

Changes in consumer behavior towards in the film (post) pandemic era

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ABSTRACT

The pandemic has caused various field industry experience some problems, and one of them is the film industry, particularly for films distributed through network cinema. Many players or artists in the Indonesian cinema industry have encountered unavoidable issues due to the pandemic. This research aims to discover consumer behavior toward films in the (post) pandemic era. The type of research used descriptive and verifiable methods using a qualitative approach. The object involved the movies in Indonesia—sources of data from secondary data from books, articles, and supporting references. Data analysis techniques were through qualitative analysis. There have been significant changes in the lives of people in Indonesia during the two years since the emergence of the Covid-29 virus. This pandemic has had a substantial impact on various sectors of human life. It has also disrupted well-established systems in multiple industries running smoothly for decades, including the film industry, particularly for films distributed through cinema networks. Many players in the cinema film industry in Indonesia have faced unavoidable challenges due to the pandemic.

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1. Introduction

For almost two years, the people living in Indonesia have experienced numerous changes since the Covid-19 virus (Piotrowski & Piotrowska, 2022; Rantauni & Sukmawati, 2022; Tenda et al., 2020). This virus has significantly impacted various sectors, ranging from the banking industry to the entertainment industry (Ganesan, 2021; Kastouni & Ait Lahcen, 2022). All lines of business have had to be restricted to prevent the spreading of the Covid-19 virus. One of the industrial sectors that has been affected during the pandemic is the film industry. Not only has film production experienced a significant decline, but the cinema business has also been hit due to ongoing unfavourable situations (Galanti et al., 2021; Rudnicki et al., 2022).

The implementation of the Large-Scale Social Restrictions (*PSBB*) policy and government recommendations of *stay-at-home* have prevented cinemas in Indonesia from operating during the pandemic to prevent the emergence crowd (Azizah & Sri Wahyuningsih, 2020; Hadiwardoyo, 2020). Although the cinemas have reopened, there are still several rules obeyed, for example, restrictions amount viewers as much as 70% of studio capacity, no allowed take off the mask while inside building cinema, no allowed eat and drink in the studio, etc. Therefore, frequent movie enthusiasts who often watch film on the wide screen must look for other alternative platforms as substitution from cinema (Jagadtya & Aisyianita, 2020; Nasruddin & Haq, 2020).

Pandemic has caused various field industry experience some problems, and one of them is the film industry, particularly for films it distributed through network cinema (Azizah & Sri Wahyuningsih, 2020; Suvattanadilok, 2021). Many players or artists in the Indonesian cinema industry have encountered unavoidable issues due to the pandemic. One of the problems they raised collectively on social media was

through hashtag #FilmIndonesiaFilmKita. This hashtag highlighted the main issue: the decline of the cinema business due to heavily impacted by the pandemic. The rapid growth seen in recent years, which places Indonesia as the “tenth largest film market in the world” was forcefully halted by the pandemic, and its effects automatically affected the livelihoods of many film industry professionals.

According to the Creative Economy Agency (*BEKRAF*) cited from *mediaindonesia.com*, the number of film viewers in Indonesia grew by 230% in the past five years before the Covid-19 pandemic come. Moreover, Indonesia is known as the 16th largest market for box office film in the world, with a market value of US\$345 million or around IDR 48 trillion.

After the easing of restrictions period, cinemas were allowed to operate based on provincial policies. However, although they were allowed to reopen, cinemas still need to recover. Earlier this year, the Indonesian Cinema Business Association stated that only 55% of cinemas operate. The daily revenue obtained is at most 15% of the normal conditions. As happened in various parts of the world, streaming service grows rapidly in Indonesia during pandemic. Festival organizers and independent screens also adopted online screenings by utilizing video-on-demand platforms or other means.

On the other hand, the options offered by streaming service are becoming increasingly enticing. As of January 2021, the number of video-on-demand subscribers in Indonesia has reach over seven million, an increase of nearly four million since September 2020. The top-ranking service include the newest addition, Disney+ Hotstar, with 2.5 million subscribers, followed by Viu with 1.5 million customers, Video with 1.1 million subscribers, and Netflix with 850 thousand subscribers (Lotz et al., 2022).

