

DEMAND FOR CINEMA AMONG RESIDENTS OF FCT, ABUJA

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Abstract

This study examines the demand for cinema among residents of Federal Capital Territory Abuja, and to ascertain the proportion of demand for cinema among the residents from 2015- 2020. Population of this study comprised the managers and staff of the selected cinema and customers/guests of the selected cinema. Three (3) cinema in Abuja metropolis participated in the study. 200 questionnaires were administered but 106 were retrieved due the situation in the selected destination, purposive sampling and accidental sampling techniques was used to select the respondents. Multiple regression was adopted, to estimate the determinants of demand for cinema among residents and descriptive in nature, aimed at finding the proportion for demand for by different strata (children, adults, and the elderly) of residents. Results show the socio-demographic characteristics data of the respondents, and as well revealed that 79% of the determinant factors explained by model account for cinema demand among residents. Results also show a positive relationship exist between the determinants of demand for cinema, except for monthly income, production quality which has a positive but inverse relationship on cinema patronage.

Keyword: Cinema-demand, Demand-proportion, and determinant of cinema.

Background and Statement of the problem

Cinema houses have witnessed rapid growth as a means of leisure and recreation activity, gaining wide acceptance among teens, youth and the elderly. The global movie box office revenue amounted to 42.5 billion USD in 2019 and 20 billion USD in 2020, due the closure of cinemas across the globe for the majority of 2020 due to the coronavirus pandemic (COVID- 19) (Stoll, 2021); making it more than twice the size of the global music industry. Even though cinema attendance is stagnant or constant in most of the western world the growth in developing nations imply that the movie industry will continue to be a global economic force whose influence reaches far outside the silver screen (Wallentin, 2016).

Obiaya, (2015) stated that oil boom of 1973 through 1978 contributed immensely to the spontaneous boost of the cinema culture in Nigeria. The presence of foreign investments led to the erection of several cinema complexes. In 1976, the 5000-capacity National Arts Theatre, Iganmu was constructed in Lagos. The theatre was incorporated with two cinemas, each having a capacity of over 700 viewers. As at then the cinema business had become a notable employer of many people and also served as an important social function, as Nigerians visited cinemas for relaxation and entertainment purposes. The increased purchasing power in Nigeria also made a wide range of citizens to have disposable income to spend on cinema and home television sets (Tunde, 2011).

But concerned about the influx of foreign culture into Nigeria and the dominance of the entertainment industry, prompted the introduction of the Indigenization Decree by the Yakubu Gowon led government; which demands the transfer of ownership of about a total of 300 film theatres in the country from their foreign owners to Nigerians. Since then, more Nigerians started playing active roles in cinema establishment as a result of this policy. This transfer also resulted in the emergence of Nigerian playwrights, screenwriters and film producers; popular literature and theatre works were adapted into motion pictures. Which comprises of English films (Nollywood), the Yoruba film, the Kannywood which produces films in Hausa, Igbo language films as well as those in other indigenous languages of Nigeria.

However, the introduction of home videos in Nigeria in the 80's and the booming local film industry (Nollywood) in the 90's, among other factors led to a decline in the demand for cinema, triggering the phenomenal growth of direct-to-video production. This led to the loss of the glamour of socio-economic, leisure and recreational potential of public cinema culture. The fall in demand for cinema was partly because lots of people do not have enough time for cinema. The current economic meltdown coupled with the global challenges of (COVID-19) has far reaching consequences on cinema demand. Some group see demand for cinema as waste of time and money, most especially in Nigeria; while some persons on high income level believed cinemas are inferior goods. Cameron, (1990) suggested that higher income is responsible for the decline in demand for cinemas. However, lower income earners believed cinemas offers irresistible opportunity for leisure and recreation.

But in the 21st century there was a resurgence of the cinema culture, according to Oamen, (2013) Silver Bird cinema and other investors saw the negative effects of a nation without a cinema culture and began a relaunch of the culture as an aspect of leisure & tourism. Despite the fact that technology development has facilitated a switch to home viewing, the cinema is designed for group or public viewing and no domestic viewing set up is yet to equal that of the cinema. It is from this perspective that this study seeks to find out the determinant of demand for cinema and ascertain the proportion of demand among residents of Federal Capital Territory, Abuja from 2015-2020.

