interest in paying to see local films at cinemas. Additionally, the

ubiquitous use of SVOD services, such as Netflix, has provided South Africans with the convenience of accessing a wide variety of content for a flat fee as opposed to cinema, which may be considered less convenient and more expensive.

Conclusion

There was a steep decline in the revenue generated in 2020 due to the impact of the COVID-19 pandemic and associated lockdowns. Our forecast model showed that the revenue would have continued on an upward trajectory without the impact of the pandemic. It is unclear if and when the film industry will return to its pre-pandemic performance, but the increase in annual revenue from 2020 to 2021 should be encouraging. Also, there have been promising partnerships between industry stakeholders to revive the industry. The film industry stakeholders and the government will have to work together and devise innovative strategies to make it happen.

Introduction

This report outlines the performance of all films released on box office in South Africa between 2012 and 2021. It provides insights on various indicators including, but not limited to:

- revenue/gross box office (GBO) generated by the films;
- film distributors;
- total number of films and their corresponding market share;
- origin of film i.e., international vs domestic films; and
- performance of films by week, and number of screens, theatres, and admissions.

These indicators provide information on the performance of cinema films released in the country and an overview of what drives audience consumption.

Results: performance and trends

The first section of the report contains the performance of all films released on box office in South Africa between January and December 2021. The section also includes a statistical model identifying key factors that influence revenue (GBO). The second section of the report is a trend analysis of the revenue of all films released in South Africa between January 2012 and December 2021.

Part 1: Box office performance, 2021

NUMBER OF FILMS AND REVENUE BY MONTH

A total of 155 films were released on box office in South Africa in 2021, with December and April being the busiest months (Figure 1). These films generated a revenue or GBO of R325 286 961. The majority (60%) of the revenue was in the last quarter of the year, with December being the top-performing month (Figure 1).

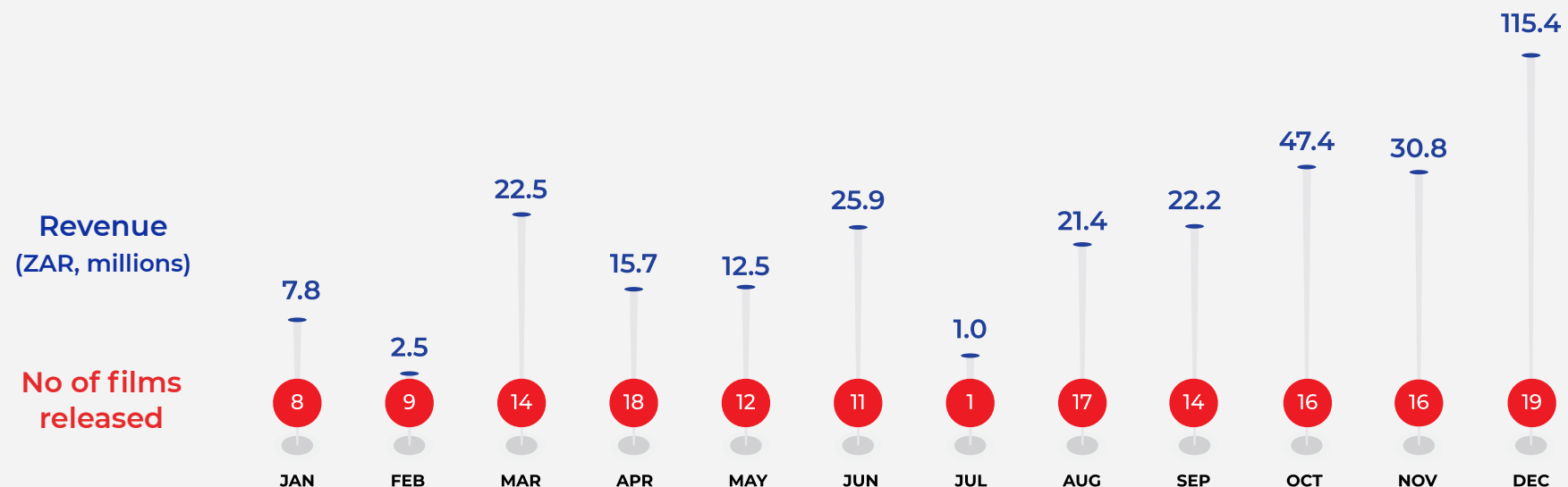


Figure 1: Number of films released in 2021 and revenue (GBO) generated per month.

TOP PERFORMING FILMS

Over 60% (GBO = R194 849 979) of the revenue generated in 2021 came from 10 films. The most popular genres amongst these films were adventure (80%) and action (70%). None of the top 10 performing films were produced in South Africa (Figure 3). Most of the top performing movies were from the United States.

NUMBER OF FILMS AND REVENUE BY ORIGIN

Fourteen (9%) of the 155 films were produced in South Africa in 2021. By revenue, these films contributed only 1% (GBO = R2 517 014) of the total revenue generated (Figure 2).

