

# AICP: Annual Member Survey

Discerning Key Distinctions in Commercial Production



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# Introduction



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The 2013 Annual Member Survey was executed via an online survey from April 8<sup>th</sup> to May 5<sup>th</sup>, 2014 among the AICP Member group. The table below illustrates the sample sizes and descriptions of the groups included in the study.

Total	Company Size**		
N = 103*	<b>Small</b> (Sales <\$5M)	<b>Medium</b> (Sales \$5M-\$19.99M)	<b>Large</b> (Sales \$20M+)
	N=56	N=26	N=21
	54%	25%	21%

Total	Main Location		
N = 106	<b>LA</b>	<b>NY</b>	<b>Other</b>
	N=46	N=30	N=30
	43%	28%	28%

The following slides showcase a summary of 2013 member and industry findings.

\* Total N = 106; 3 companies have not specified their Gross Billings

\*\* Company Size based on Gross Billings in 2013.



# Methodological Considerations



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Below are items to keep in mind when reading the report and its findings.

- **Low Base Sizes:** We recommend caution in drawing any conclusions in data that has a base size of less than 50. While this data can be seen as directional, fluctuations could also be attributed to a minimal number of responses.
- **Top 2 Box:** This term refers to the top two answer options on a 5 or 10 point scale. The percentages are those who reported the decision was made frequently or always by each entity. Consequently, the percentages on slides with the Top 2 Box designation will not add up to 100%.
- **Extrapolations:** These are calculated by multiplying the means or medians of each company type (live action, computer generated, interactive media, combination) by the incidence of each company type within the sample. These ratios are then used to project the numbers to actual membership size.



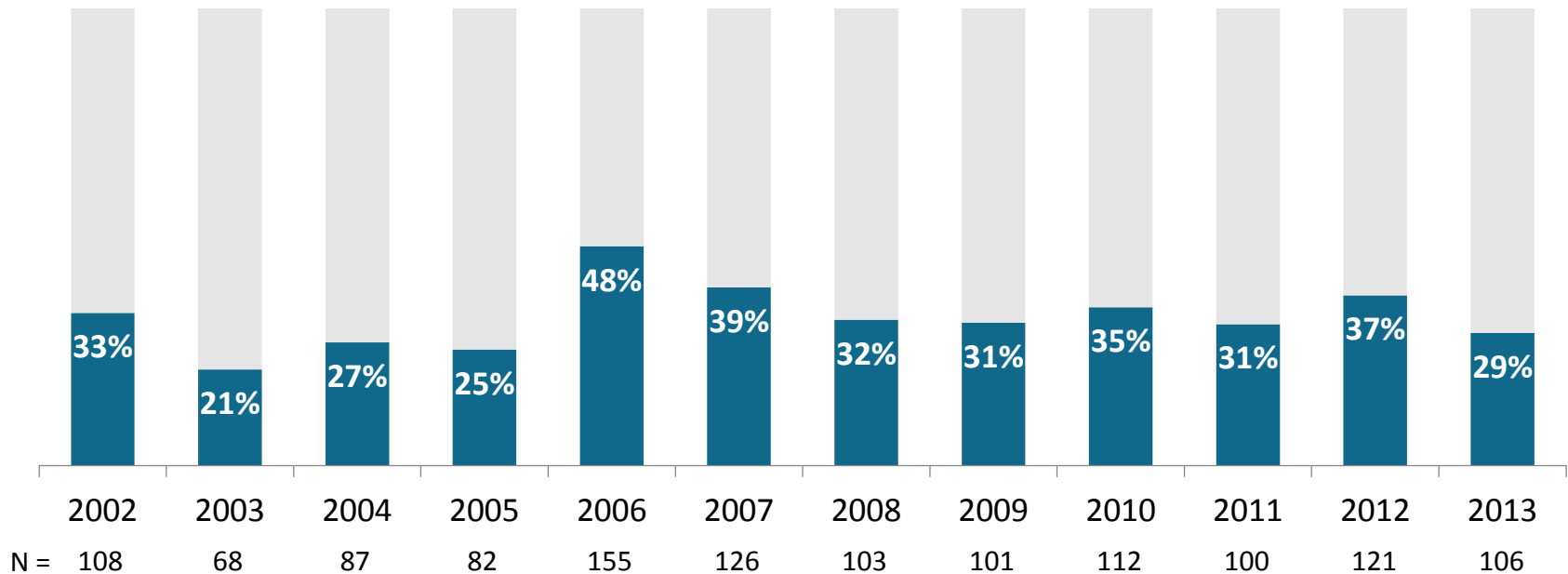
# Annual Member Survey Response Rate



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The response rate for the 2013 Annual Member Survey is fairly consistent with recent years, at 29%.

**AICP Annual Member Survey Response Rate**



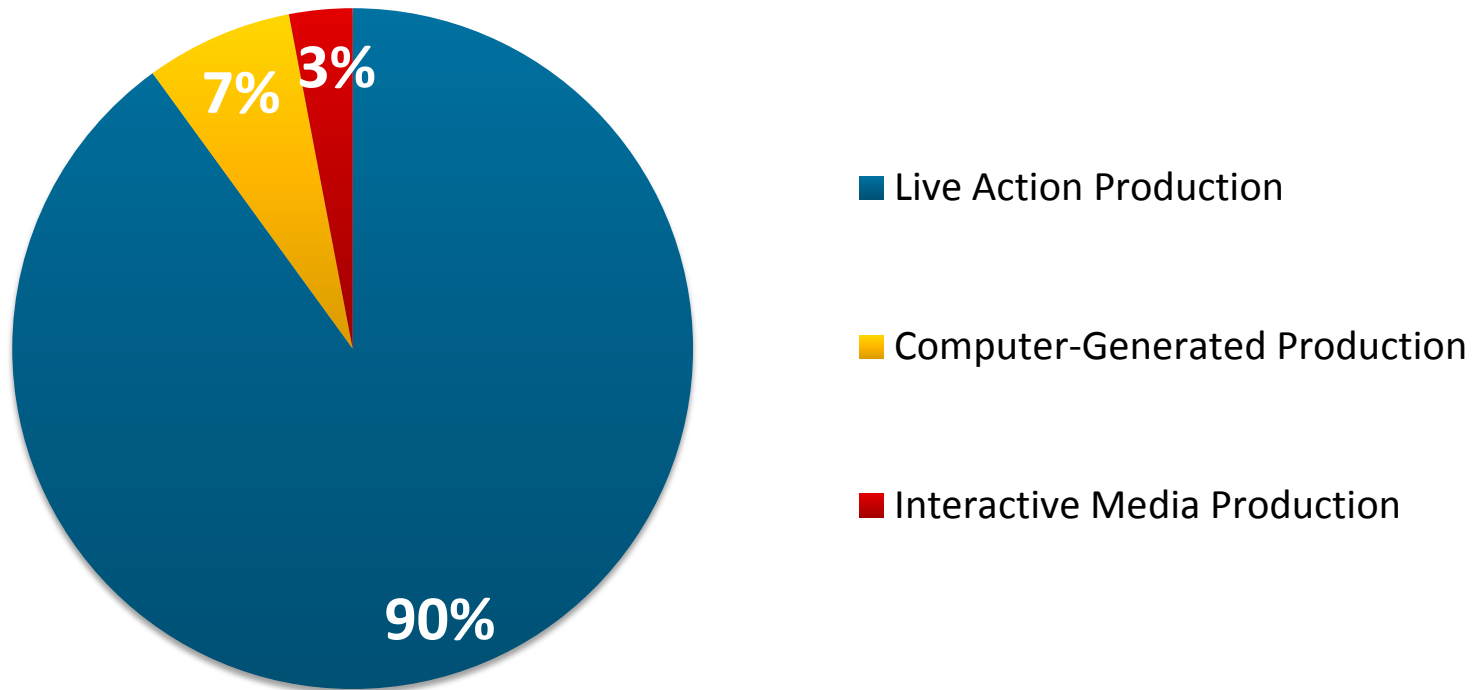


# Member Company Production Type Breakdown



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Live action production accounts for the vast majority of company production.



*N=106*



# Executive Summary



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## Projects Overview

- In 2013, the average number of projects completed by AICP member companies dropped, with members producing 39 commercials compared to 42 in 2012.
- About 1 in 4 companies completed over 50 commercial projects during the year.
- Despite the decrease in projects completed in 2013, total gross billings and total expenditures increased by 21% and 18%, respectively.
- While 90% of companies self-categorized themselves as primarily live action producers, 73% of the projects completed were live action only and 4% were combination projects.

## Gross Billings

- The average revenue for member companies increased by 8% in 2013 to \$12.8 million, the highest average in six years.
- Live action productions accounted for 94% of the average gross billings for the year.



# Executive Summary



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## Production Expenditures

- Total production expenditures in 2013 increased by 18% to \$3.5 billion.
- Mirroring the gross billings trends, live action production accounts for nearly all expenditures (95%).

## Shoot Days & Locations

- Member companies had an average of 70 live action shoot days in 2013, a 24% increase over the previous year and an 8 year high in this category.
- Live action shoot days in the field have been steadily increasing since 2009, with over three-quarters now shot on location in 2013.
- Production activity remained stable across most geographic regions, although fewer shoot days were located in Southern California in 2013. Foreign shoot days increased slightly, which is consistent with the growth in foreign expenditures.
- Internationally, shoot days in Europe are most prominent, while shoot days in Central and South America have increased to 22% from 16% in the prior year.



# Executive Summary



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## Tax Incentives

- In 2013, slightly more companies (27% vs. 23%) reported making decisions about locations based on tax incentives. Approximately one in five projects is directly influenced by the existence of tax incentives.

## Payments

- The number of companies receiving first payments from clients prior to the due date have almost doubled since 2007.
- The top reason for delayed payments continues to be that the client has not paid the agency yet.
- For live action production, first payment is generally made before the work starts (87%), while in computer generated and interactive media productions, these levels are much lower at 40% and 43%, respectively.
- Companies with sales under \$1 million are more likely to be paid prior to the due date or on-time. Conversely, companies with sales above \$20 million are 2.5 times more likely to receive late payments up to 30 days.





# Executive Summary



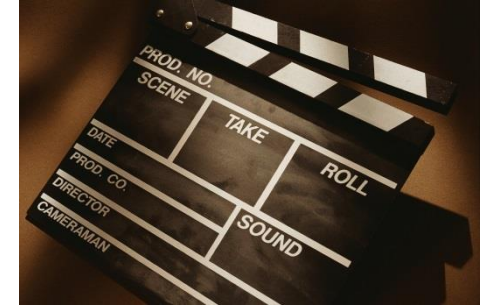
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## Green Guidelines

- Most AICP member companies recycle paper (87%) and plastic (85%). The recycling of electronic (68%) and set materials (56%) continues to increase.
- Most members have established rules in the past year for turning off electronics when they are not being used (43%), and using reusable water bottles and plates (43%).
- While 83% of production is done with company specific guidelines, AICP's green guidelines has a 4.5% increase in utilization since 2012.

## Company Demographics

- Almost half (44%) of member companies are headquartered in Los Angeles.
- Nearly one-quarter (23%) are engaged for work based on their status and certification with diversity programs.
- Sixteen percent of member companies are certified as minority owned, with almost half of those designated as a Women-Owned Business Enterprise (WBE).



# Projects Overview



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# Average Number of Projects Trended



The average number of projects decreased marginally from 2012. However, 2013 project activity is still greater than in previous years. Nearly all members continue to consider themselves producers of primarily live action work.

## Mean Number of Projects Completed



## Self Categorization of Production Work

■ Live action only ■ Computer-generated only ■ Interactive media only ■ Combination





# Projects Completed Breakdown



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One-quarter of companies completed more than 50 commercials in 2013.

**Mean Number of  
Projects Completed**

**2008**  
• 31.46

**2009**  
• 32.58

**2010**  
• 33.17

**2011**  
• 30.57

**2012**  
• 42.40

**2013**  
• 38.84

	2008	2009	2010	2011	2012	2013
<i>Base</i>	103	101	112	100	121	106
<b>1-10 commercials</b>	27%	37%	29%	32%	29%	25%
<b>11-30 commercials</b>	38%	25%	33%	35%	31%	34%
<b>31-50 commercials</b>	14%	16%	20%	16%	15%	14%
<b>51-100 commercials</b>	17%	17%	13%	13%	17%	20%
<b>101+ commercials</b>	4%	6%	6%	4%	8%	7%



# Projects Completed & Production Categories Trended



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Almost three-quarters of projects completed were live action only. The average number of live action projects completed this year increased from 23 in 2012.