The impact of cinemas closures and restrictions on audience capacity changed cinema-goers' behaviour during this pandemic. If looking at the number of cinema buildings and screens in Indonesia until December 2018, there are a total of 343 cinemas and 1,756 screens. Out of that number, Cinema 21 dominated with over half of them, comprising 186 cinemas (54,2 percent) and 1,024 screens (58,3 percent). However, other cinema networks keep to grow, such as CGV (54 cinemas and 331 screens) and Cinemaxx (48 cinemas and 239 screens). Both of them have expanded to cities outside the provincial capitals that have yet to be covered by Cinema 21. Based on the above literature, the purpose of this research is to find out consumer behavior towards films in the (post) pandemic era.

2. Research Method

The type of research used descriptive and verifiable methods using a qualitative approach (DeVault et al., 1995; Gill, 2020). The research population is Indonesian films. The object involved the movies in Indonesia. Sources of data sourced from secondary data from books, articles, and supporting references. Data analysis techniques was through qualitative analysis.

3. Results and Discussions

Quoting from their book entitled *Marketing Management*, stated that consumer behavior is a study about how individuals, groups and organizations choose, buy, use, and evaluate goods and services as well as what about ideas and experiences for satisfying their desires (Saputri, 2016). In other words, consumer behavior related to the whole process was done by individuals, groups, and organizations when encountering a product offering, which includes activities from awareness to product evaluation (Saekoko et al., 2020) which finally affect customer behaviour in terms of decision-making regarding spending money, time, and effort. In context of watching movies, consumers back to stage alternative evaluation, when cinemas are closed or have reopened with various restrictions and health risks during the pandemic, consumers will find alternative mediums to consume the movies. One of the purchasing decisions is the choice to watch film through onlone streaming platforms, also known as OTT (Over-The-Top_) platforms (Bender et al., 2021; Kuo & Hsu, 2022).

Pandemic and Consumerism

Indonesia is currently facing a national disaster of COVID-19 pandemic. The spread of COVID-19 has been recorded to be very fast and large in Indonesia. The COVID-19 pandemic not only affects human health but also significantly impacts the global economy, including Indonesia. Regarding to this matter, Minister of Finance Sri Mulyani stated that COVID-19 would worsen Indonesia's economy, and the projected economic growth is estimated only just a 25% increase or even possibly reach 0% (Santia, 2020).

Furthermore, the business world believes that COVID-19 has significantly impacted the Indonesian economy. This disruption in the production chain of industries has affected companies' revenue, while their operational obligations remain. As a result, many employees have been forced to lose their job through layoffs. The value of the Indonesian rupiah has continuously weakened significantly due to the stock market crash, following the correction of the Composite Stock Price Index (*IHGS*).

This further reinforces that Indonesian economic growth will continue slowing down. The government is making continuous effort to manage the spread of COVID-19 virus, including the gradual implementation of Large-Scale Social Restrictions (*PSBB*) in areas with the indicated vulnerable for speed up of the COVID-19 virus spreading (Nasruddin & Haq, 2020; Simamora, 2020)cpvid psbbco.

The classification of adaptive consumer based on the current pandemic conditions, as explained by Daniel P. Hampson (2013), stated that consumers will have more detailed shopping attributes than the previous one. Besides, consumer will have more purchasing planning and price awareness, reduce evaluation of the quality consumer products, and emphasize the elements of usefulness. However, these changes do not necessarily describe the behavior of all consumers.

The pandemic has resulted in changes in consumer shopping patterns, where consumers prefer to stay at home for purchasing. By utilizing digital technologies, such as gadgets, they have a wider range of options in terms of shopping destinations. They are more inclined to research products and compare prices offered by various sellers.

The National Movie Industry in the Midst of Covid-19 Pandemic

Movies are subsector economy creative that have a broad and complex ecosystem. Apart from requiring diverse resources, including human resources, nature, creativity, and technology, film also involves other creative economy subsectors, such as music, design, fashion, or culinary arts. Movie production locations often become popular tourist destinations. In 2019, the film industry showed positive growth, although there was no drastic increase in the number of theatrical film production, the growth of screens and audiences, compared to 2018. The beginning of 2020 also started with optimistic figures, with over 12.5 million movie tickets sold in the first quarter from January to March. Until mid-March 2020, when President Joko Widodo established a special task force to accelerate the handling of the pandemic as part of the global tragedy, Indonesian movie such *Mariposa*, a joint production of Starvision and Falcon Pictures, still attracted more than 740 thousand viewers in less than two weeks of screening. Milea's film: *Suara dari Dilan* collected 3.1 million viewers in four weeks (Evens et al., 2023; Shaikh et al., 2022).