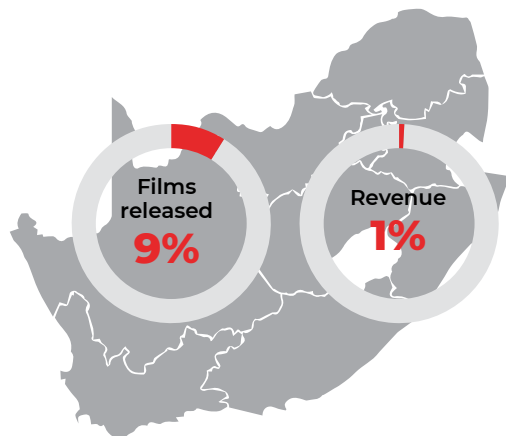


Figure 2: Market share of the films released in 2021 by origin

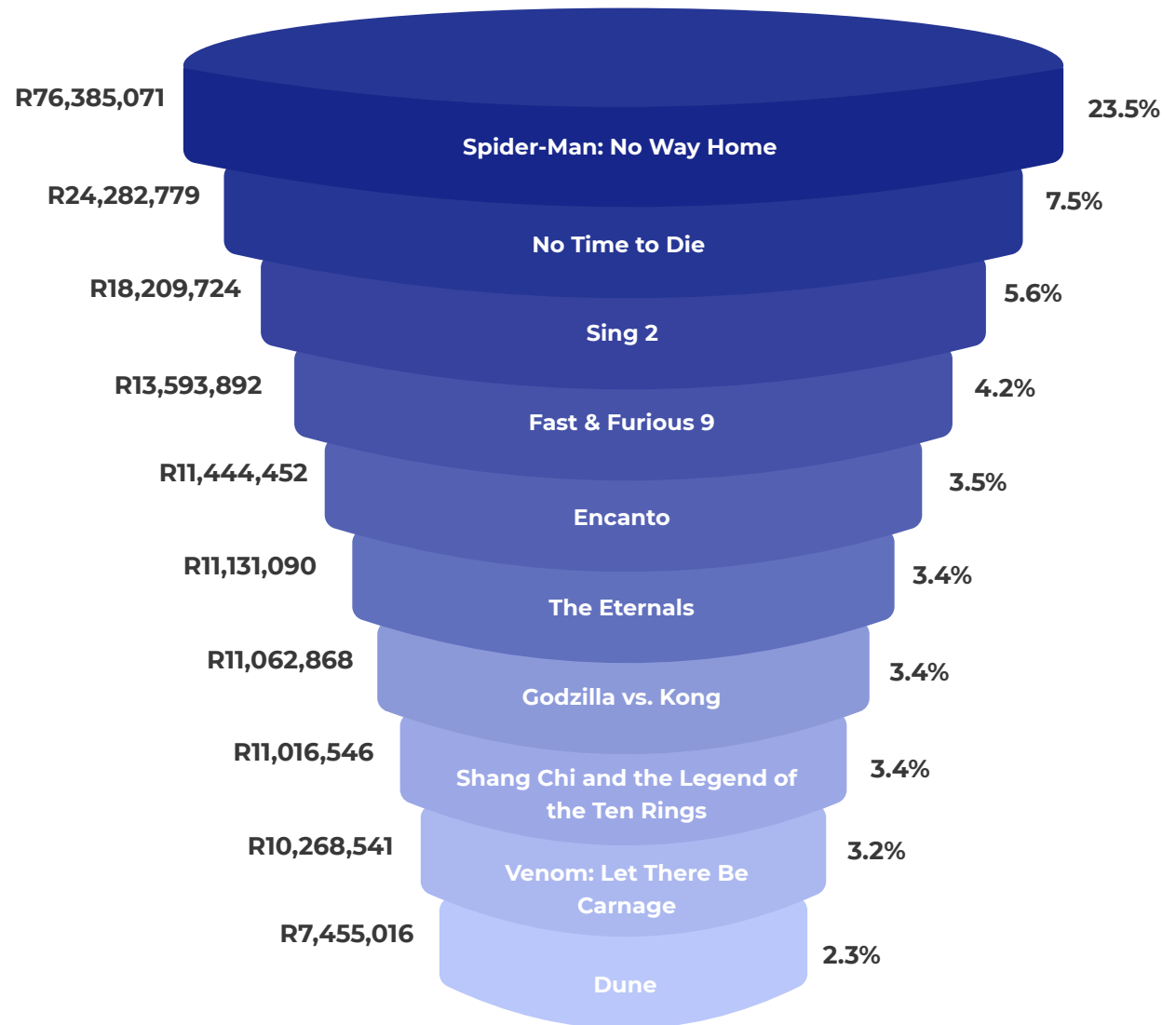


Figure 3: Top 10 performing films released in South Africa in 2021.

Of the R2 517 014 generated from domestic films, 95% came from three films, all of which were comedies (Figure 4).

National Film and Video Foundation Funded films

Of the 14 films produced in South Africa in 2021, two were funded by the NFVF. The two films were Bakarat (comedy/drama) and SanDance (documentary). The NFVF also funded three of the 18 films released on subscription video on demand (SVOD) services in 2021 (Table 2, Appendix).