This study does not attempt to isolate the income elasticity of demand for cinema. The estimations are done in two steps. First, multiple regression was adopted, to estimate the determinants of demand for cinema among residents. Given that microeconomics theory suggest that the demand for cinema depends on ticket price, price of other goods, income, taste and preference. From a theoretical viewpoint, Fernández-Blanco, V. & Baños-Pino, J. (1997) submitted that the quality of the product must also be a significant determinant of the demand for cinema attendance. While Hand (2002) argued that film choice is the driving factor behind cinema demand. Nicolas & Jordi (2011) opine that cinema demand is relatively elastic, and cross-price elasticities are particularly low, leading us to believe that much substitution takes place with the outside good. This implies that there are intuitive relationships between demand for cinema and the range of film cinema, and time specific characteristics. The second, estimate was descriptive in nature, aimed at finding the proportion for demand for by different strata (children, adults, and the elderly) of residents. Ideally one would like to be able to analyze this as a dynamic process i.e. to observe at what is the nature and period of demand and what affect this has on cinema attendance (see e.g. Reinstein and Snyder (2005) and Sawhney and Eliashberg (1996).

Haven provided a brief background of the cinema industry in Nigeria and the specific market we

considered. The remaining parts of the paper is organised as follows: section 2 outline a brief literature framework on demand for cinema. Section 3 describes the data source and procedure for analysis. Section 4 discusses the findings, and in section 5 we concluded.

Literature Review on Demand for Cinema

Cinema seems to be a relatively uncommon type of service, essentially confined to city-dwellers. Lévy-Garboua & Montmarquette, (1996) reported that 55.8% of cinema or theatre goers for four years attended the cinema at least once during the last year and saw an average of 1.65 movies. While those who demanded cinema during the last year viewed an average of 2.95 films. These figures suggest a significant positive effect of accumulated cinema experience on current cinema consumption. Nevertheless, choosing the cinema does not exclude other artistic performances, since cinemagoers on average also go to the cinema more often than once a month.

Previous studies have used individual data to survey cinema demand or theatre goers only, while other studies panel data or a combination of both. So far most demand functions estimated for the performing arts have been based on aggregated (time series or cross-sectional) data and at best could therefore incorporate these factors only indirectly and in a very incomplete manner (Lévy-Garboua & Montmarquette, 1996). Baumol and Bowen (1966) produced only descriptive analyses, Globerman and Book (1977) estimated Engel curves for the respondents are single while 30.7% are married. It was also observed that 36% of the respondents are B.sc holders, 29% have diploma, 20% have MSc/MBA, while 15% have first school leaving certificate. Furthermore, result the various occupations of respondents; 39.4% are engaged in business, 31.8% are students, 20.6% civil servant and 8.2% are artisans. With an average monthly income of N151,000 and above, N101,000-N150,000, N51,000-N100,000 and N20,000-N50,000 with 40.7%, 33.%, 15.9%, and 10.4% respectively.

Findings and Discussion

Table 1: Demographic Characteristic of the Respondents

Demographic	Categories	Frequency	Percentage%
Age	18-30	40	33.9
	31-40	25	25.6
	41-50	20	23.0
	=51	5	17.5
Total		90	100
Gender	Male	60	51.4
	Female	30	48.6
	Total	90	100
Marital status	Married	32	30.7

		Single	58	69.3
		Total	90	100
Qualifications		Primary	10	15.0
	diploma	20	29	
	HND/B.Sc	45	36	
	MSc/MBA	15	20.0	
	Total	90	100	
Occupation		Civil servant	18	20.6
		Business	32	39.4
		Artisan	10	8.2
		Students	30	31.8
		Total	90	100
Average income		20000-50,000	9	10.4
		51,000-100,000	16	15.9
		101,000-150,000	27	33.0
		151,000- Above38		40.7
		Total	90	100

Source: Author's Computation 2020

Cinema names	Locations	Years of establishment	Seating capacity
Silverbird Cinema	Opposite art and culture Abuja, Nigeria	2009	9,319
Genesis Deluxe Cinemas	Ceddi Plaza, Tafawa Balewa Way, Central Business District.	2008	4,000
JabiLake Mall Silverbird	Bala Sokoto way, Jabi District, Cadastral zone BO4, Abuja.	2009	5,000
Silverbird Cinema	Memorial Drive, By Musa Yar'adua Center, Central Business District, Abuja.	2015	2,500
Genesis Cinema	Novare-Gateway Mall, Airport Rd, Lugbe, Abuja	2015	1,500
NilabamPictures	81 A.E. Ekukinam Street, Utako, Abuja	2014	2,000
Sunset Drive	Accra Park, Wuse Zone 5, behind Grand Ibro hotel, Abuja	2013	1,300
Tochsmileout Abuja	Katampe Rd, Kado, Abuja.	2017	2,300
J Cinemas	Samuel Ademulegun Avenue, Phase 1, Abuja.	2015	550

Africa free press	24 Lateef Jakande Crescent, Gudu, Abuja.	2012	1.300

Source: Author's Computation 2020

The table above shows the available cinema centres in FCT Abuja. It was revealed that **Silverbird Cinemas have three outlets, at different location and capacity ranging from 9313, 5000, and 2500 respectively. Others are** Genesis Deluxe Cinemas established 2008 with the capacity of 4,000, Nilabam Pictures established 2014 with 2000 capacity, Sunset drive established 2013 with 1,300 capacity, Tochsmileout, established in 2017 with 2,300 seater capacity, J Cinemas, established in 2015 with 550 seater capacity and Africa Free Press established in 2012 with 1,300 seater capacity.