Since April 2020, social activity restrictions implemented during the Covid-19 pandemic have severely affected the film industry worldwide. Film production and theatrical screenings came to a halt, as a result in disruptions to the growth of the film sector at the national level. In 2020, the Film, Animation, and Video GDP, were estimated to have a negative growth rate of 0.03%. This is the first time that the Indonesian film industry has been paralyzed by something other than human actions. Throughout its history since the early 20th century, the Indonesian film industry has always experienced unstable development, with fluctuations caused by wars, political conflicts, or policies that favored the monopoly of imported films. In other words, disaster caused by human actions. This time, the film industry worldwide experienced the same paralysis and Indonesia was no exception.

Throughout 2020, the number of screens and cinemas increased. The growth rate, which had already started in January 2020, apparently to be forcibly halted due to the pandemic. By the end of 2018, Indonesia only had 430 cinemas with 1,824 screens. At the end of October 2020, there were 517 cinemas with 2,145 screens that were still observed to be active (although they were not operate due to pandemic). The pre-pandemic growth of cinemas reflected the film industry's optimism in response to the enthusiasm of Indonesian film audiences. Since 2017, the number of Indonesian film audiences in cinemas ranged from 3.5 to 4.3 million every month. And during the pandemic, the closure of cinemas for 7 months meant that the industry lost potential income from around 30 million viewers (Kuo & Hsu, 2022; Yang et al., 2022).

Entering the middle of the year, social distancing policies were relaxed. Cinema were scheduled to reopen on Jul 29 but were cancelled due to considering the continued high infection rate that did not decrease as expected. The data from 2019 showed three to five Indonesian movie titles were released in cinemas every week. The closure of cinemas for 7 months meant the loss of at least 60% of screening hours in a year. Until mid-October 2020, there was no detailed calculation officially announced by the Indonesian film producer association regarding the number of films that couldn't be screened in cinemas.

After a three-month wait, cinemas gradually reopened starting in mid-October 12th. The DKI Jakarta province implemented a more flexible policy called transitional *PSBB* (Large-Scale Social Restrictions), allowing cinemas to admit audiences at 25% capacity. Then, on Oct 27, the regulations were further relaxed, allowing cinemas to accommodate audiences up to 50% of the maximum room capacity. However, the overall number of audience admissions has just returned to pre-pandemic levels.

OTT Streaming Service during the Pandemic

The sudden coming of the pandemic forced cinemas to close and hindered their development. As outdoor activities were halted in many cities, watching a movie in the cinema move to mode watch through online platforms. Therefore, non-cinema film exhibitions experienced significant growth. Before the pandemic, online streaming platforms provided Indonesian films in their catalogs, such as Netflix, Hooq, Iflix, Viu, and most recently, Klikfilm. Other platforms emerged During the pandemic, such as Online Cinema starting to operate in July 2020. In September 2020, the Disney+ Hotstar streaming platforms released applications in Indonesia, providing Indonesian films in its catalog.

There needs to be more information about the number of Indonesian film titles above on online platforms. However, among the online platforms Netflix, Iflix, Viu, Disney+ Hotstar, and Online Cinema, there are 476 film titles available, with 134 titles appearing on more than one platform. Meanwhile, Klikfilm has the largest repository or catalog of Indonesian films. The five online platforms (Disney+ Hotstar, Netflix, Iflix, Viu, and Online Cinema) provide films from a wide range of release years. Although most are films released in the 2000s or later, there were also films from the 1970s, 1980s, and 1990s.

Studies and data indeed indicate changes in watching behavior during the COVID-19 pandemic. A study conducted by Media Partners Asia found that weekly consumption online video has increased more of 60% in Indonesia, Thailand, Malaysia, and the Philippines. This trend is also reflected in the significant increase in the number of Netflix users in Indonesia in 2020, with estimated total of over 906,000 customers in Indonesia. This increase is also in line with the unblocking of Netflix by Telkom after four years of negotiation.