NUMBER OF FILMS AND REVENUE BY DISTRIBUTOR

Majority (59%) of the films released in 2021 were distributed by Filmfinity and Empire Entertainment. However, by market share, Empire Entertainment (18% of market share) was third place, following Filmfinity (56%) and United International Pictures (24%). The distributor with the tiniest slice of the total GBO in 2021 was State Theatre (0.02%) (Table 1).

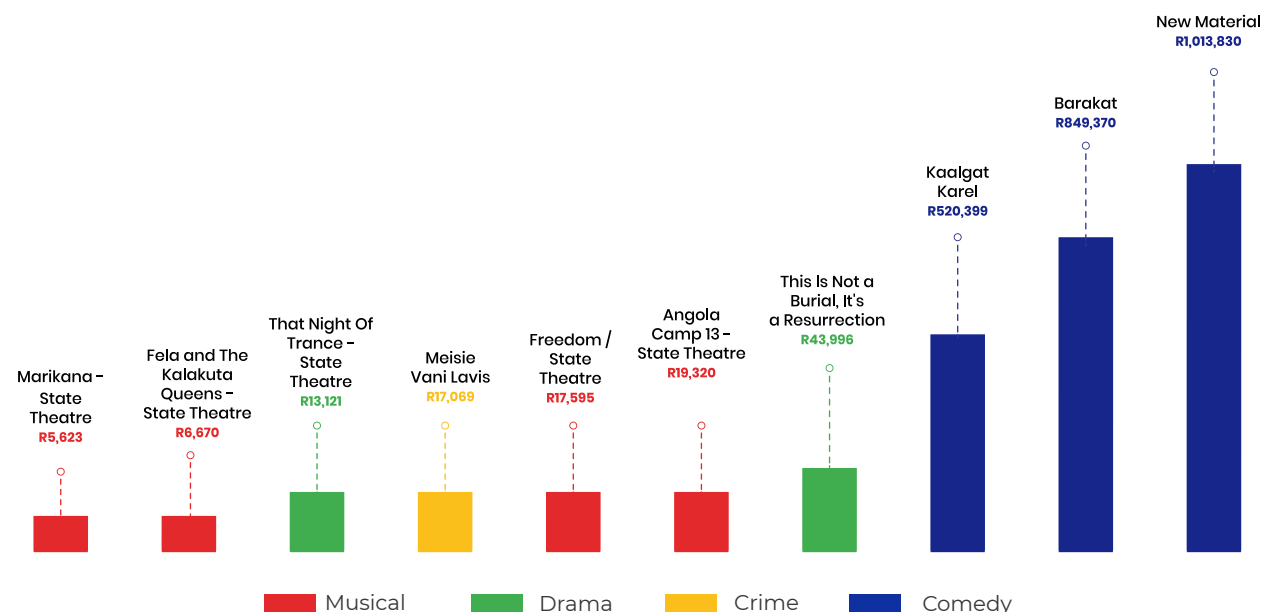


Figure 4: Top 10 films produced in South Africa in 2021.

Table 1: Market share of the films released in 2021 by distributor

Distributor	Number of films	% Films	Revenue (GBO)	Market share (% GBO)
Filmfinity	47	30.3	R182,600,782	56.14
United International Pictures	18	11.6	R76,633,703	23.56
Empire Entertainment	44	28.4	R60,017,213	18.45
Indigenous Film Distribution	5	3.2	R2,092,037	0.64
Independent/Other	14	9.0	R2,067,930	0.64
Nolava	18	11.6	R959,605	0.30
Black Sheep Films	1	0.6	R542,096	0.17
Gravel Road Distribution	3	1.9	R311,266	0.10
State Theatre	5	3.2	R62,329	0.02
Total	155	100	R325,286,961	100

NUMBER OF FILMS AND REVENUE BY THEATRE CHARACTERISTICS

Number of films and revenue by weeks in circuit

There was a significant correlation between revenue and the number of weeks that movies were in circuit ($p < 0.001$). The longer movies were in circuit, the higher the revenue. On average, the 49 movies that were in circuit for one to four weeks (1 month) grossed R21 445 (Figure 5). This increased to an average of R3.4 million for the movies that were in circuit for more than four months.