**Mean Number of  
Projects Completed in  
Each Production Category**

**2008**

• 31.46

**2009**

• 32.58

**2010**

• 33.17

**2011**

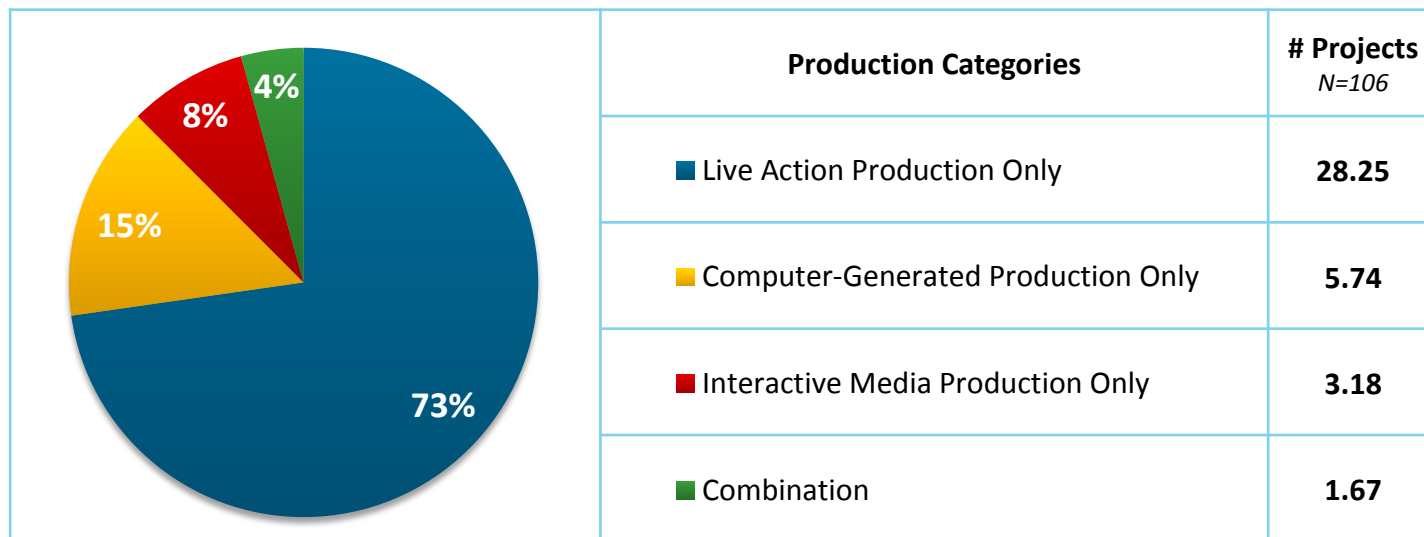
• 30.57

**2012**

• 42.40

**2013**

• 38.84



PR2. How many projects in total did your company complete in 2013? Projects include live action, computer-generated, and interactive media production.

PR3. Of the [RESPONSE FROM PR2] projects your company completed in 2013, how many of the following types were completed by your company:

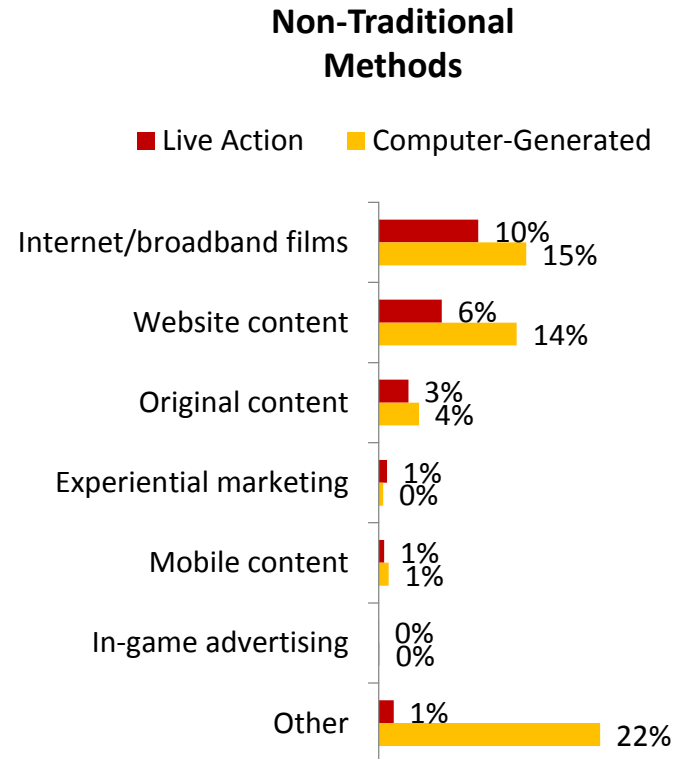
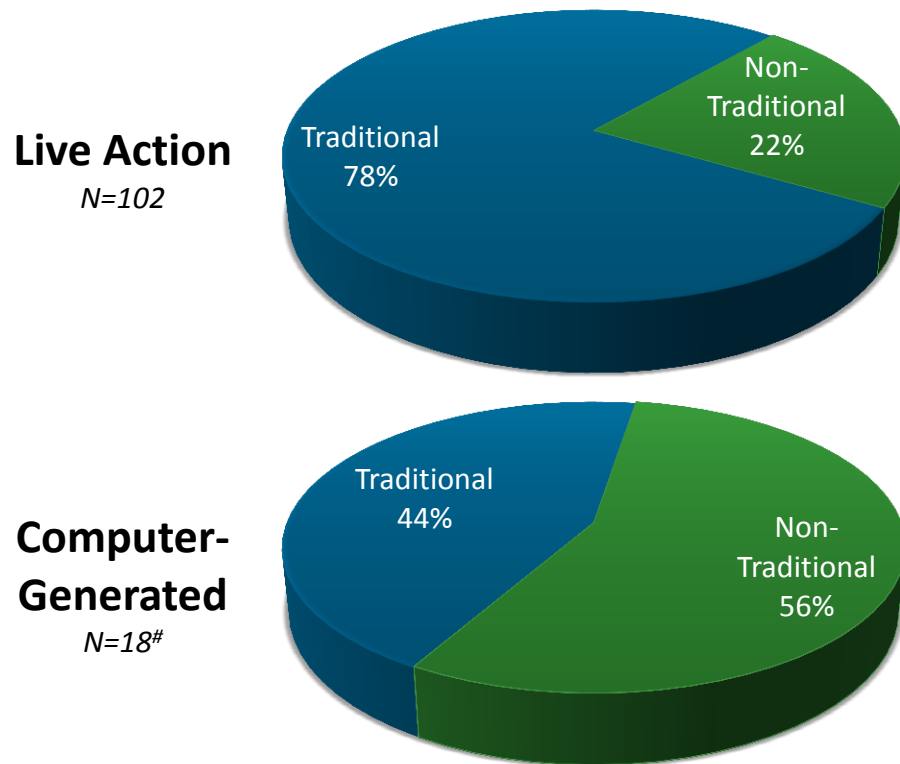


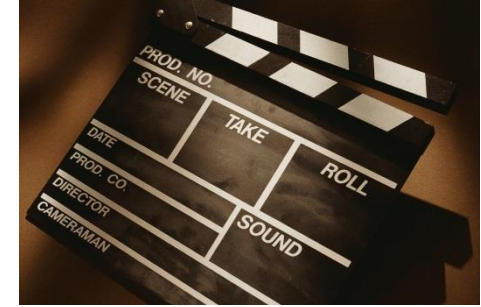
# Live Action & Digital Distribution Breakdown



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Traditional commercials remain the primary distribution method for live action production, while computer-generated production distribution remains a mix of traditional and non-traditional methods. For digital production, website content and Internet films are the most popular non-traditional distribution methods.





# Gross Billings



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# Industry Gross Billings by Total, Mean, Median Trended



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	Total (billions) *	Mean (millions)	Median (millions)
2013	\$4,672,741,836 +21%	\$12,802,030	\$4,040,000
2012	\$3,844,744,433 +18%	\$11,829,980	\$3,675,000
2011	\$3,249,482,300 +4%	\$10,060,320	\$2,905,500
2010	\$3,133,328,110 +9%	\$10,075,010	\$3,000,000
2009	\$2,870,000,000 -4%	\$9,330,000	\$2,790,000
2008	\$3,000,000,000	\$10,400,000	\$3,950,000

GB1. For the commercial or advertising-related projects completed by your company in 2013, what were the total gross billings for your company, not including pass through items? \*Numbers are estimates extrapolated from the mean to actual member size. Any fluctuation is attributable to rounding.





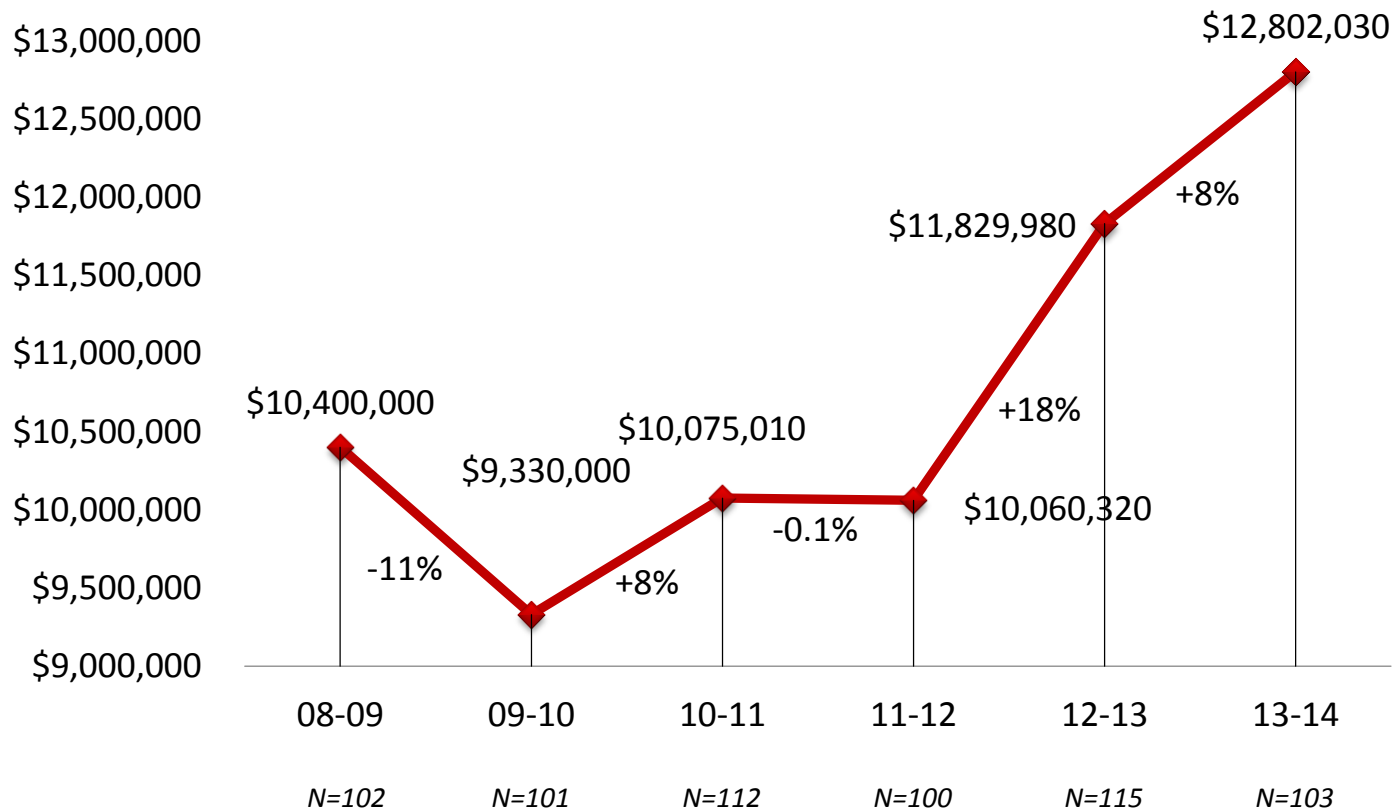
# Mean Gross Billings Trended



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Even with significant growth in 2012, gross billings continued to grow this year with an additional 8% increase.

## Mean Gross Billings





# Gross Billings Breakdown Trended



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As the mean gross billing has increased, more companies have shifted into the \$5-\$20 million or more bracket from the previous year.

	2008	2009	2010	2011	2012	2013
<i>Base</i>	102	101	112	100	115	103
<b>Mean Gross Billings</b>	\$10,400,000	\$9,300,000	\$10,075,010	\$10,060,320	\$11,829,980	\$12,802,030
<b>Small</b> (Sales <\$5M)	58%	63%	63%	63%	60%	54%
<b>Medium</b> (Sales \$5M-\$19.99M)	27%	23%	20%	20%	21%	25%
<b>Large</b> (Sales \$20M+)	15%	14%	17%	17%	19%	21%

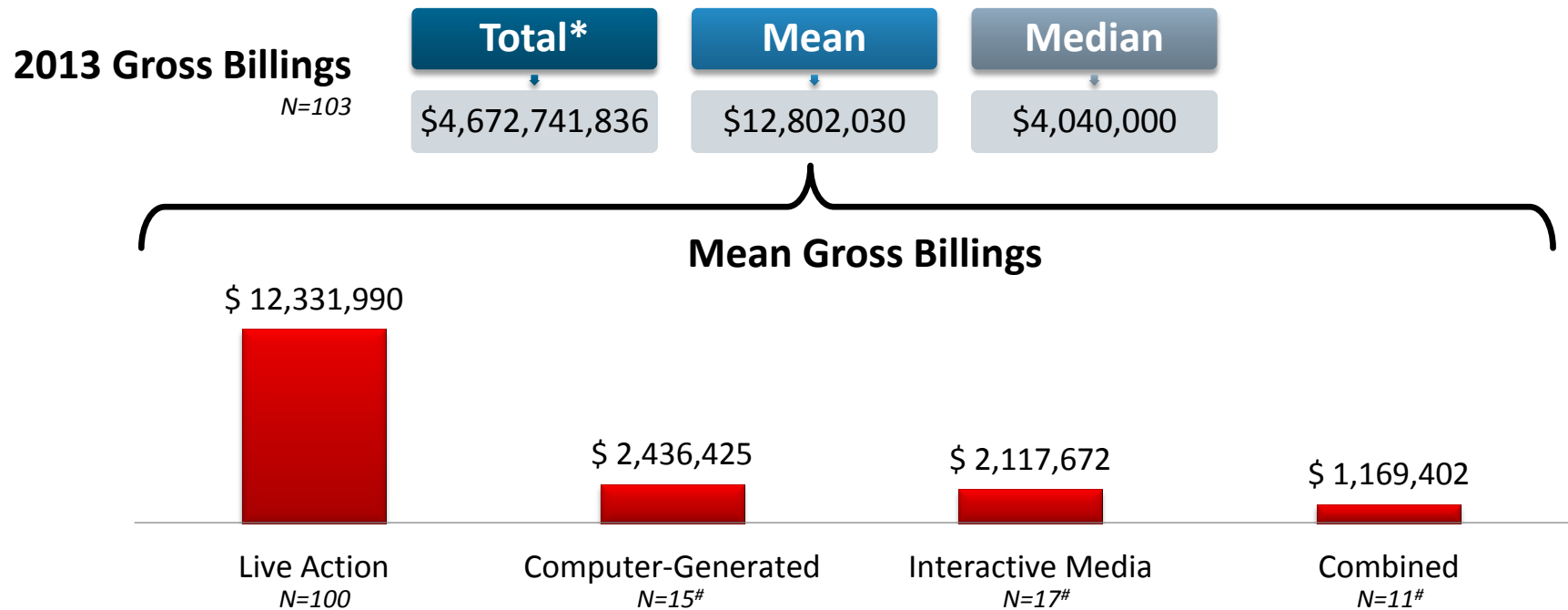


# Gross Billings by Production Type



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Live action production accounted for 94% of average gross billings in 2013, a result unchanged from past years.