Table 4.3 Model Summary on Determinants of Demand for Cinema in Abuja

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.888(a)	.789	.759	.46333

a Predictors: (Constant), technological sophistication, income, interest for film cinema, to free depression from mind, disposable income, educational level, to avoid boredom, marketing and advertisement, education and awareness, production quality of cinema, distribution concentration.

From the regression model summary in the table above, the R value is 0.888, R square is 0.789, while adjusted R square 0.759. This implies that 79% of the factors listed above explained model and account for the demands for cinema by Abuja residents. The model also reveal that a positive relationship exist between the determinants of demand for cinema, except for monthly income, production quality which positive but inverse relationship on cinema patronage among the residents of Abuja. It also means that there will be some other determinants for cinema demand apart from the ones mention in the questionnaire, so further research can make use of other factor to test the determinants of demand for cinema.

Regression analysis (standardized coefficients with t-value in parentheses)

Variables	Clear boredom	Leisure	Disposable Income
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Determinants of demand for cinema	0.00 (4.08)	0.00 (3.93)	0.00 (4.07)
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The table above shows determinants of demand for cinema among the residents of Abuja variables providing support for H¹. It shows a positive and significant impact upon to avoid boredom ($\beta=0.00, \beta < 0.01$) and disposable income ($\beta=0.00, \beta < 0.01$).

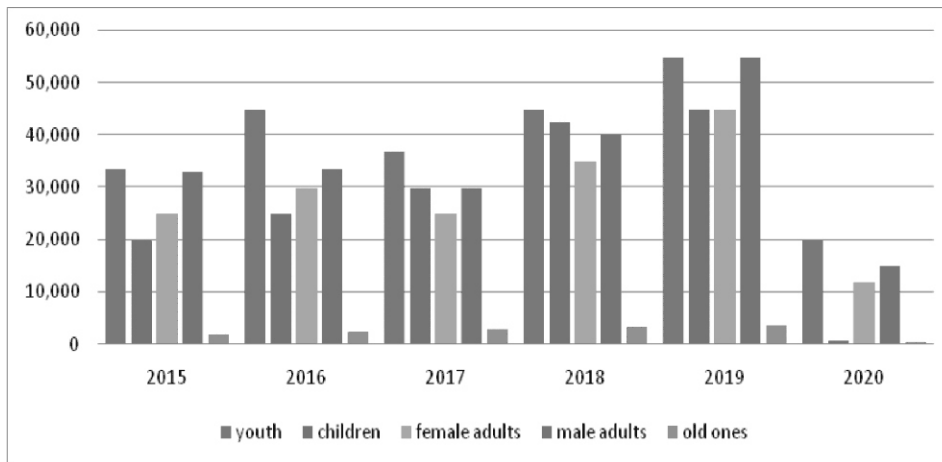


Fig.1 Inflow to Genesis Deluxe Cinema from 2015-2020 Source: Genesis deluxe Cinema Abuja 2020

Figure 1 above showing the proportion of demand for cinema by children, youth, adults, as well as men and women, among residences of Abuja to Genesis deluxe cinema. It was observed that youths demand for cinema was the highest in the period under review with 33,500 in the 2015, 45,000 in 2016, 37,000 in 2017, 45,000 in 2018, 55,000, in 2019, and 20,000 in 2020, closely next to it is the male adult with an average patronage of 33,000 in 2015, 33,500 in 2016, 30,000 in 2017, 40,000 in 2018, 55,000 in 2019, and 15,000 in 2020, then followed by adult female with 25,000 in 2015, 30,000 in 2016, 25,000 in 2017, 35,000 in 2018, 45,000 in 2019 and 12,000 in 2020. While children show the following results 20,000 in 2015, 25,000 in 2016, 30,000 in 2017, 42,600 in 2018, 45,000 in 2019 and 800 in 2020. Result for the elderly also indicated that 2,000 senior citizens visited the cinema in 2015, 2,500 in 2016, 3,000 in 2017, 3,500 in 2018, 3,700 in 2019 and 500 in 2020.