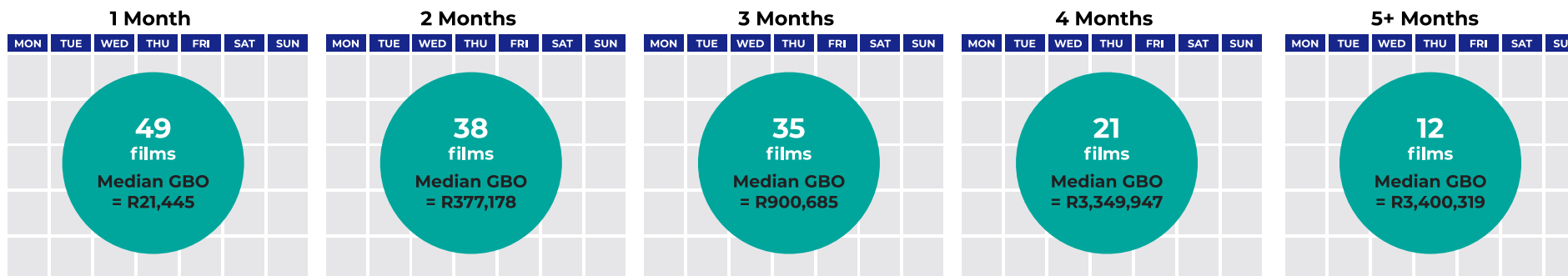


Figure 5: Film revenue by number of weeks in circuit

Number of films and revenue by screens

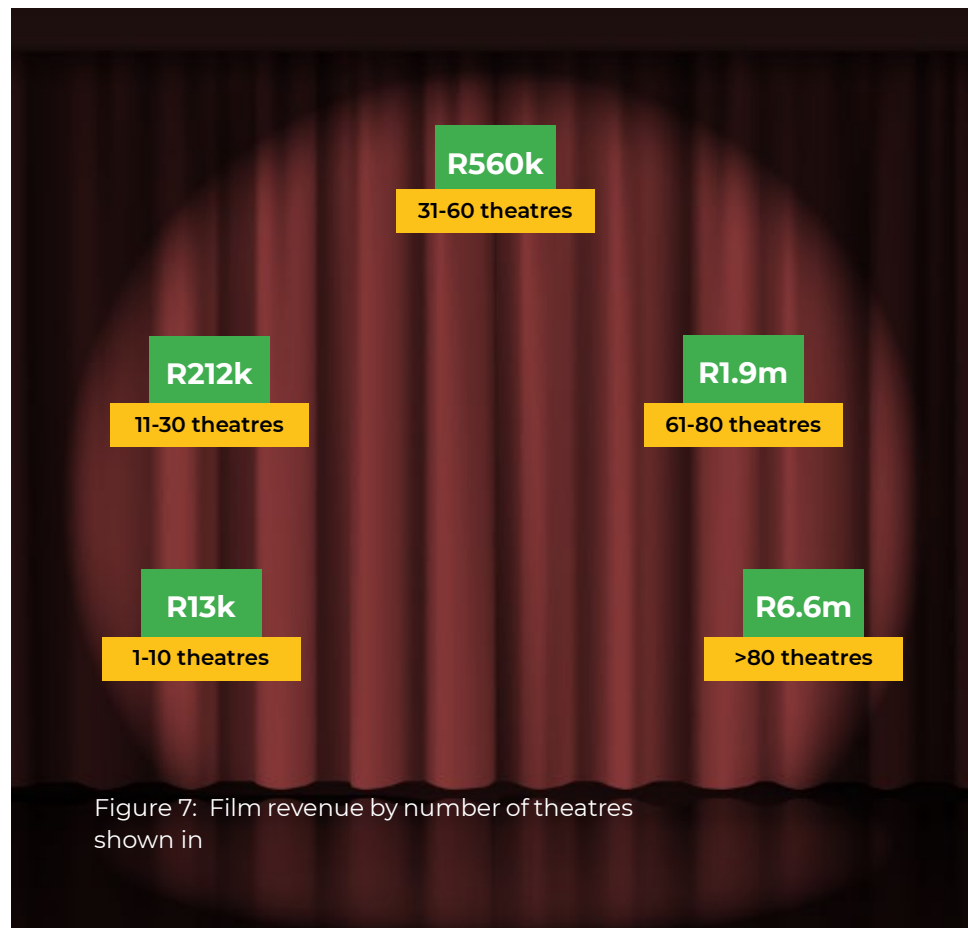
Film revenues also showed a dose-response relationship with the number of screens movies were shown on ($p < 0.001$). As the number of screens increased, revenue also increased, from an average revenue of R12 783 for movies shown on 1 to 20 screens to over R1.8 million for movies shown on over 80 screens (Figure 6). The rate of revenue increase was sharpest for movies shown on 80 or more screens.