GB1. For the commercial or advertising-related projects completed by your company in 2013, what were the total gross billings for your company, not including pass through items?

GB2. Of your total gross billings of [PIPE IN RESPONSE FROM GB1] in 2013, what amount of these gross billings was for:

\*Numbers are estimates extrapolated from the mean to actual member size. Any fluctuation is attributable to rounding.

<sup>#</sup>Caution: Low base size under N=50



# Gross Billings Distribution Breakdown



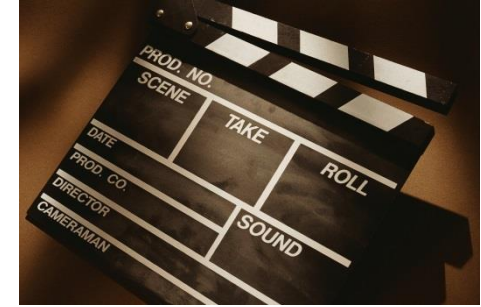
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Live action production was primarily intended for broadcast commercials. A small majority of CG projects were also intended for broadcast distribution.

	Live Action	Computer-Generated
<i>Base</i>	101	22 <sup>#</sup>
<b>Traditional (Broadcast) commercials</b>	<b>81%</b>	<b>54%</b>
<b>Non Traditional (Net)</b>	<b>19%</b>	<b>46%</b>
<hr/>		
Internet or broadband films	10%	16%
Mobile content	0%	1%
Original content	1%	2%
In-game advertising	0%	1%
Experiential marketing	1%	1%
Website content	5%	18%
Other	2%	7%

GB3. Of your live action and computer-generated project gross billings in 2013, what percentage of these gross billings of content was intended for the following primary distribution methods?

<sup>#</sup>Caution: Low base size under N=50



# Production Expenditures

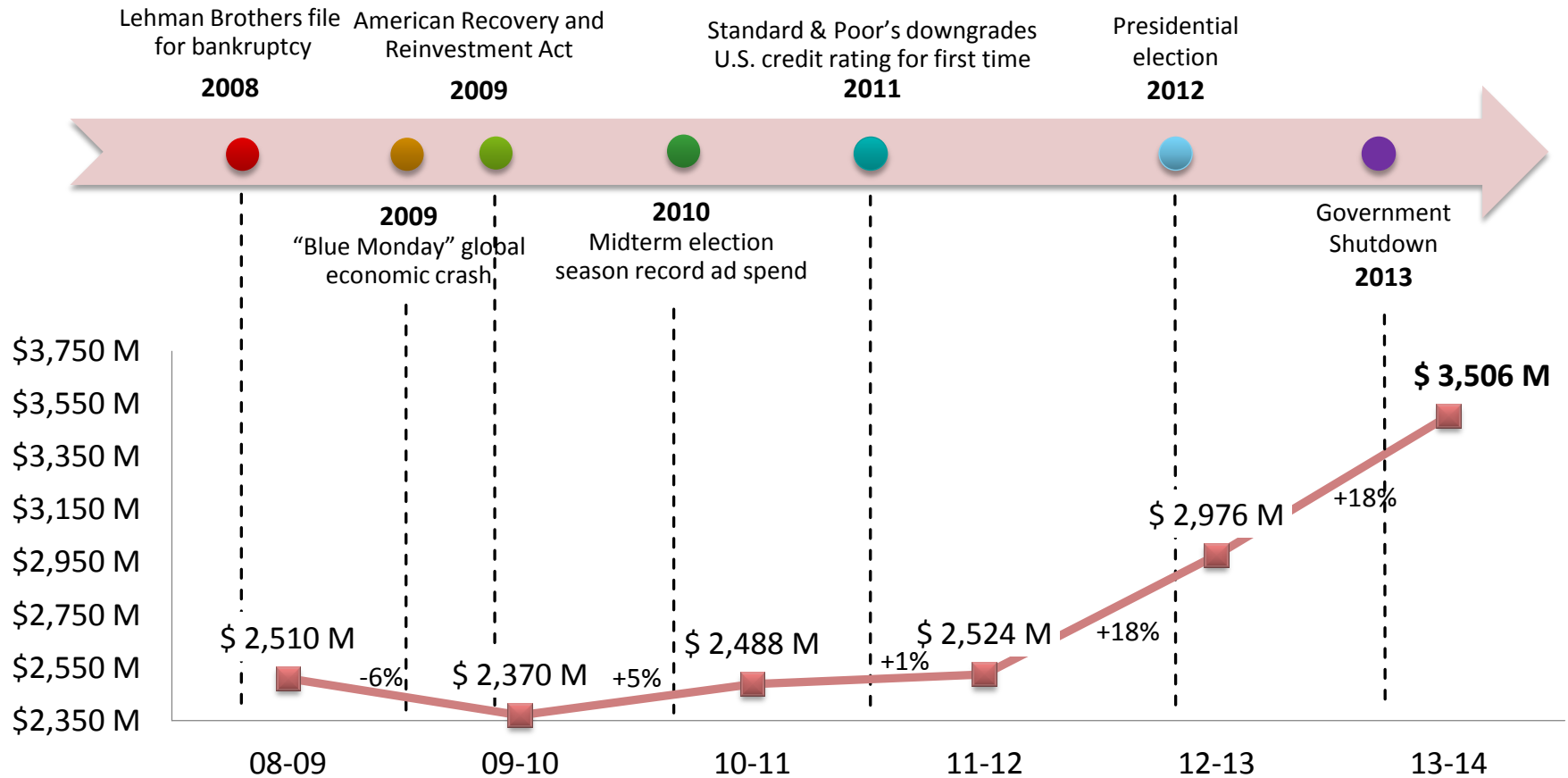


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# Direct Production Expenditures\* Trended



Other expenditures such as talent payments, music and post-production costs are not reflected in these direct production expenditures. Along with all other ancillary and associated costs, this results in a total economic impact of \$5 billion to the commercial production industry.

E1. For the commercial or advertising-related projects completed by your company in 2013, what were the total production expenditures for your company?

\*Numbers are estimates extrapolated from the mean to actual member size. Any fluctuation is attributable to rounding.

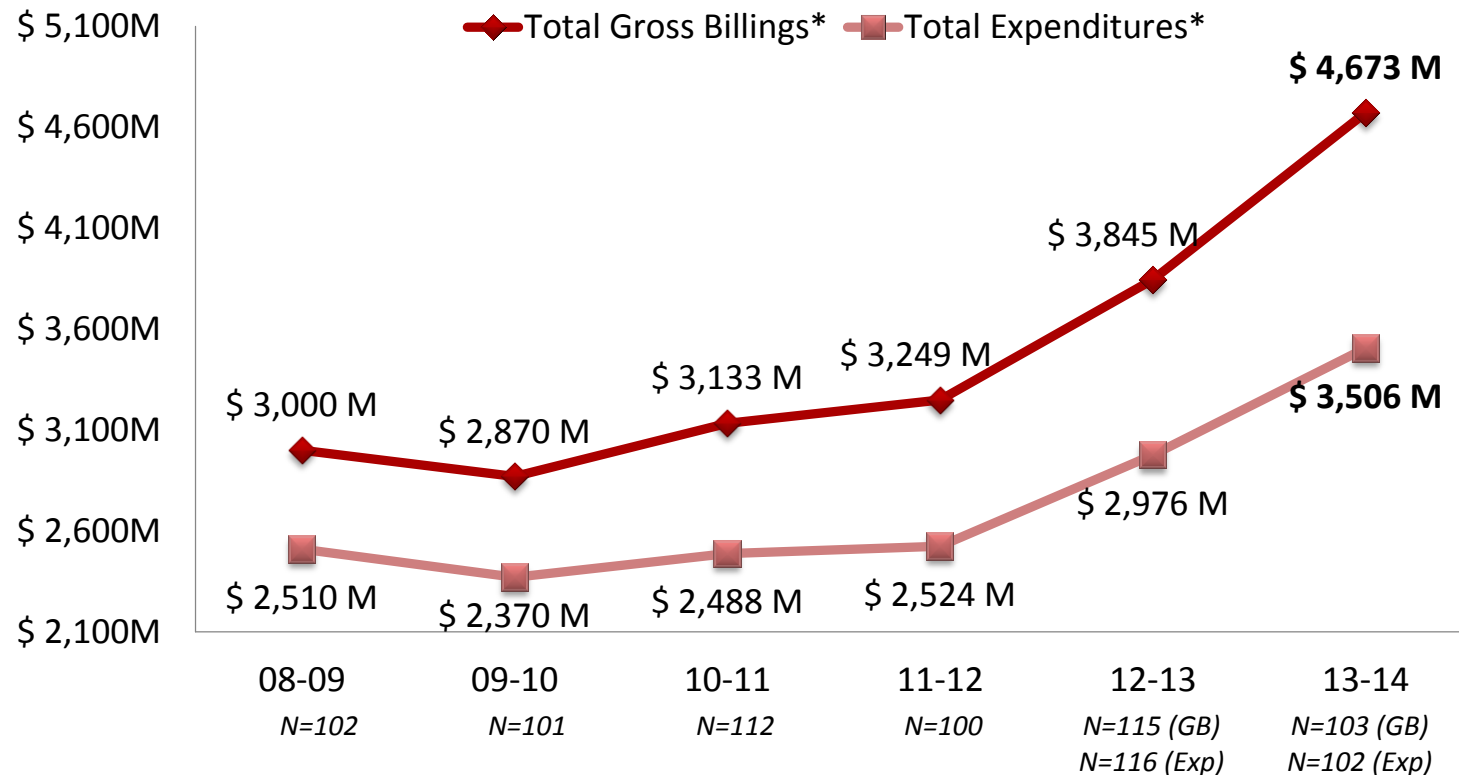


# Total Gross Billings vs. Total Expenditures\* Trended



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Both gross billings and expenditures increased 21% and 18%, respectively.



GB1. For the commercial or advertising-related projects completed by your company in 2013, what were the total gross billings for your company, not including pass through items?

E1. For the commercial or advertising-related projects completed by your company in 2013, what were the total production expenditures for your company?

\*Numbers are estimates extrapolated from the mean to actual member size. Any fluctuation is attributable to rounding.

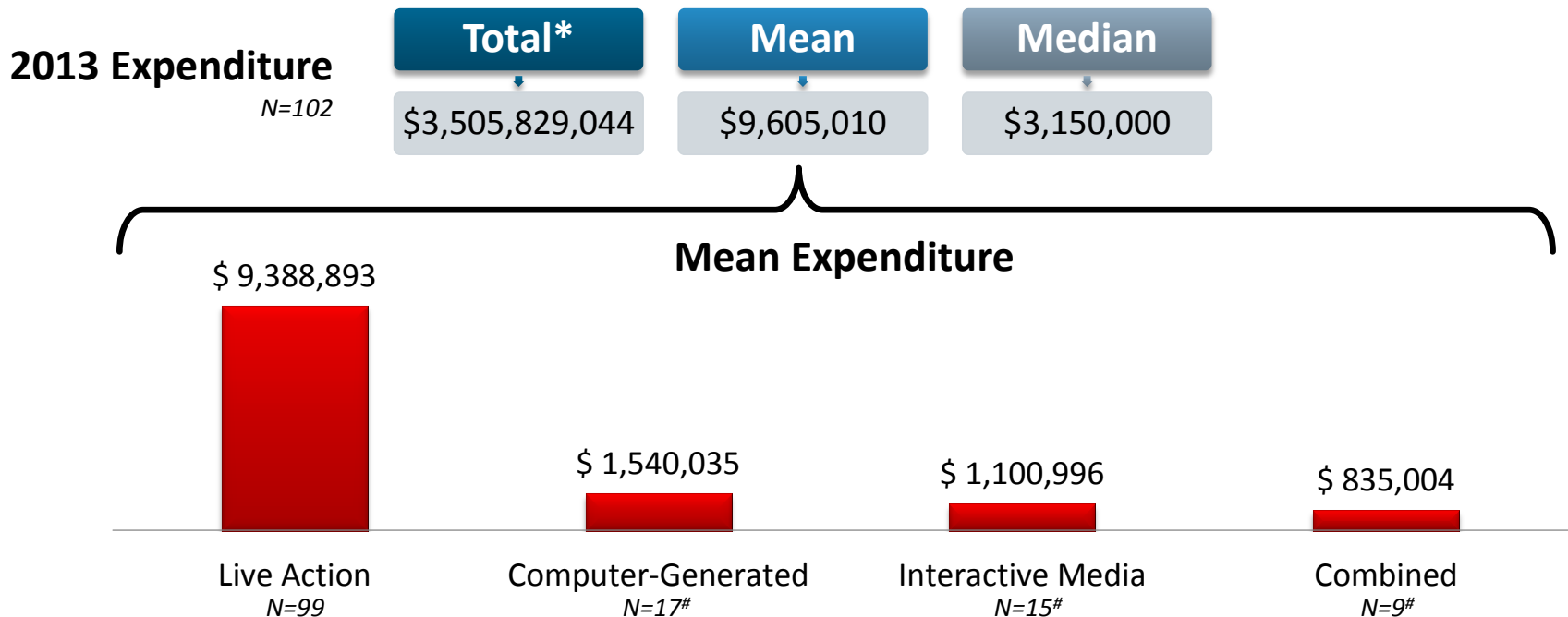


# Expenditures by Production Type



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Mirroring the gross billings trends, live action production accounted for nearly all (95%) expenditures generated by members.



