**Potentials to be Explored in Chinese Cinema**

A Mainland website speculates that the Chinese cinema has reached its "inflection point", meaning the income generated by each screen has been in decline on a yearly basis. The average box-office income per screen totalled RMB 1.38 million in 2015, down to RMB 1.08 million per screen in 2017, and less than RMB 1 million per screen as of November 2017. The numbers forecast an oversupply of cinema screens, resulting in an ongoing revenue drop and increased income loss. The so-called "inflection point" sparks the question whether China still needs more cinemas and screens.

The website article acknowledges a growth in non-box office income (concessions, in-theatre advertising, film merchandise, and membership). Wanda Cinema Line saw a 31% year-on-year growth in non-box office income in 2017, which accounted for 39% of the overall income, compared to 35% of that of any given cinema line from the US. Similarly for Hengdian Cinemas, of which the income growth from advertising exceeded 39% and from concessions exceeded 10%. The gross profit from concessions reached a colossal growth of 75%. Industry veterans know that non-box office income make up the bulk of a theatre's profits. When Dadi Cinema Line was established back in 2005, its cinema concessions sales was targeted to hit 22% to ensure profit. Over the last 13 years, non-box office income saw an increase amidst changes in market structure and inflation. A cinema will suffer loss if its non-box office income accounts for less than 30%. A cinema located in a mega shopping mall in Guangzhou got creative on boosting its non-box office income. When the mall was still under development, the cinema struck a deal with its landlord to have a large elevator platform built in the cinema concourse. A driveway connecting the mall to the roads outside was also constructed to allow vehicles be driven onto the platform. This design comes in handy when car shows are held at the cinema concourse (automobile product-placement in feature films is popular), or when mega-size Transformer figures have to be transported.

The senior demographic is a potential but under-developed sector in the Chinese market. Retired seniors account for 15.5% (year 2014) of the Chinese population, but cinema screenings do not seem to appeal to senior citizens. In Hong Kong, senior concession tickets are available, while a higher senior admission rate is evident with cinemas of better location. Should the same strategy be adopted by cinemas in first- and second-tier Mainland cities, senior admissions before 11 am and at 2 pm could be improved.

The Chinese film industry continues boom year over year. In a country where the box office is considered "below standard" if the total is less than RMB 1.5 billion, cinemas have yet to show signs of saturation—even in first-tier cities. There is plenty of room for growth.