Figure 6: Film revenue by number of weeks in circuit

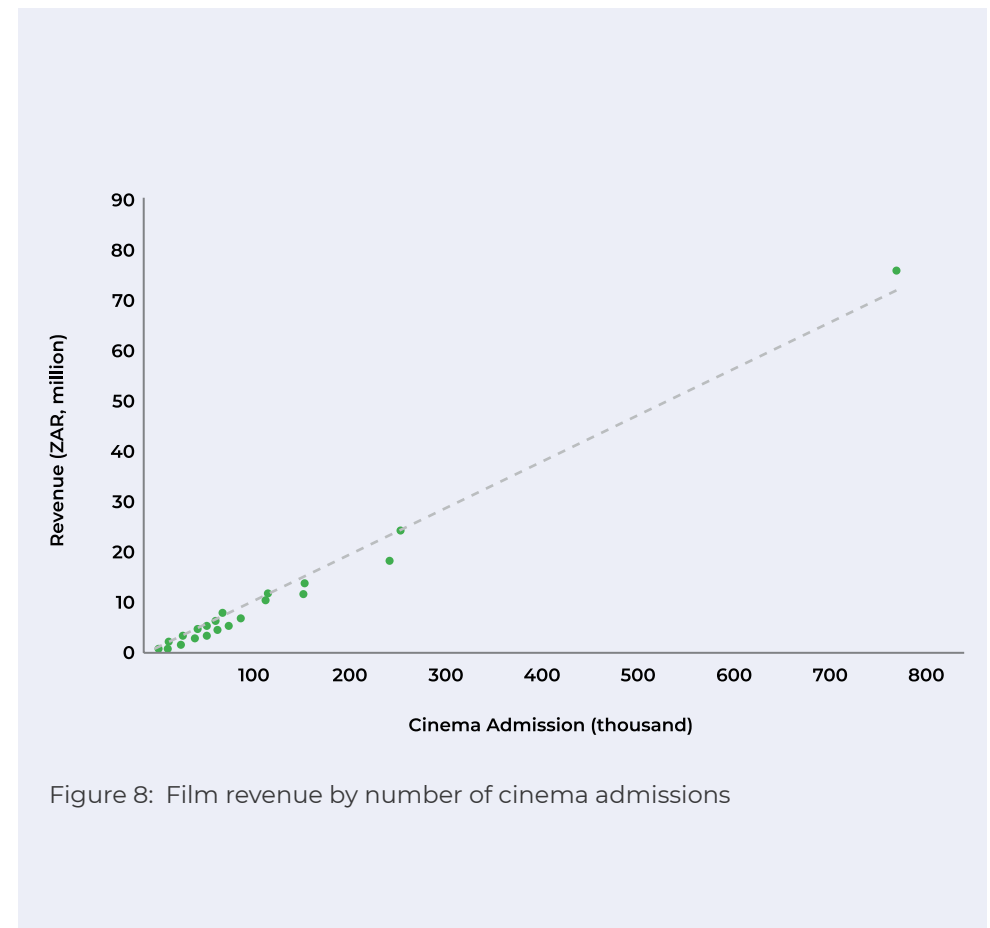
Number of films and revenue by theatres

There was a significant association between revenue and the number of theatres movies were shown in ($p < 0.001$). In line with the findings on number of screens, revenue increased as the number of theatres increased (Figure 7). For the 48 movies shown in 1 to 10 theatres, their average revenue was R12 952. The most revenue (median GBO = R6 635 390) was generated when movies were shown in over 80 theatres.



Film revenue by number of admissions

As shown in Figure 8, there was a near-perfect correlation between the number of people that were admitted to cinemas to watch movies and revenue ($p < 0.0001$). This is intuitive since total revenue is derived from the number of tickets sold. This analysis showed that cinema admissions explained 99% of revenue.



FACTORS INFLUENCING FILM REVENUE 2021

In the previous section of the report, we presented variations in revenue by film origin, number of weeks in circuit, number of screens and theatres, and cinema admissions. It is possible that the variation in revenue by one of these variables is due to the effect of another. To determine which of these factors independently influenced revenue, we fitted a multiple regression model using quantile regression, as revenue was heavily skewed.

The factors that independently influenced box office revenue in 2021 were cinema admissions, the number of theatres the movies were shown in and the number of screens movies were shown on. The model (Figure 9) showed that, after adjusting for the number of theatres and screens, for every person admitted into a cinema to watch a movie in 2021, the revenue increased by an average (median) of R99 ($p < 0.001$). Similarly, keeping all other variables in the model constant, increasing the number of theatres by one unit increased revenue by an average of R5 853 ($p = 0.002$). Lastly, adjusting for the number of admissions and theatres, an additional screen for movie viewing decreased revenue by an average (median) of R3 800 ($p < 0.001$).



+R99

Every cinema admission increased revenue by R99



+R5,853

Every additional theatre increased revenue by R5,853



-R3,800

Every additional screen decreased revenue by R3,800

Figure 9: Summary of factors that influence revenue generated from films released in South Africa in 2021.

Part 2: Box office trends, 2012–2021

NUMBER AND REVENUE OF ALL FILMS RELEASED IN SOUTH AFRICA

The total number of films released in South Africa showed an upward trend between 2012 and 2015 and thereafter, a downward trend (Figure 10). The highest number of films was released in 2015, while the least number was released in 2020 due to the COVID-19 pandemic.