\*Numbers are estimates extrapolated from the mean to actual member size. Any fluctuation is attributable to rounding.

E1. For the commercial or advertising-related projects completed by your company in 2013, what were the total production expenditures for your company?

E2. Of your total production expenditures of [PIPE IN RESPONSE FROM E1] in 2013, what amount of these expenditures was for:

<sup>#</sup>Caution: Low base size under N=50



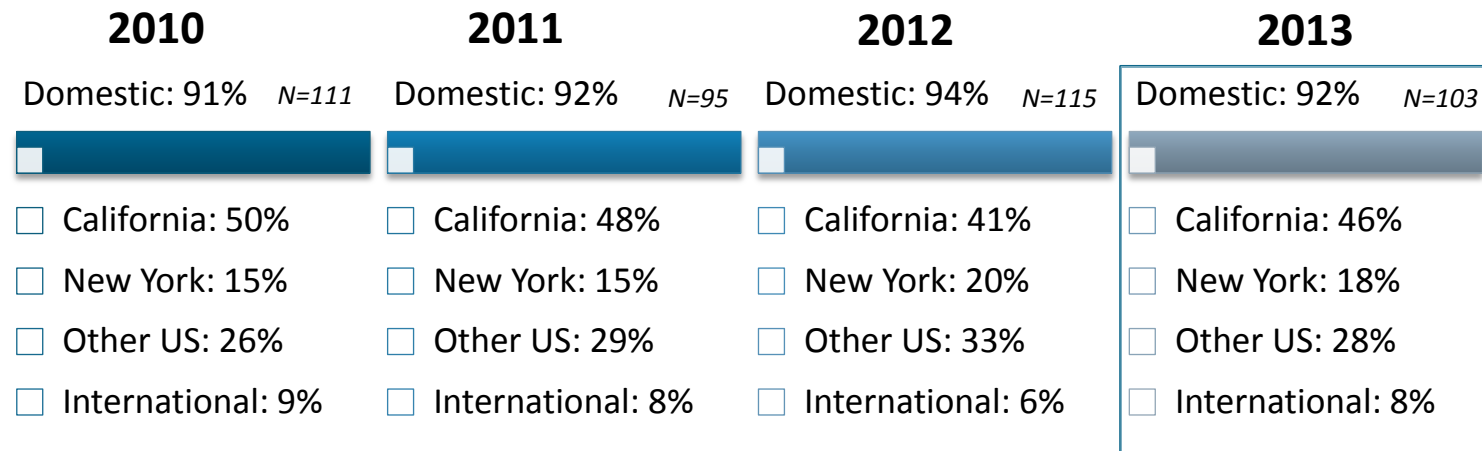


# Expenditures by Region Breakdown

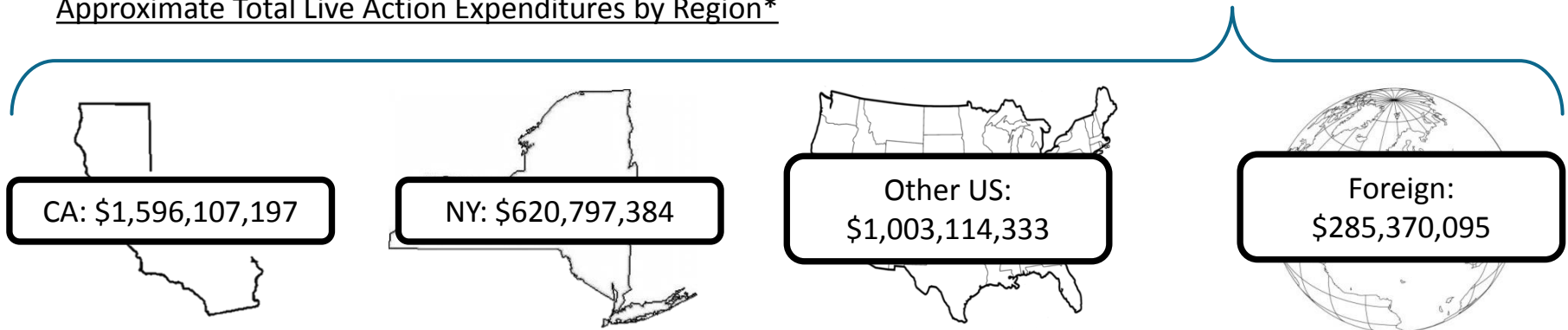


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While domestic expenditures tapered in 2013, California's share increased by 5 points. Foreign expenditures grew 75% to \$285M this year from \$163M in 2012.



Approximate Total Live Action Expenditures by Region\*



\*Numbers are estimates extrapolated from the mean to actual member size. Any fluctuation is attributable to rounding.  
E3. Of the [PIPE IN RESPONSE FROM E1] you SPENT on production in 2013, including live action and non-administrative labor for computer-generated and interactive media production, what percentage did you SPEND in each of the following regions?

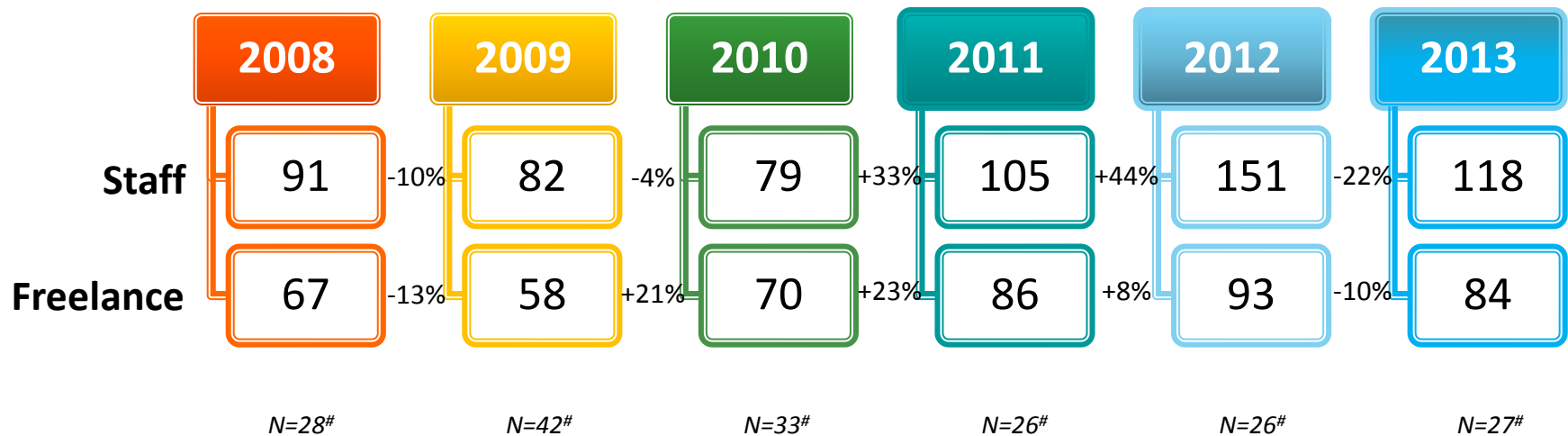


# Digital and Work Days Trended



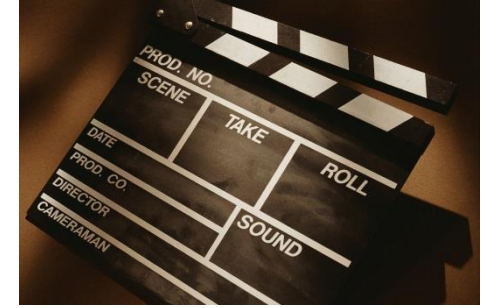
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Staff work days on computer-generated and interactive media projects directionally decreased by 22% since last year, but remain well above levels reported from 2008-2011.



E5. For your computer-generated and interactive media production projects completed in 2013, how many work days did your company have in each of the following categories:

<sup>#</sup>Caution: Low base size under N=50



# Shoot Days & Locations



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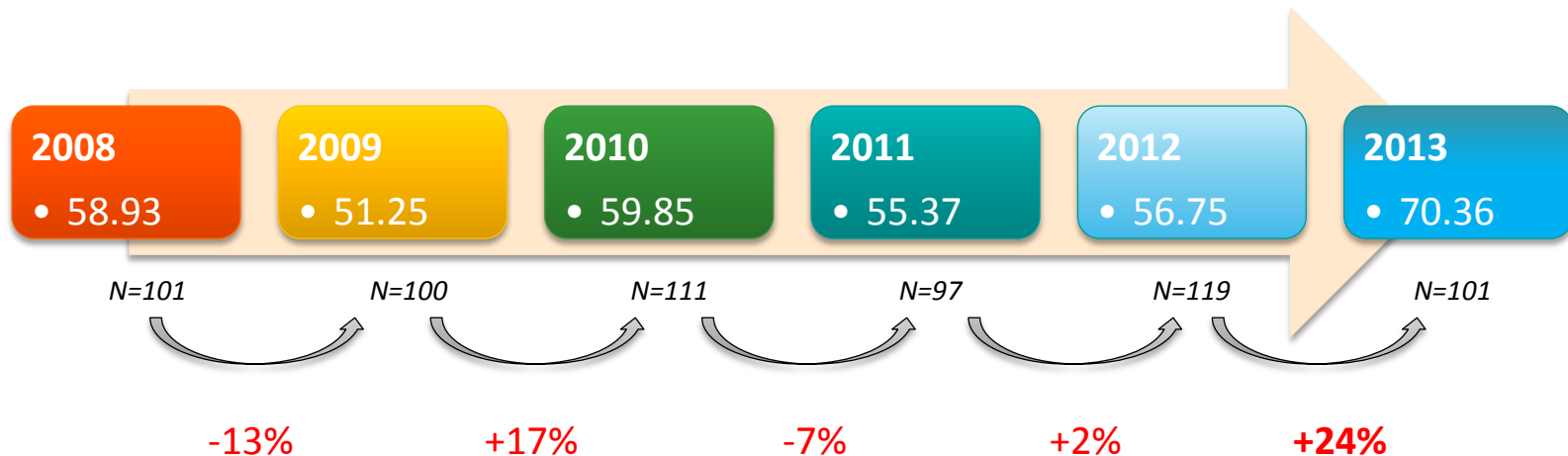
# Shoot Days and Distribution Trended



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As expected with growth in expenditures and gross billings, the average number of shoot days in 2013 increased by 24% - the highest average reported since 2005.

## Live Action Shoot Days





# Stage vs. On-Location Shoot Days Trended



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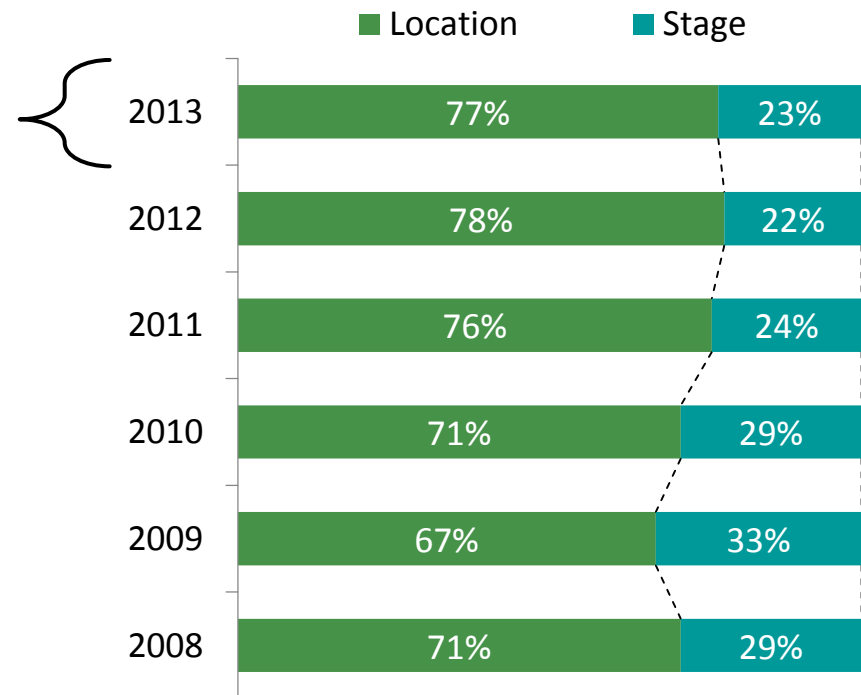
The proportion of shoot days on location has remained steady since 2011, with more than three-quarters of projects completed on location versus on stage.

