

Performing Arts: Inc Impact of COVID-19 - UK - August 2020

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“Audiences will eventually return, the absence making them hungrier than ever for the excitement of live shared experience, though sadly some venues may never reopen.

The sector has faced this crisis with characteristic creativity and ‘the-show-must-go-on’ resilience.”

– John Worthington, Senior Analyst

This report looks at the following areas:

What you need to know

30% of all adults and 47% of theatre-goers (those who attended the theatre before COVID-19) have watched a streamed performing arts event during the pandemic. 24% of theatre-goers would be interested in paying to watch live events streamed online at home in future. The average amount people are willing to pay is the same as the price of watching a live theatre performance in the cinema (£14 in 2019).

As at 1 August Mintel estimates total theatre attendances of 7.5 million for 2020, a 78% fall from 2019, with box office revenues declining 79% to £274 million. The COVID-19 crisis is likely to cost the performing arts sector around £1 billion in lost ticketing revenue during 2020.

There is enough consumer interest in socially distanced attendance to fill venues (operating at around a third of normal capacity) in the months ahead. However, it is doubtful how many venues will be able to viably open on this basis. Consumer demand will fully return when the threat of COVID-19 has finally abated. Government financial aid will help to prevent catastrophe, but there will still be many job losses and venue closures. Mintel therefore expects attendances and revenues to still lag behind pre-COVID-19 levels in 2025.

Key issues covered in this Report

- The impact of COVID-19 on the performing arts.
- The longer-term prospects for the performing arts.
- Consumers’ experience of attending the performing arts in pre-COVID-19 times.
- Consumers’ experience of online streaming of performing arts events during COVID-19.
- Consumers’ attitudes towards attending socially distanced performing arts events.
- Future opportunities for performing arts venues and companies.

Covered in this Report

This Report examines the UK market for performing arts events, principally theatre, opera and ballet/dance. Live music concerts are excluded.

COVID-19: Market context

This update was prepared on 1 August.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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The first COVID-19 cases were confirmed in the UK at the end of January, with a small number of cases in February. The country initially continued to operate much as normal. A national lockdown requiring people to stay at home except for essential shopping, exercise and work 'if absolutely necessary' was implemented on 23 March.

In mid-May restrictions on driving to another location (for non-overnight stays) were lifted in England (but maintained by the devolved governments in Scotland and Wales).

From 15 June the government allowed non-essential shops to open in England.

On 23 June the government announced that pubs, restaurants, hotels & other holiday accommodation and hairdressers would be allowed to reopen in England from 4 July. The guidelines on social distancing were modified from two metres to 'one metre-plus' – from 4 July people in England were advised to keep two metres apart where possible, but where not possible to keep one metre apart while taking 'mitigating measures'. The devolved governments in Scotland and Wales have since followed suit.

All UK theatres were closed from 16 March 2020.

The government later announced that socially distanced outdoor theatre performances would be permitted from 11 July. On 17 July it was announced that socially distanced indoor theatre performances would be permitted from 1 August. Scotland announced that it would follow suit from 14 September. However, on 31 July, following a rise in infections in the UK and elsewhere in Europe, the 1 August reopening date was postponed until 15 August at the earliest.

On 29 July the DCMS Culture Secretary Oliver Dowden said it was likely to be 'November at the earliest' before theatres could be given a target date for reopening without social distancing.

Economic and other assumptions

Mintel's economic assumptions are based on the Office for Budget Responsibility's central scenario included in its July 2020 Fiscal Sustainability Report. The scenario suggests that UK GDP could fall by 12.4% in 2020, recovering by 8.7% in 2021, and that unemployment will reach 11.9% by the end of 2020, falling to 8.8% by the end of 2021. The current uncertainty means that there is wide variation on the range of forecasts, however, something reflected in the OBR's own scenarios. In its upside scenario, economic activity returns to pre-COVID-19 levels by Q1 2021. The OBR's more negative scenario, by contrast, would mean that GDP doesn't recover until Q3 2024.

For the purposes of this Report Mintel has also made a number of other assumptions including:

COVID-19 will remain a significant threat to public health in the coming months with sporadic clusters of rising infection. However, Mintel's current assumption (as at 1 August 2020) is that there will be no large-scale 'second wave' which would necessitate a return to a full national lockdown.

While COVID-19 remains a threat, social distancing of 'one metre-plus' will remain a requirement for all theatres.

COVID-19 will have receded as a major public threat by mid-2021, with the likely availability of a vaccine and/or anti-viral treatments by that date.

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The Impact of COVID-19 on Performing Arts

The market

COVID-19 likely to cost £1 billion in lost box office revenue in 2020

Biggest threat is the pandemic itself rather than the recession

Audiences will still lag pre-COVID levels in 2025

The consumer

Around a third of theatre-goers would attend any venue with social distancing

Novelty of drive-in theatre has drawing power

A third of those who streamed online during COVID-19 would pay to do so for live events in future

Companies and brands

5,000 theatre job losses due to COVID-19 had been announced by early August 2020

Tentative plans to reopen where possible

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Online streaming has gone from niche to mainstream

Streaming has drawn in lapsed and occasional theatre-goers as well as regulars

Could livestreaming offer a future revenue stream for a sector in crisis?

Improvements in home technology are also helping to make livestreaming more attractive

Like event cinema, livestreaming can help to increase engagement with 'traditional' theatre

Livestreaming could help to make socially distanced events more viable

Creating a sense of exclusivity can help to raise the value of livestreamed performances

The Market – What You Need to Know

79% decline in box office revenue expected for 2020

Attendances expected to still lag pre-COVID levels in 2025

Record ticket spend of £1.3 billion prior to COVID-19...

...and 2018-19 saw record demand levels for West End theatre

Regional theatre attendances dipped slightly from 2015-19 but revenues were up

Government bailout package will help ward off COVID catastrophe but impact will still be severe

Theatres gear up for socially distanced reopening but doubts remain over viability

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Figure 15: London theatre attendance, by type of performance, 2015-19

Regional theatre revenues were up 16% from 2015-19

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Market Background

COVID-19 is having a devastating impact on theatres

Government bailout package will help to ward off disaster...

...but many concerns remain

Road to recovery set out but destination arrival date remains unclear

Open-air theatre permitted from July 2020

Socially distanced indoor pilots began in July

Some venues are planning to reopen when given the green light...

...but lack of a 'Stage Five' target date puts Christmas panto season in jeopardy

Theatres have embraced online streaming during lockdown

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LW Theatres

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Musicals are the most popular form

Theatre-goers fall into two camps

Event cinema is helping to increase engagement with traditional theatre

Attracting women back to venues is a key challenge

37% of theatre-goers would attend any indoor venue with social distancing measures in place

Event cinema, livestreaming, gift experiences and immersive theatre are all future opportunities

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Musicals are the most popular type of event

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37% of theatre-goers would visit any venue with social distancing measures

Over-45s are significantly less likely to return to indoor venues until the crisis is over...

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