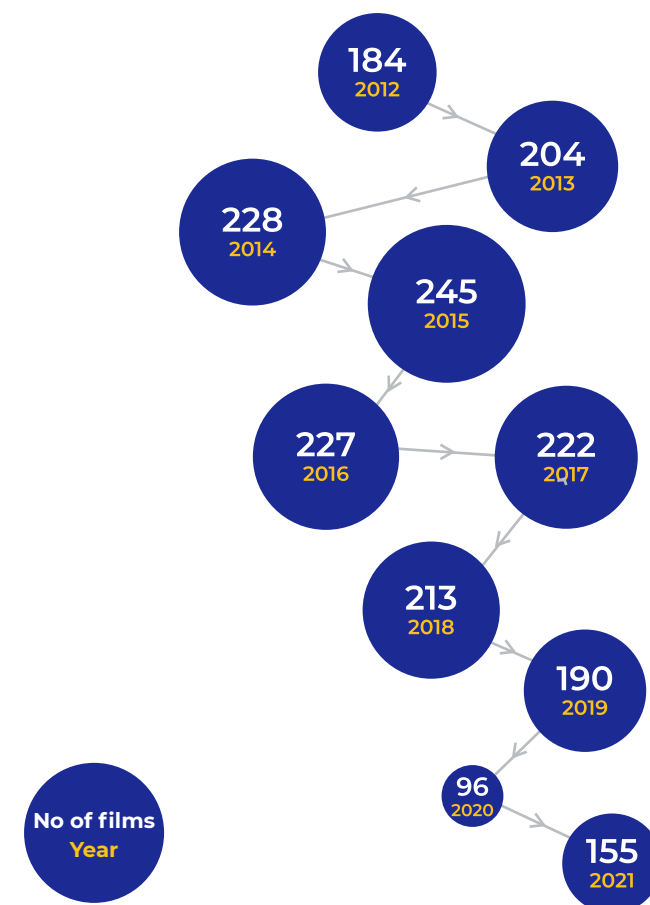


Figure 10: Number of films released in South Africa between 2012 and 2021.

As shown in Figure 11, the revenue of all films released in SA between 2012 and 2019 (pre-COVID-19 pandemic) showed an upward trend ($P < 0.01$). However, there was a steep drop in 2020, following the COVID-19 pandemic and the associated lockdowns, with a sign of an upward projection in 2021. The year 2018 was the best-performing year throughout the last decade and generated over R1.3 billion, while 2020 was the worst performing year and only generated R230 million.

Forecast analysis using linear trends showed that in the absence of the pandemic, the gross annual revenue in 2020 would have been R1.46 billion (95% CI: 1.2 to 1.6 billion), increasing to R1.54 billion (95% CI: 1.3 to 1.8 billion) in 2022.

NUMBER AND REVENUE OF ALL DOMESTIC FILMS

The revenue of all films produced in SA fluctuated annually but showed an overall downward trend (Figure 12), from R84 million in 2012 to R60 million in 2019. The year 2013 was the best performing in the last decade, generating R101 million, while 2021 was the worst-performing year and generated only R2.5 million. The number of domestic films released during this period similarly declined from 19 in 2012 to 14 in 2021.

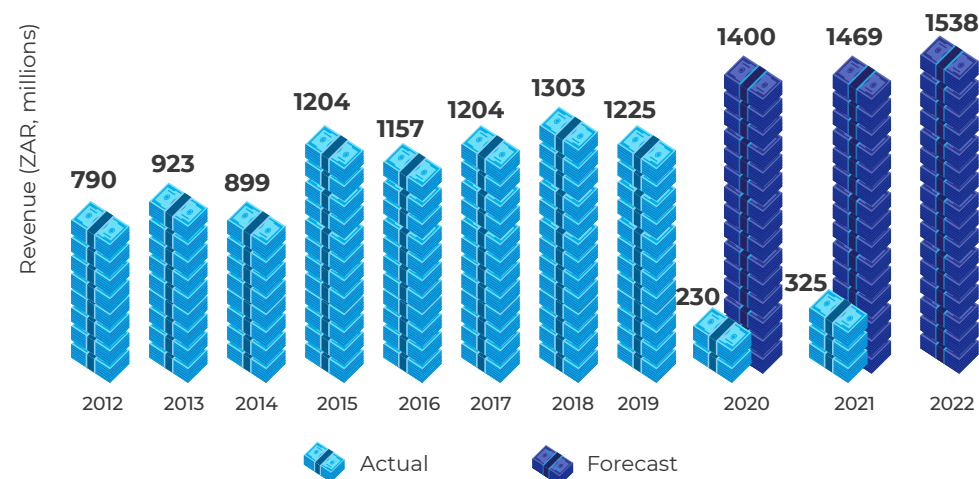


Figure 11: Revenue (GBO) generated from all films released in South Africa between 2012 and 2021 and the prediction of revenue

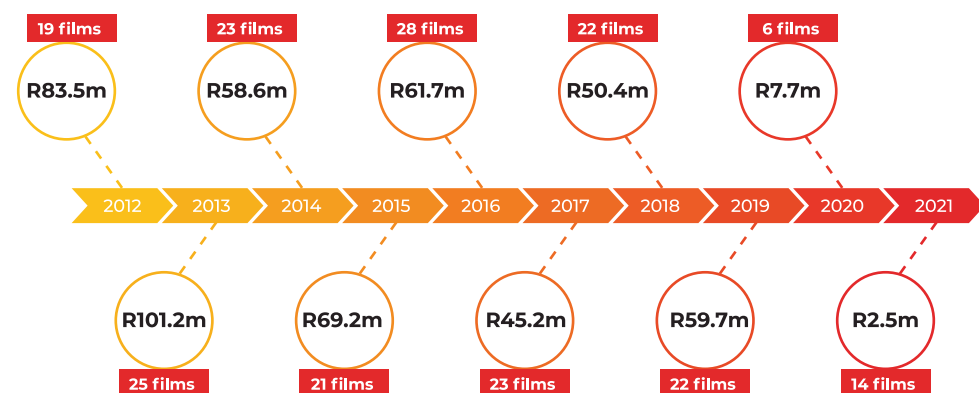


Figure 12: Revenue (GBO) generated from all films produced in South Africa between 2012 and 2021

Discussion

Introduction

This study is a continuation of a series of analyses performed in the past years by the National Film and Video Foundation on South African box office performance and trends. The report is essential in assessing the performance of the movie industry in South Africa in terms of the number of films released and gross revenue. This 2021 report is significant, given the ongoing COVID-19 pandemic. The report also identified the chief drivers of revenue and forecasted total revenue in the absence of the pandemic. These data will assist stakeholders in knowing the performance and trends of the film industry and making investment decisions.