**Live Action Shoot Days:  
70.36**

**Location:  
53.86**

**Stage:  
16.50**

*N=101*



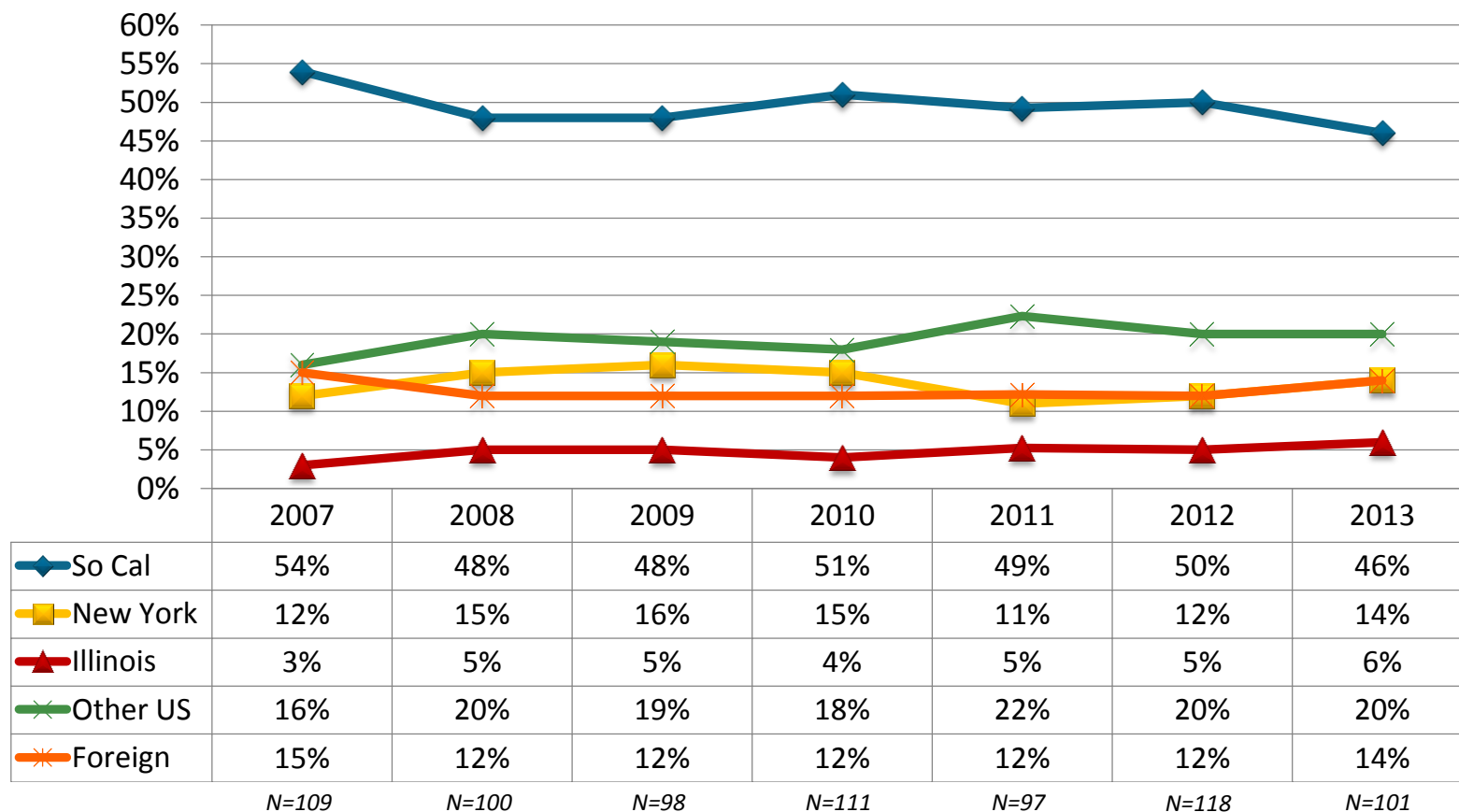


# Shoot Days by Region Trended



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Production activity remained stable across most regions, although fewer shoot days were reported in Southern California in 2013. Foreign shoot days increased slightly, which is consistent with the growth in foreign expenditures.





# 2013 Shoot Days by Region Breakdown



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<i>N=101</i>	Sum of all shoot days in this location	% of all shoot days	% of domestic shoot days	Mean for those with shoot days	Median for those with shoot days	Mean for those who shoot in this location	Median for those who shoot in this location
Los Angeles County	2921	41%	48%	29	10	37	19
Southern California	346	5%	6%	3	0	10	6
Northern California	166	2%	3%	2	0	5	4
New York City	856	12%	14%	8	2	13	6
New York State	138	2%	2%	1	0	7	4
Connecticut/Massachusetts	57	1%	1%	1	0	4	2
Illinois	452	6%	7%	4	0	17	3
Florida	178	3%	3%	2	0	5	3
Georgia	90	1%	1%	1	0	6	3
Southeast	54	1%	1%	1	0	3	2
Louisiana	26	0%	0%	0	0	4	2
Texas	154	2%	3%	2	0	7	4
Southwest	92	1%	2%	1	0	5	4
Other U.S. locations	593	8%	10%	6	1	12	7

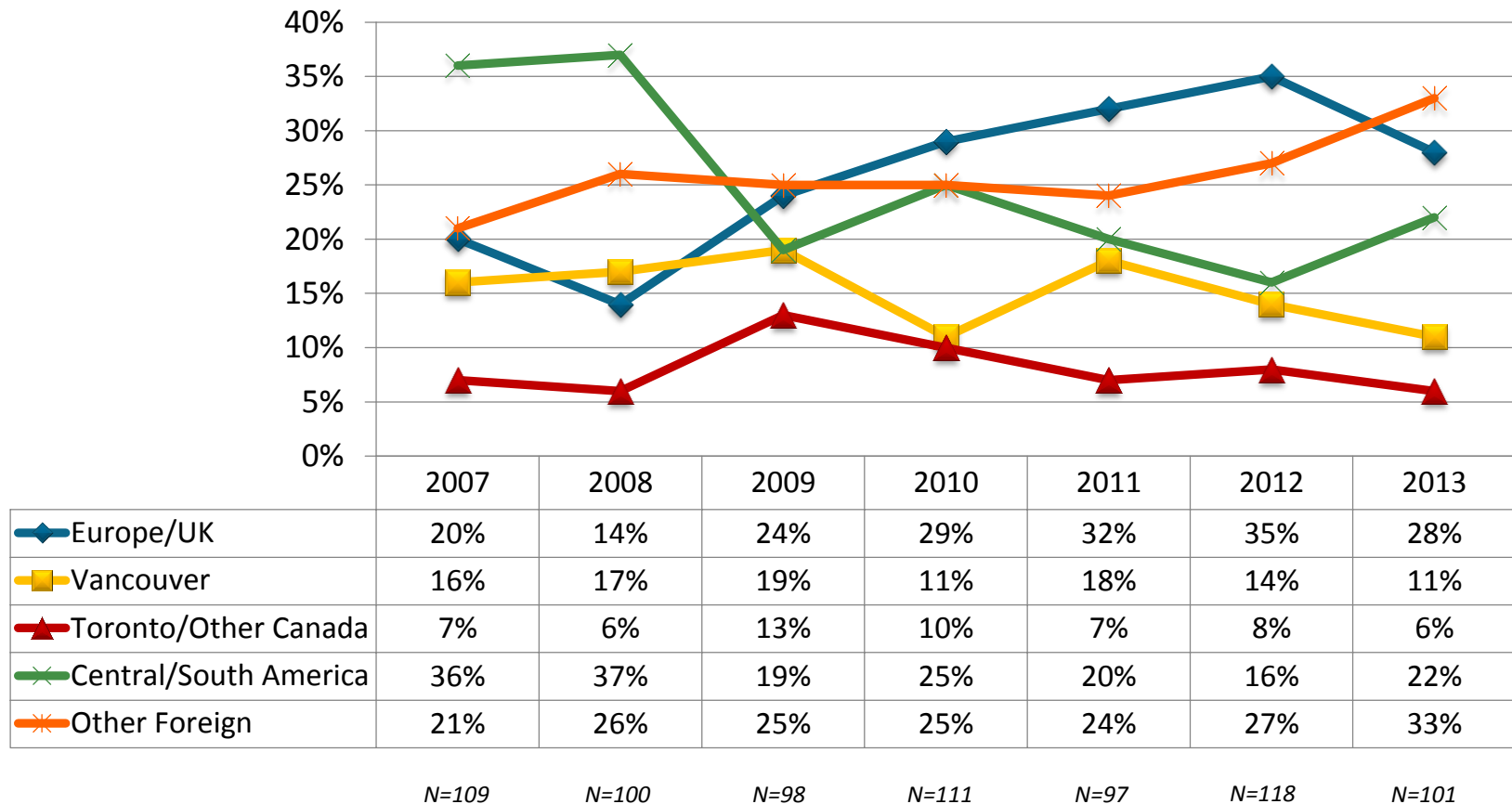


# Shoot Days by International Locations Trended



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Commercial production has increased in Central and South America. Production in Canada has dropped well below its average share over the previous 5 years.





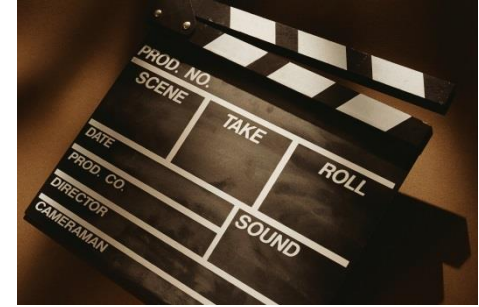


# 2013 Shoot Days by International Locations Breakdown



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<i>N=101</i>	Sum of all shoot days in this location	% of all shoot days	% of foreign shoot days	Mean for those with shoot days	Median for those with shoot days	Mean for those who shoot in this location	Median for those who shoot in this location
Vancouver	104	1%	11%	1	0	4	4
Toronto	33	0%	3%	0	0	2	2
Other Canadian locations	25	0%	3%	0	0	8	2
United Kingdom/Western Europe	143	2%	15%	1	0	7	6
Central/Eastern Europe	134	2%	14%	1	0	6	4
Australia/New Zealand	86	1%	9%	1	0	6	5
South Africa	71	1%	7%	1	0	4	4
Mexico and Central America	72	1%	7%	1	0	5	4
South America	145	2%	15%	1	0	7	5
Other non-U.S. locations	170	2%	17%	2	0	8	6



# Tax Incentives



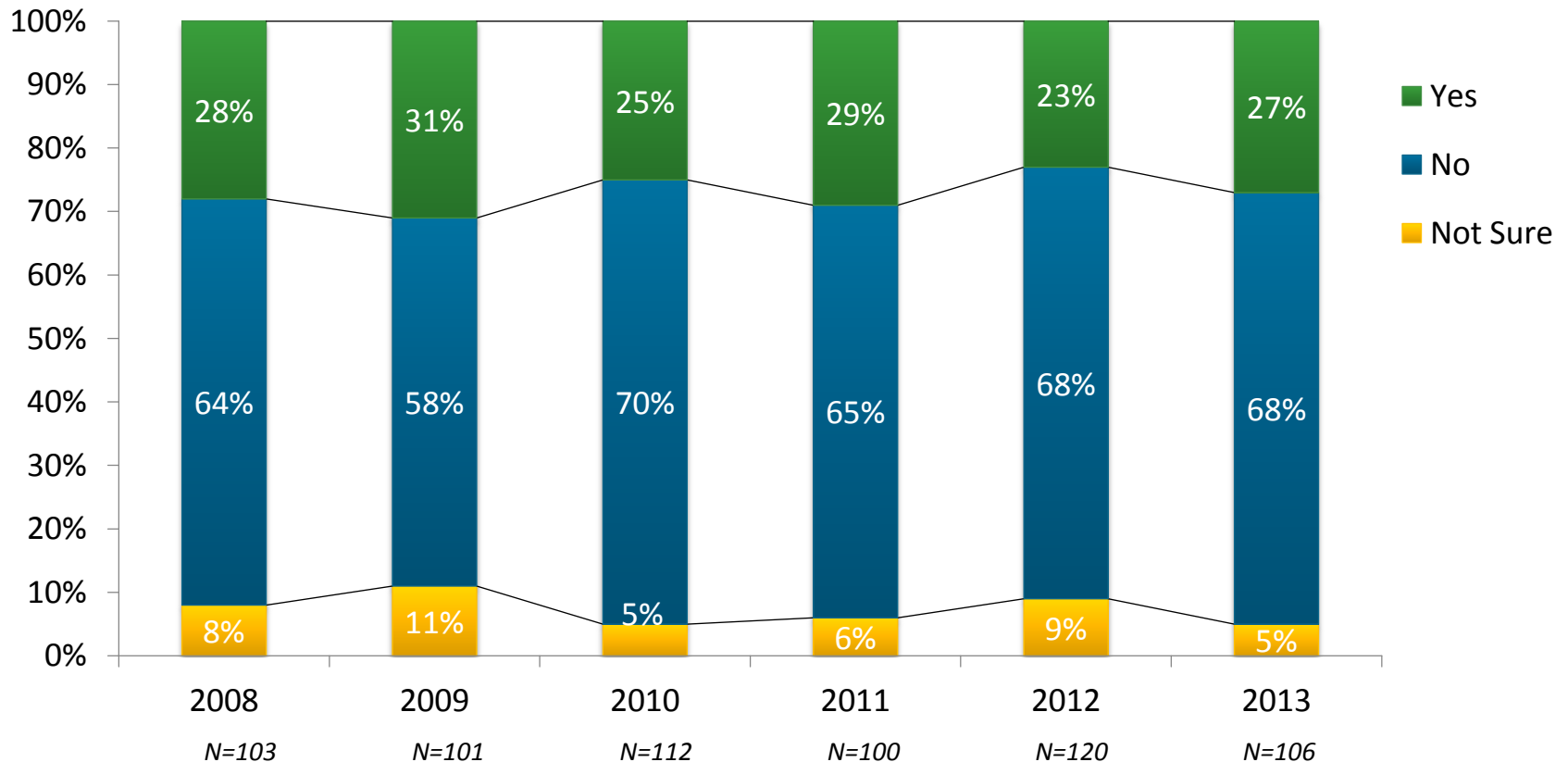
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# Tax Incentives and Influence on Project Locations Trended

In 2013, over one quarter of all location shoots are heavily influenced by tax incentives.