This change in watching behaviour has led to the emergence of local platforms that provide streaming services for Indonesian film. One of them is Online Cinemas, launced in August 2020. This service aims to stimulate the film industry to keep moving forward. Different with other streaming services in Indonesia that adopt the SVOD (Subscription Video on Demand) business model or the subscription model, Online Cinema choose the TVOD (Transactional Video on Demand) business model. This service allows users to pay for each film they want to watch. The cost for watching a single film range from IDR 5,000 to 10,000. This cost is muchthan the average ticket price in cinemas, which ranges from IDR 35,000 to 50,000 per watching.

The demand for local OTT platforms is promising. Within four months of its launch, online cinema had registered 450,000 users, with an average increase of 112,500 users each month. Other OTT platforms, such as KlikFilm also show high levels of interest. By offering Indonesian and foreign films, this application developed by Falcon Pictures claims get 15 million viewers in March 2020. However, similar to fil viewership data, acquisition data on digital platform audience above is still based on the claims of service providers, as no institution consolidates the number of viewers or users of OTT platforms.

Change in Behavior Watching in the (Post) Pandemic Era

In the (post) pandemic era, the audience's behavior in consuming entertainment products, including movies, has also changed. The first factor is people's habits of watching movies online at home during period of social restrictions, which resulted in the long closure of cinemas. People no longer feel the urgency to watch films with cinematic experiences such big screen or surround sound systems like Dolby that envelop the audience's hearing. In this era, even a small smartphone screen is sufficient to provide satisfaction in watching.

The reopening of cinemas in September 2021 attracted few viewers to watch on the big screen. Besides safety and health concerns, there is also a lack of diverse and interesting films choices to watch. During the first reopening, cinema operators were still adapting to many new habits and were not yet focused on attracting consumers. The number of seats that could be sold was also limited, typically ranging from 50-75%, depending on the region where the cinema operates, adjusted according to the respective region's level of restrictions (*PPKM*).

Besides the health factor, the economy also plays a role here. If seen at the expenses for a single cinema visit, for example in Surabaya, the ticket prices for watching movies in cinemas is around IDR 35,000, not including transportation or fuel costs, parking fees, and the effort to go to the cinema building, which is often located inside a mall. Watching films in cinemas can be quite expensive. In comparison, watching films online, although with a relatively higher monthly subscription fee that varies depending on the streaming platform it, offers access to hundreds of film content that can be accessed anytime and anywhere, making it a more economical option. From the consumer's perspective, if the goal is solely entertainment, watching films online becomes a more appealing choice than going to the cinema.

4. Conclusion

There have been significant changes in the lives of people in Indonesia during the two years since the emergence of the Covid-19 virus. This pandemic has had a major impact on various sectors of human life. It has also disrupted well-established systems in various industries that have been running smoothly for decades, including the film industry, particularly for films distributed through cinema networks. Many players in the cinema film industry in Indonesia have faced unavoidable challenges due to the pandemic. Movie is a creative economy subsector with a broad and complex ecosystem. The film industry worldwide is experiencing the same paralysis, including Indonesia. The number of screens and cinemas grew throughout 2020 and the preceding years. However, the pandemic abruptly halted this growth, which had already started in January 2020. The sudden arrival of the pandemic forced cinemas to close and hindered their development. Therefore, non-cinema film exhibition formats experienced more growth. Similar to what happened in various parts of the world, streaming services flourished in Indonesia during the pandemic. On the other hand, the options offered by streaming services became increasingly good. This became one of the catalysts for the shift in consumer behavior from cinemas to online streaming services. Consumer consumption practices are also influenced by the consumer's journey, involving various stages from problem awareness to transactional purchases. The pandemic conditions have had implications for changes in consumer shopping patterns, with consumers spending more at home for consumption. As digital media, movies are the highly flexible product form within the industry. Likewise, consumers find it easy to consume that offer convenience, as is typical for all internet-based transactions. In this case, it refers to the ease of access to entertainment, safety, health, and cost-effectiveness. Future research is expected to involve a broader range of research subjects.

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