Performance of films

PERFORMANCE OF ALL FILMS RELEASED IN 2021

Analysing revenue by month of movie release showed that most of the revenue was generated from movies released in the last quarter of 2021, with December having the biggest share. However, when examined statistically, this difference was not significant. Two factors explain the higher revenue seen in December. First, the highest-grossing film in 2021 (Spider-Man: No Way Home) was released in December, and it accounted for almost a quarter of 2021 revenue. Second, more films were released in December than in any other month. So, although December contributed the most to 2021 revenue, films released in December did not, on average, perform better than those released in other months. This finding was also observed in 2020, confirming that, in South Africa, the date of film release does not affect revenue.

In their analysis of Box Office performance in the US, Pangarker and Smit did not find an association between the date of release and revenue (1).

However, other studies have found that films released during Christmas generally perform better than those released in other months (1,2). The observation that more films were released in December 2021 is intuitive since December is a holiday period and the month many workers get bonus salaries. The tough competition among filmmakers to release movies in December is well documented (1).

As expected, the revenue generated by all films released in the country varied widely. The majority of the revenue generated in 2021 came from only 13% of the 155 films released that year. The wide variation in revenue by film was also observed with locally-produced films, with the majority of the revenue generated from domestic films coming from three films.

PERFORMANCE OF LOCAL FILMS RELEASED IN 2021

The analysis of the number of films and revenue by origin showed that very few films (9%) were produced in South Africa in 2021. These films only contributed one percent to 2021 gross box office. This poor performance should warrant attention. There needs to be further investigation into the reasons for the poor performance of locally-produced movies to improve their box office success.

South Africa is not the only country battling to capture its audience for locally-produced films. A study conducted in Australia showed that Australian produced films underperform at box office despite being allocated more screens and thoroughly advertised. The Australians attributed the poor performance to their audience having “low interest in paying to see Australian films at the box office” (3). Another study conducted on European films highlighted the issue of small budgets harming the wide distribution of their films (4). They mentioned that small budgets lead to the movies being distributed by independent distributors, who lack market leverage. Both studies concluded that locally-produced films do not circulate extensively

or remain in cinemas long enough to build audiences. These factors could also be a possible explanation to the under-performance of South African films.

The underperformance of South African films can also be due to the rise in popularity of SVOD services such as Netflix and Showmax. These platforms have provided convenience for the South African audience, particularly during the COVID-19 pandemic and the associated lockdown. Over half of the movies produced in South Africa in 2021 were released on SVOD platforms (Table 6, Appendix). However, it can be argued that South Africans also watch foreign movies on these platforms. To get a clearer picture of the performance of all films, a comparison between cinema admissions and the number of streamings on SVOD platforms would be beneficial.

An analysis of the number of films and revenue by distributor showed that revenue generally increased with the number of films distributed by a company. The top three distributors had the largest revenue, while the bottom three distributors had the lowest revenue. This finding may be explained by a higher budget for advertising, wider reach, and more experience in the industry, among other factors.

Previous studies conducted in Australia (3), the US (2), and globally (1) have shown that the following factors significantly influenced box office performance: academy award nominations, production cost, advertising and marketing costs, the number of screens the movie is shown on at baseline (initial movie launch), Motion Picture Association of America rating, release company (major studios), and whether the movie is a sequel or not.

DETERMINANTS OF GROSS BOX OFFICE IN SOUTH AFRICA

Further analysis evaluated the effects of six variables on revenue: number of cinema admissions, number of screens the film was shown on, number

of theatres the film was shown in, number of weeks the film was shown, the origin of film and the month of movie release categorised into quarters. Four of the six factors showed crude associations with revenue, but only the first three independently influenced revenue. After controlling for other factors, the number of weeks the film was shown did not influence revenue.

The adjusted model showed that increasing the number of theatres and admissions increased revenue significantly. This is intuitive because more theatres imply more people and wider distribution. Also, more admissions mean more ticket sales, translating to more revenue. However, increasing the number of screens had the opposite effect on revenue. Though surprising at first glance, the observed negative effect of increasing the number of screens is explainable. The number of screens allocated to films varied weekly depending on the film's performance. Films that performed well were allocated more screens, while the opposite was true for underperforming films. The number of screens allocated to a film each week were then added up to arrive at the total number of screens for the film. This summation would hyperinflate the number of screens for the underperforming films, making it seem like movies with more screens performed poorly.

Studies conducted on box office performance elsewhere have instead analysed the number of opening screens (the screens allocated to a movie at the time of release) to determine the influence of number of screens on revenue (3,5,6). These studies determined that increasing the number of screens significantly increased revenue; this association excludes local films that lack audiences. Therefore, in our model, the variable that best compares to opening screens and assesses the distribution of movies adequately is the number of theatres. Since increasing the number of theatres was found to increase revenue significantly, it can be inferred that these findings tally with those of previous studies.