# Tax Incentives and Decision Makers Trended



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Advertisers were more likely to take tax incentives into consideration when making shoot location decisions in 2013.

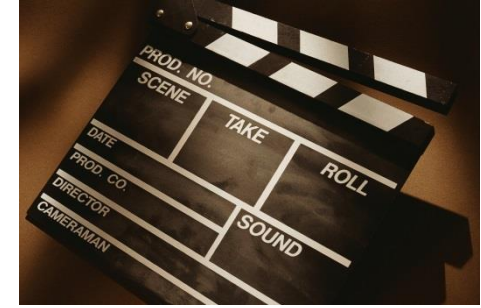
## Deciding on a Location Based on Tax Incentives

Top 2 Box	2008	2009	2010	2011	2012	2013
<i>Base</i>	29 <sup>#</sup>	31 <sup>#</sup>	28 <sup>#</sup>	29 <sup>#</sup>	28 <sup>#</sup>	29 <sup>#</sup>
<b>Your Company</b>	41%	35%	39%	59%	39%	21%
<b>An Advertiser</b>	7%	19%	25%	31%	11%	28%
<b>An Advertising Agency</b>	14%	23%	25%	34%	7%	17%

NOTE: Top 2 Box refers to the top two answer options on a 5 or 10 point scale. The percentages are those who reported the decision was made frequently or always by each entity. This question allows for totals to be greater than 100%

T3. How often did each of the following entities make the decision to shoot at a location based on tax incentives?

<sup>#</sup>Caution: Low base size under N=50



# Payments



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# Payments and Timing Trended



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As in recent years, over half of payments to member companies were late.

	2007	2008	2009	2010	2011	2012	2013
<i>Base</i>	126	103	101	112	100	119	106
<b>Prior to Due Date</b>	6%	6%	6%	5%	8%	11%	11%
<b>On Time</b>	34%	34%	31%	41%	40%	35%	33%
<b>1 -15 Days Late</b>	18%	16%	21%	17%	15%	14%	15%
<b>16-30 Days Late</b>	16%	16%	18%	18%	12%	16%	14%
<b>31-45 Days Late</b>	12%	14%	13%	9%	8%	9%	9%
<b>46-60 Days Late</b>	8%	7%	7%	5%	6%	6%	7%
<b>61-90 Days Late</b>	7%	7%	4%	4%	6%	4%	5%
<b>91-120 Days Late</b>					2%	3%	3%
<b>More than 120 Days Late</b>					2%	1%	1%
<b>No Payments</b>	0%	0%	1%	0%	0%	0%	0%



# 2013 Payments and Timing by Company Size



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Companies with sales above \$20 million are two and a half times more likely to receive payments up to 30 days late.

## Company Size (Sales)

		Small		Medium		Large	
	Total	Sales<\$1m	\$1m-\$4.99m	\$5m-\$9.99m	\$10m-\$19.99m	\$20m-\$49.99m	\$50m+
<i>Base</i>	106	13 <sup>#</sup>	43 <sup>#</sup>	9 <sup>#</sup>	17 <sup>#</sup>	16 <sup>#</sup>	5 <sup>#</sup>
<b>Prior to Due Date</b>	11%	31%	8%	18%	4%	12%	7%
<b>On Time</b>	33%	40%	40%	33%	29%	21%	24%
<b>1 -30 Days Late</b>	30%	14%	25%	16%	43%	40%	47%
<b>31-60 Days Late</b>	17%	8%	17%	21%	20%	16%	14%
<b>61-90 Days Late</b>	5%	1%	8%	6%	3%	5%	5%
<b>91-120 Days Late</b>	3%	7%	1%	3%	1%	5%	2%
<b>More than 120 Days Late</b>	1%	0%	0%	3%	2%	2%	1%
<b>No Payments</b>	0%	0%	0%	0%	0%	0%	0%

PA2. A major issue in the commercial production industry has been timely payment of agreed-upon agency contracts. In 2013, approximately what percentage of final payments from your clients arrived during each of the following ranges of time?

<sup>#</sup>Caution: Low base size below N=50



# Payments and Top Reasons for Tardiness Trended



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The client not paying the agency remains the top reason for delayed payment to member companies.

	2008	2009	2010	2011	2012	2013
<i>Base</i>	103	101	112	100	119	106
<b>Client hasn't paid agency yet</b>	83%	82%	85%	83%	80%	78%
<b>The agency billing/ payment procedures do not allow it</b>	10%	8%	6%	9%	5%	6%
<b>Other</b>	0%	1%	3%	3%	3%	4%
<b>None/Not Sure</b>	7%	9%	6%	5%	12%	12%





# Payments and Health of Company Trended



In 2013, timely payments, client guidelines and contract liability issues were heavier influential factors in determining company health compared to last year, but remain diminished factors when compared to five years ago.

Top 2 Box	2007	2008	2009	2010	2011	2012	2013
<i>Base</i>	126	103	101	112	100	119	106
Timely payments	78%	85%	82%	59%	62%	53%	58%
Client guidelines	42%	58%	50%	47%	38%	34%*	45%
Influence of cost consultants	38%	48%	44%	46%	51%		
Contract liability issues	31%	19%	26%	17%	19%	17%	23%

*\*Client guidelines & Influence of cost consultants were combined into one answer option in the 2012 survey.*

NOTE: Top 2 Box refers to the top two answer options on a 5 or 10 point scale. The percentages are those who reported each factor has very/somewhat high impact on the health of the company. This question allows for totals to be greater than 100%.

PA4. Please rate the impact of each of the following factors on the health of your company.

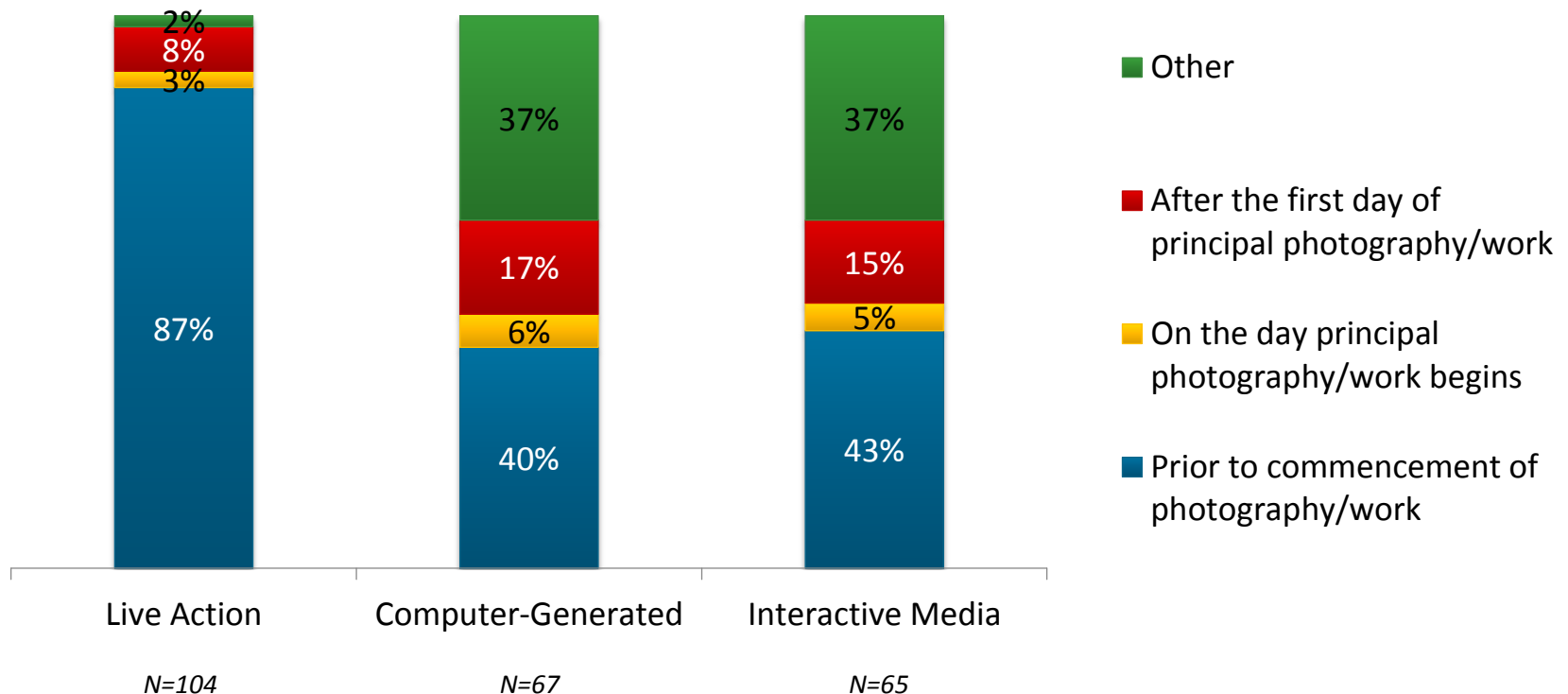


# 2013 Payments and First Payment Receipt Breakdown



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Nearly 9 in 10 companies receive first payment prior to commencement of live action production work. For other productions, first payment is generally received later.





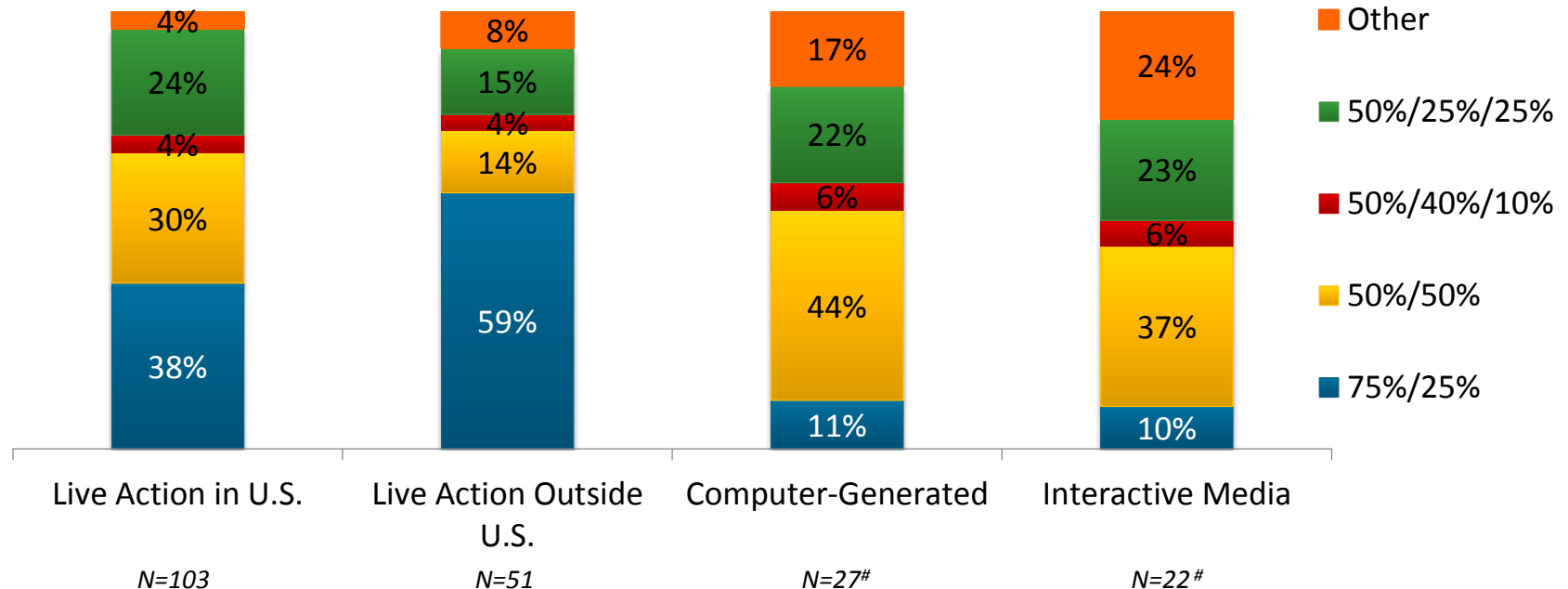
# Payment Guidelines



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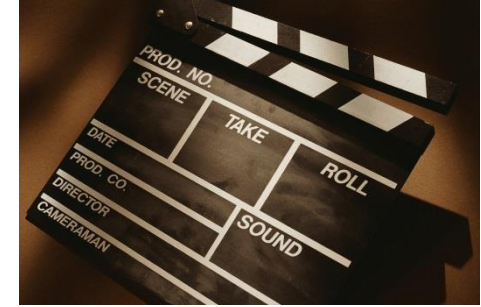
Live action work in the U.S. is generally paid on a 75/25 or a 50/50 payment term. Outside the U.S., live action work is paid using 75/25 payment terms more than half of the time. 50/50 payments terms are more frequently used on CG & IM projects.