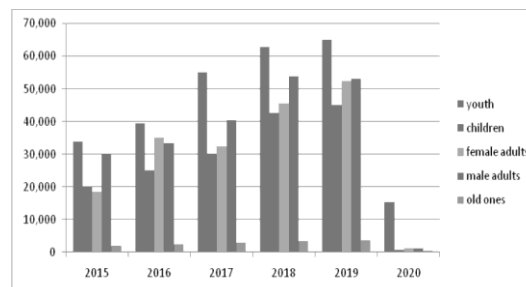


Fig.2: Inflow to Jabi Lake Mall Silver Bird cinema from 2015-2020 Source: Silver bird cinema Abuja 2020

Figure 2 shows the proportion of demand for cinema among residences in Abuja at Jabi Lake Mall

Silverbird cinema. We observed that the demand for cinema by youth revealed that about 33,800 visited the cinema in 2015, 39,400 in 2016, 55,000 in 2017, 63,000 in 2018, 65,000 in 2019, and 15,300 in 2020, similarly about 30,250 adult male in 2015, 33,500 in 2016, 40,550 in 2017, 53,802 in 2018, 53,111 in 2019, and 1,240 in 2020 were at the cinema. While adult female have about 18,550 in 2015, 35,000 in 2016, 32,424 in 2017, 45,650 in 2018, 52,456 in 2019 and 1,125 in 2020 that visited the cinema. Followed by children with about 20,000 in 2015, also 2016 reported 25,100, 30,000 in 2017, 42,600 in 2018, 45,000 in 2019, and 800 in 2020. The elderly recorded the lowest figures in demanding for cinema in Abuja which as follows 2015 it was recorded 2,000, followed 2016 with 2,500, 2017 with 3,000, 2018 with 3,500, 3,700 in 2019, and while 2020 recorded 500.

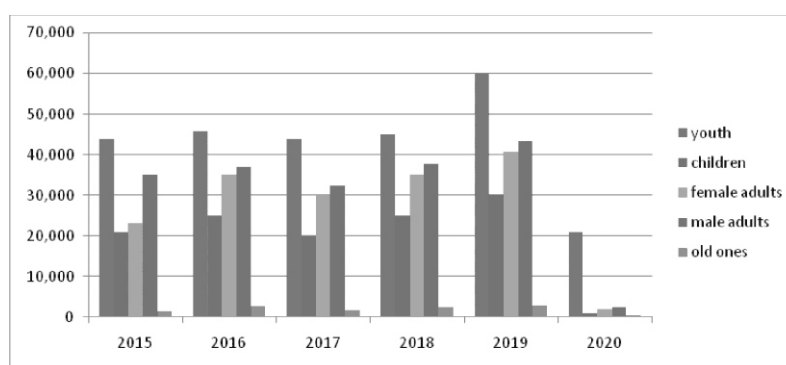


Fig.3 inflow to Silver bird cinema from 2015-2020 Source: Silver bird cinema Abuja 2020

The chart above showing the proportion of demand for cinema among residences in Abuja at Silver bird cinema, it was observed that youths demand for cinema was revealed as the highest throughout the year on the chart with 44,000 in the 2015, 45,800 in 2016, 44,024 in 2017, 45,018 in 2018, 60,000, in 2019, and 21,000 in 2020, followed by adult male with 35,000 in 2015, 37,048 in 2016, 32,500 in 2017, 37,850 in 2018, 43,500 in 2019, and 2,500 in 2020, followed by adult female with 23,058 in 2015, 35,000 in 2016, 30,000 in 2017, 35,000 in 2018, 40,840 in 2019 and 2,000 in 2020, followed by the children 21,000 in 2015, also 2016 reported 25,000, 20,000 in 2017, 25,100 in 2018, 30,250 in 2019, and 1000 in 2020. The old people recorded the lowest figures in demanding for cinema in Abuja which as follows 2015 it was recorded 1,500, followed 2016 with 2,580, 2017 with 1,800, 2018 with 2,498, 3,000 in 2019, and while 2020 recorded 452.

Conclusion

The demand for cinema has continued to growth, owing to its popularity among the youths and adults, despite other available alternatives. Hence, the increase in cinema demand is more attenuated among youth because of their enthusiastic, lesser past demand and peer group influence. The complementary effect of previous demand experience is more likely to outweigh the substitution effect of preferring home video as people become older. These findings are in accord with the Becker & Murphy (1988) and Yamamura, (2009) model of rational addiction.

The resurgence of the cinema culture among residents lends credence to the fact that the cinema business

is a superior alternative to home video and has a lot of prospects. Given that Abuja has grown to attain the status of a mega city with a population in excess of 15 million and is still growing. The massive population of the city and the small number of cinema houses presently operating in the capital city indicates that supply for cinema in Abuja is relatively low compare to demand. From the findings we deduce the need for cinema to provide more films that will attract the elderly to the cinema.

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