Trends in number and revenue of films: 2012-2021

PRE-COVID-19 TRENDS

An interesting finding from this analysis was the inverse relationship between number of films released annually and annual gross income. Between 2012 and 2019 (before the COVID-19 pandemic), the number of films released in South Africa showed a downward trend while gross revenue had an upward trend. This finding underpins another finding that a greater part of gross box office is generated by a few films. Although data on annual number of theatres and admissions were not available for analysis, it is conceivable that the increase in revenue, despite the decline in number of films released, may have been occasioned by an increase in the number of theatres and admissions during the years before the pandemic.

Regarding domestic production, the annual number of films released and revenue generated were on downward trends in the period under review. The possible reasons for the poor performance of local movies, as mentioned above, require further investigation and intervention. The relative poor performance of local films would also have contributed to discouraging local producers from releasing new films.

IMPACT OF COVID-19 PANDEMIC AND FUTURE OUTLOOK

Over the last ten years, the revenue for all films released in South Africa had an upward trajectory even though it fluctuated. However, this pattern was disrupted by the COVID-19 pandemic and associated lockdown regulations, which restricted indoor gatherings. The movie industry was one of the most hit by these regulations as cinemas remained closed for most lockdown phases. Even when the regulations were relaxed, cinemas were not allowed to be filled to their full capacity. Additionally, the lingering fear of contracting SARS-CoV-2 and the accessibility of SVOD films meant that many people continued to stay away from cinemas. In summary, the

pandemic devastated the film industry, causing business closures, job losses, and limited local content development (7).

Our forecasting model showed that, but for the COVID-19 pandemic, the annual box office revenue would have continued on an upward trajectory to about R1.5 billion in 2020 and 2021. This finding should motivate the relevant government sectors to ensure the film industry continues on its pre-pandemic trajectory. Unfortunately, two observations are noteworthy. First, the pandemic has not ended. At the time of writing this report, the country was expecting the fifth wave of the pandemic. Second, the government has not done enough to revitalise the industry. An article released by Business Insider SA in September 2021 highlighted that the “government has done little to assist the embattled film industry” (8). Therefore, despite the forecast results and a sign of an upward projection in the 2021 revenue, it is difficult to tell if the film industry will ever revert to its pre-pandemic performance. Creative strategies and initiatives such as the formation of new partnerships between NFVF and Netflix, which is estimated to unlock about R28 million, are steps in the right direction.

Limitations

- We could not analyse genre as a potential driver of audience consumption and performance since films were commonly classified under two or three genres. To make such analysis possible, classification of films by genre would need to be mutually exclusive using the most predominant genre in the film.
- Although the number of screens is a time-varying variable, it was not recorded as such and therefore produced spurious associations. If this variable had been collected as such, it would have allowed for a more robust statistical analysis.
- The ten-year trend analysis could not be performed beyond total revenue and number of films released due to a lack of data on other indicators. For example, it would be interesting to analyse the number of theatres and admissions over these ten years. Therefore, box office data should be collected in a more complete and standardised fashion.

Recommendations

- To maximise box office revenue, film industry stakeholders should invest in increasing the number of theatres to reach wider audiences in new areas. This will bring in more admissions and consequently more revenue.
- To thoroughly understand the drivers of audience consumption, industry stakeholders need to commission more studies to generate data that will unlock the huge potential in the industry. Such research enquiries should go beyond box office and include SVOD platforms. For example, a comparison between cinema admissions and the number of streamings on SVOD platforms would be beneficial, especially for

local films that perform poorly.

- Local filmmakers will need innovative ideas and government support to improve their content, production quality and advertising.
- The government will need to support the film industry and aim to return it to its pre-pandemic performance.

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Appendix

Table 2: List of South African produced films released on subscription video on demand services between January and December 2021.

Title	Release Date	Genre	Distribution Platform	NFVF funded
Apokalips	Apr	Adventure/Drama	Showmax	No
Bus 7070	Apr	Romance	Showmax	No
Slay	Apr	Comedy	Netflix	No
I am all girls	May	Crime/Drama/Thriller	Netflix	No
Trippin with the Kandasammys	Jun	Comedy/Romance	Netflix	No
Pearls of Wisdom	Jun	Drama	Showmax	No
African America	Jul	Drama	Netflix	Yes
Goodbye Gogo	Sep	Drama	Showmax	No
Begron	Sep	Drama	Showmax	No
Umakoti Wethu	Sep	Drama	Showmax	No
Angeliena	Oct	Comedy/Drama	Netflix	Yes
Little Big Mouth	Oct	Comedy/Music/Romance	Netflix	No
Kedibone	Nov	Drama	Box Office	No
Happiness Ever After	Nov	Drama/Romance	Netflix	Yes
Umnisamvula	Dec	Drama	Showmax	No
A Safe Bet	Dec	Drama	Showmax	No
Boxing Day	Dec	Drama	Showmax	No
Assemblief & Dankie	Dec	Comedy/Drama	Showmax	No

showmax

NETFLIX

 **BoxOffice**
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