## Payment Terms



PA5. In 2013, what percentage of your projects was paid using the following payment terms?

<sup>#</sup>Caution: Low base size under N=50



# Digital & Non-Traditional



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# Digital Production Techniques Trended



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For the second year in a row, computer-generated projects were generally split across all digital production methods, with Animation leading all categories for the first time.

	2007	2008	2009	2010	2011	2012	2013
<i>Base</i>	52	28 <sup>#</sup>	42 <sup>#</sup>	33 <sup>#</sup>	26 <sup>#</sup>	40 <sup>#</sup>	18 <sup>#</sup>
<b>Visual Effects</b>	29%	24%	28%	24%	32%	28%	22%
<b>Animation</b>	20%	26%	25%	22%	28%	24%	33%
<b>Graphic Design</b>	27%	21%	32%	29%	18%	24%	23%
<b>Interactive Design</b>	-	-	-	-	16%	-	-
<b>Other</b>	24%	29%	16%	26%	7%	24%	23%

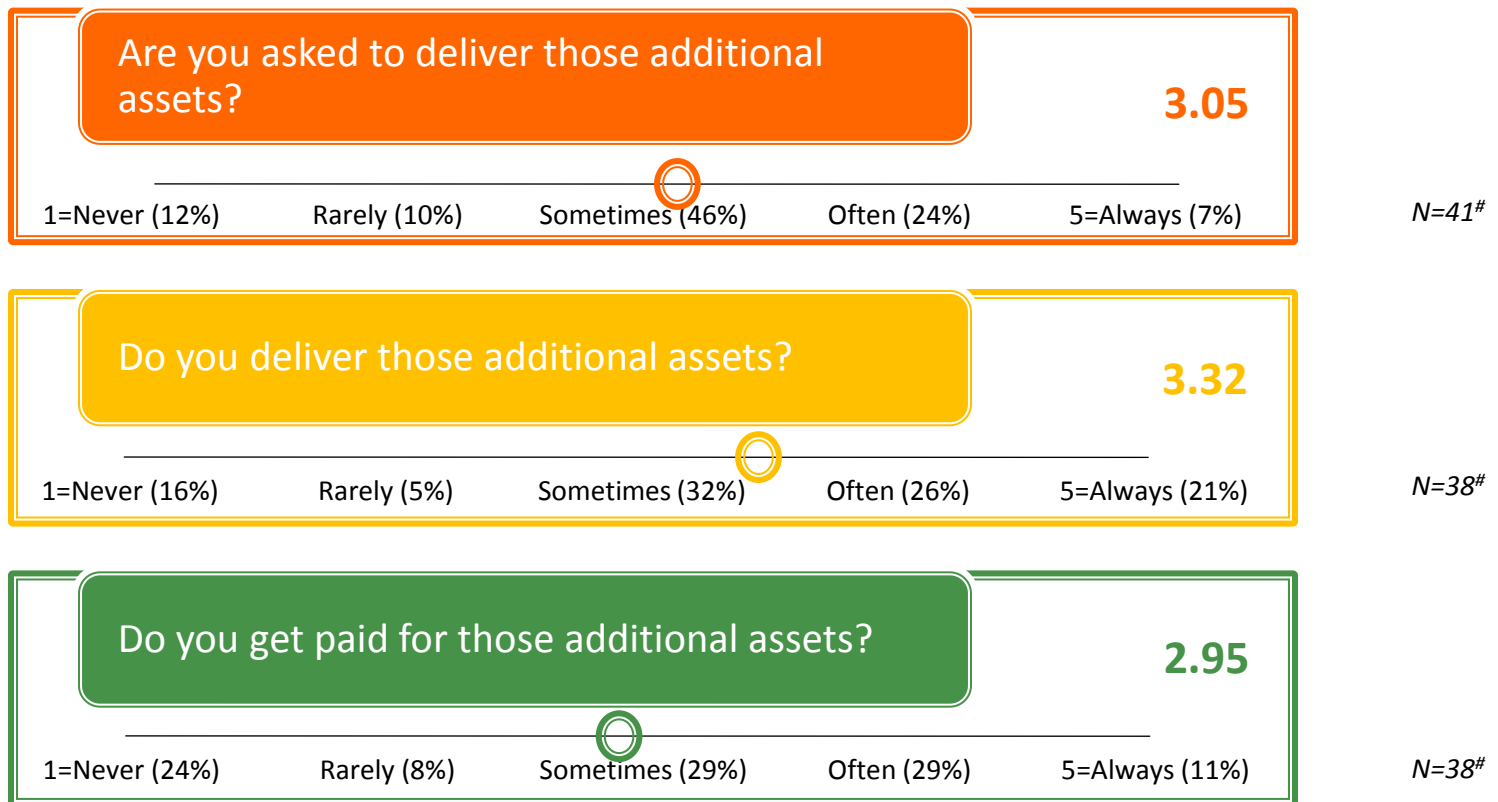


# Digital Assets Outside Contract



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Some member companies get paid for additional digital assets delivered.



\* N/A are excluded from base

C2. Regarding digital assets outside of the deliverables originally contracted on a computer-generated or interactive media project, how often...

<sup>#</sup>Caution: Low base size below N=50



# Compensation by Project Type and Distribution Method

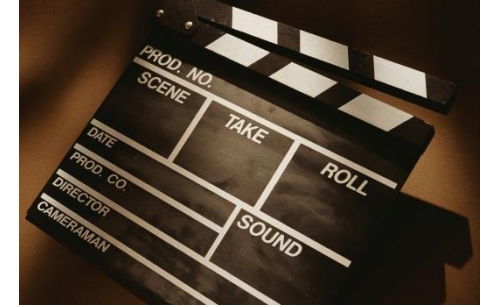


Companies are generally paid a percentage of production costs, more so with live action productions. For computer-generated and interactive media productions, a fee may also be built into the rates for services.

Top 2 Box	Project Type		
	Live Action	Computer-Generated	Interactive Media
<i>Base</i>	<i>Variable</i>		
<b>A percentage of production costs</b>	89%	53%	48%
<b>A combination of a percentage of production costs and a creative fee</b>	17%	15%	11%
<b>A fee built into the rates for services</b>	13%	31%	24%
<b>A creative fee not related to production costs</b>	11%	15%	7%
<b>A licensing fee and the retention of ownership of the materials produced</b>	2%	4%	4%
<b>Other compensation</b>	7%	4%	8%

NOTE: Top 2 Box refers to the top two answer options on a 5 or 10 point scale. The percentages are those who reported being compensated always/usually for each project type. This question allows for totals to be greater than 100%

C1. How often are you compensated in the following ways for each project type?



# Green Guidelines



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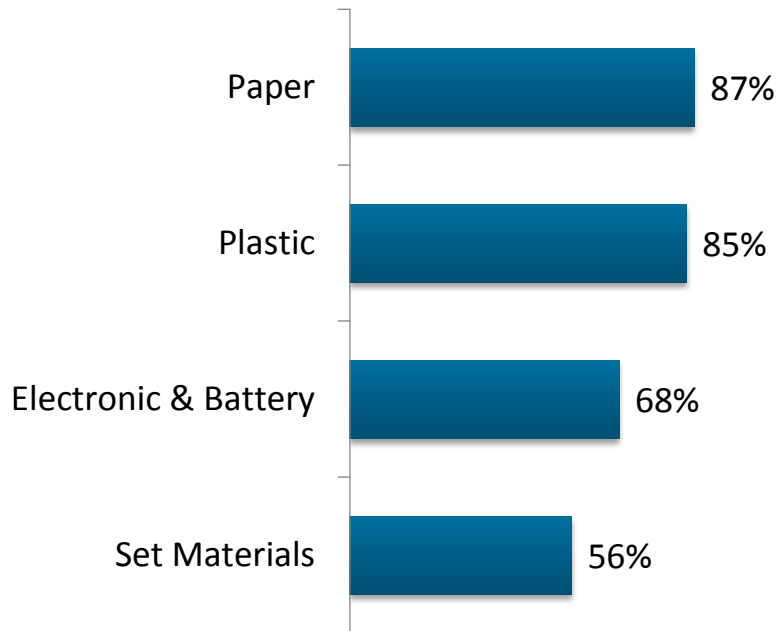
# Recycling and Sustainability



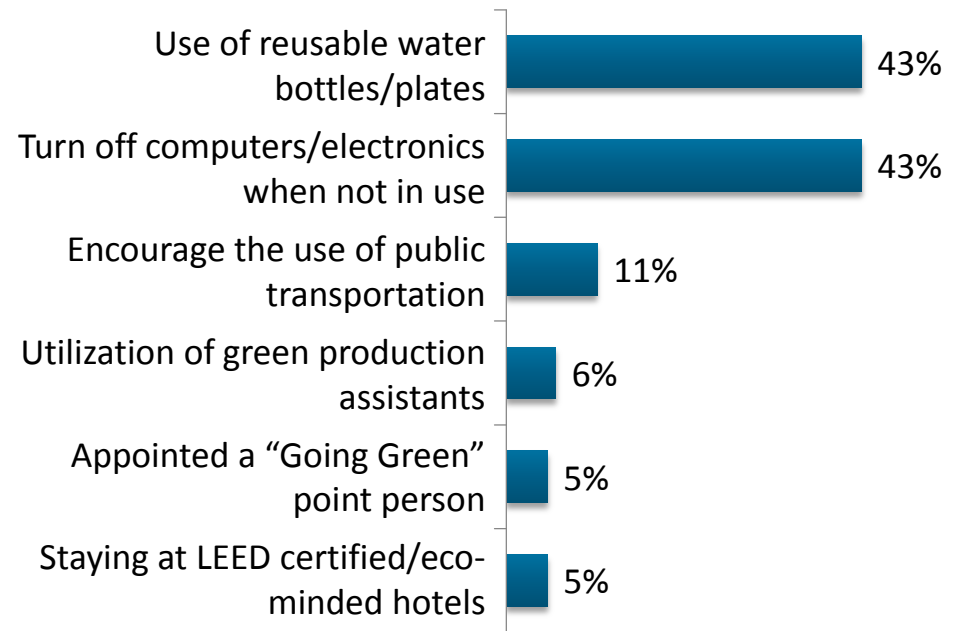
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Paper and plastic are the most recycled materials. A strong plurality of companies have established rules for turning off electronics and re-using water bottles/plates.

**Material Recycled**



**Established Rules for Green Practices  
(Top 2 Box)**



N=105

NOTE: Top 2 Box refers to the top two answer options on a 5 or 10 point scale. The percentages are those who always/usually established rules for the green practices. This question allows for totals to be greater than 100%

GI1. Does your company recycle any of the following in office/on set?

GI2. In the past year, how often has your company established rules for any of the following green practices?



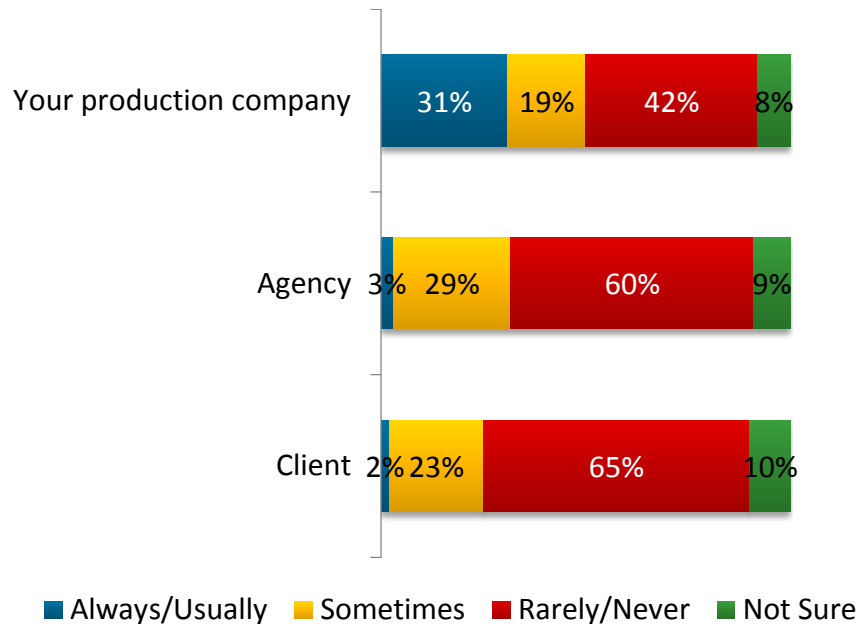
# Green Guidelines and Costs



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STRATEGY

Member companies are responsible for 92% of the costs for implementing green practices. Green guidelines are factored into bids 19% of the time; an increase from 10% just two years ago.

Request for Green Guidelines



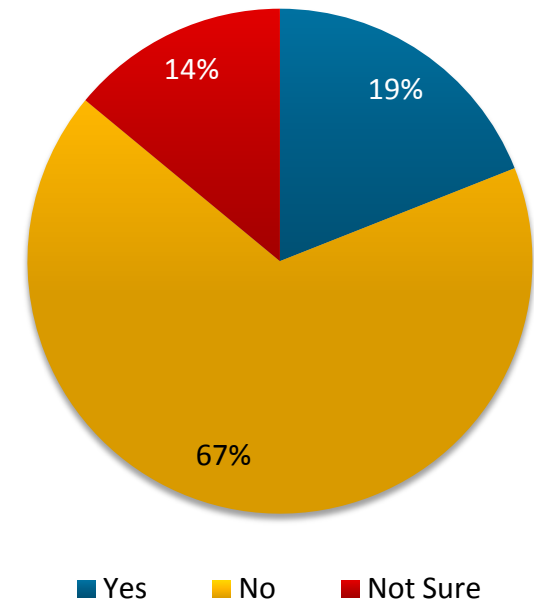
N=105

Responsible for ...



N=49<sup>#</sup>

Are Green Guidelines Costs Factored into Bids?



N=69

GI3. How often do the following entities request that productions follow a set of green guidelines? GI4. What percentage of the costs for implementing green practices is each entity responsible for? GI5. Are the related green guideline costs factored into bids?

<sup>#</sup>Caution: Low base size below N=50



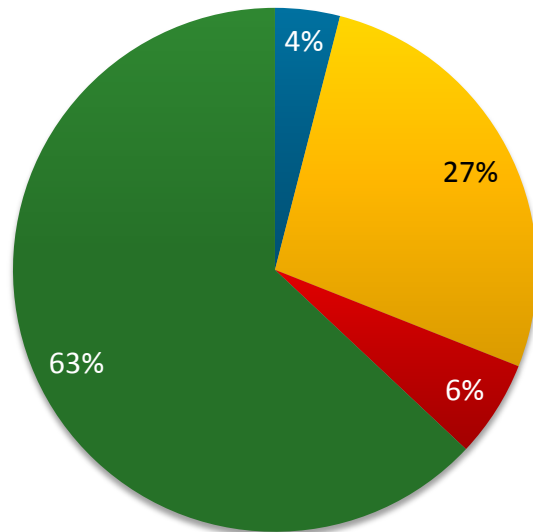
# Green Practices and Change in Requests



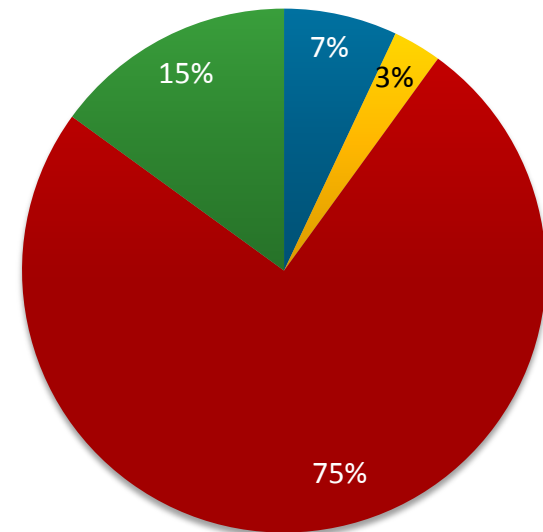
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STRATEGY

Sixty-three percent of cost consultants “support” green practices, as long as the production company bares the cost. Three quarters of companies have not seen a change so far in 2014 in the number of requests to follow AICP’s Green Guidelines.

**Cost Consultants Supporting Green Practices?**



**Change in Requests**



■ Yes

■ No

■ Not Aware

■ Not Sure

■ Increase

■ Decrease

■ No Change

■ Unaware of AICP's Green Guidelines

N=105

GI6. Are any of your cost-consultants supporting green production practices?

GI7. Comparing your experience in 2013 to your experience so far in 2014, have you seen an increase, decrease, or no change in the number of requests from agencies or clients to follow AICP’s Green Guidelines?

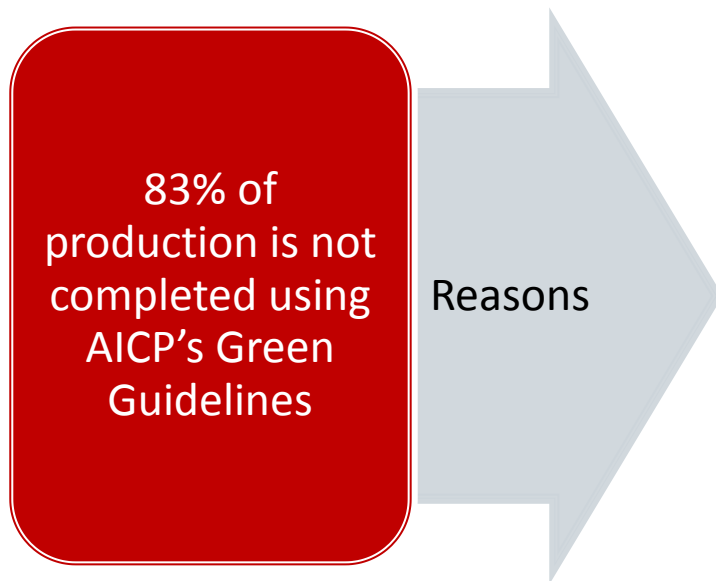


# Reasons for Not Following Guidelines

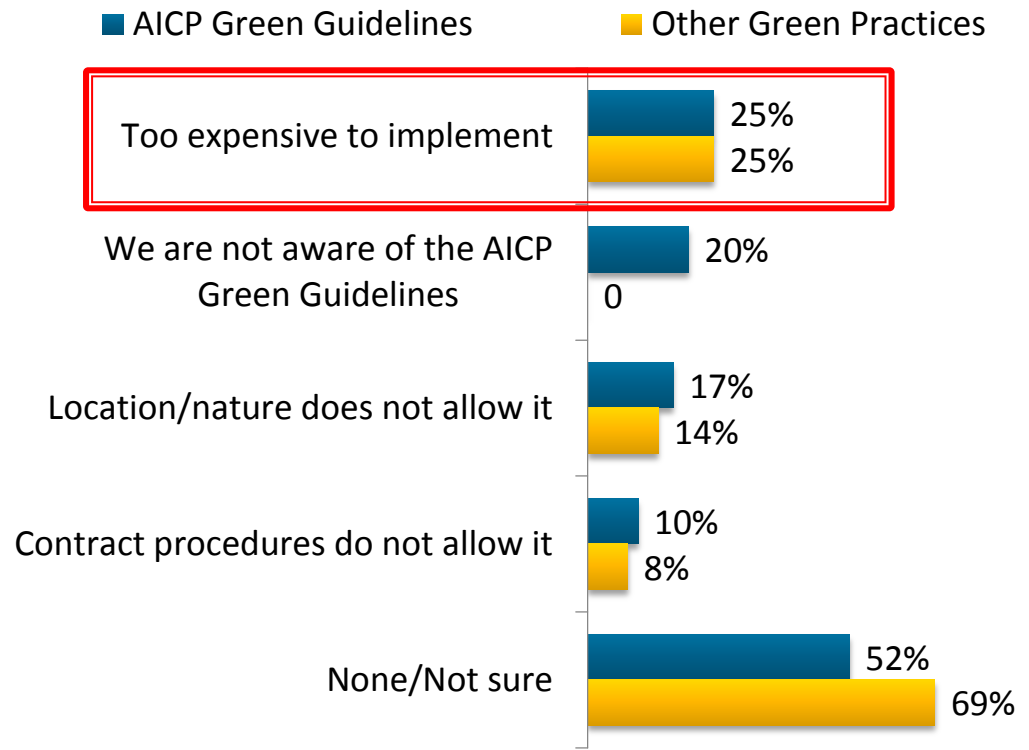


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Cost of implementation emerged as the primary reason why AICP Green Guidelines were not followed on shoots in 2013. In previous years, low awareness was the number one reason and remains an obstacle to this day.



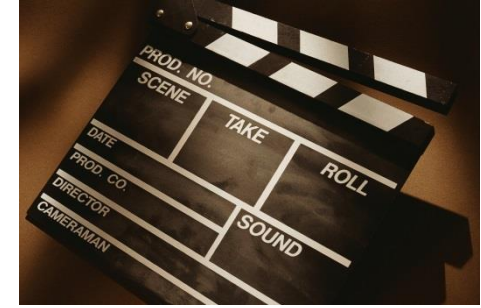
Reasons



N=105

GI8. Which of the following best describes why AICP Green Guidelines (or similar Green practices) are not being followed on your shoots?

GI9. In 2013, what percentage of your production was completed using the AICP's Green Guidelines for production?



# Company Demographics



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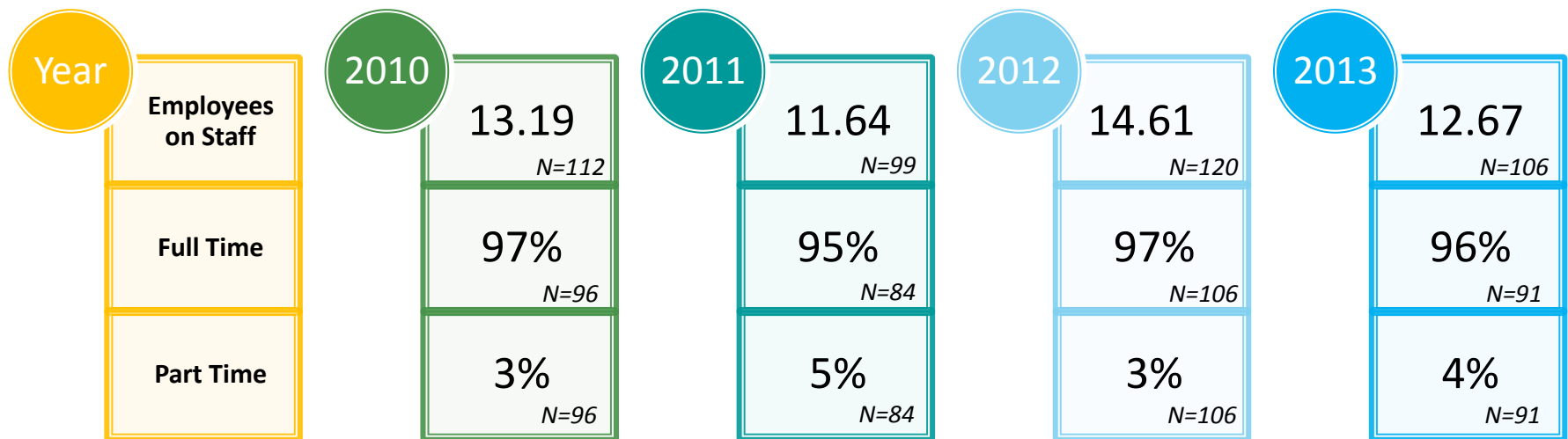


# Employees



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STRATEGY

The average number of employees on staff decreased by 2 in 2013. Most employees work on a full time basis.



CD4. How many employees does your company currently have on staff?

CD5. Of the [PIPE IN RESPONSE FROM CD4] staff employees (not to be confused with freelance employees) who work at your company, how many are full time versus part time employees?



# Employees



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**Employees on Staff:  
12.67**

*N=106*

**Full-time:  
96%**

*N=91*

**Part-time:  
4%**

*N=91*

	< \$1M	\$1M-\$5M	\$5M-\$10M	\$10M-\$20M	\$20M-\$50M	\$50M+
<i>Base:</i>	13 <sup>#</sup>	43 <sup>#</sup>	9 <sup>#</sup>	17 <sup>#</sup>	16 <sup>#</sup>	5 <sup>#</sup>
Average Employees	2.23	5.65	9.78	14.71	22.19	54.40
<i>Base:</i>	6 <sup>#</sup>	35 <sup>#</sup>	9 <sup>#</sup>	17 <sup>#</sup>	16 <sup>#</sup>	5 <sup>#</sup>
Full Time	86%	89%	91%	99%	96%	99%
Part Time	14%	11%	9%	1%	4%	1%

CD4. How many employees does your company currently have on staff?

CD5. Of the [PIPE IN RESPONSE FROM CD4] staff employees (not to be confused with freelance employees) who work at your company, how many are full time versus part time employees?

# Caution: Low base size under N=50

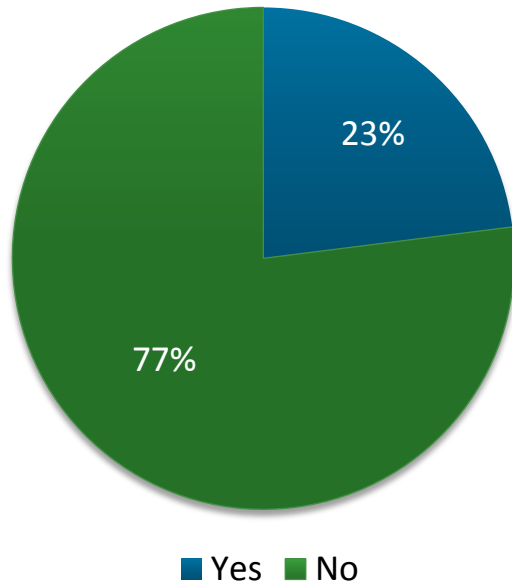


# Diversity Initiatives

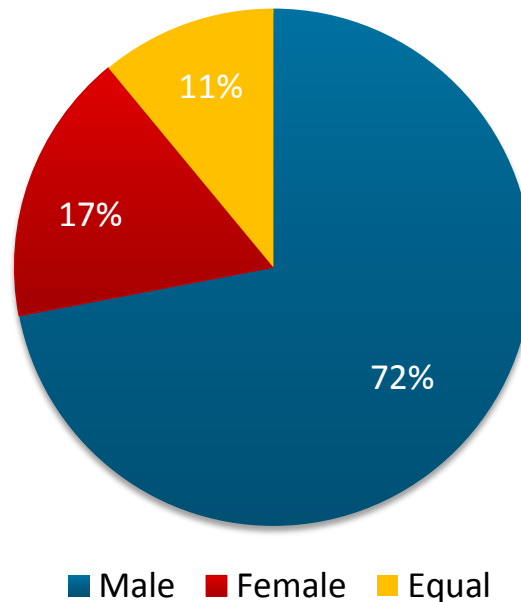


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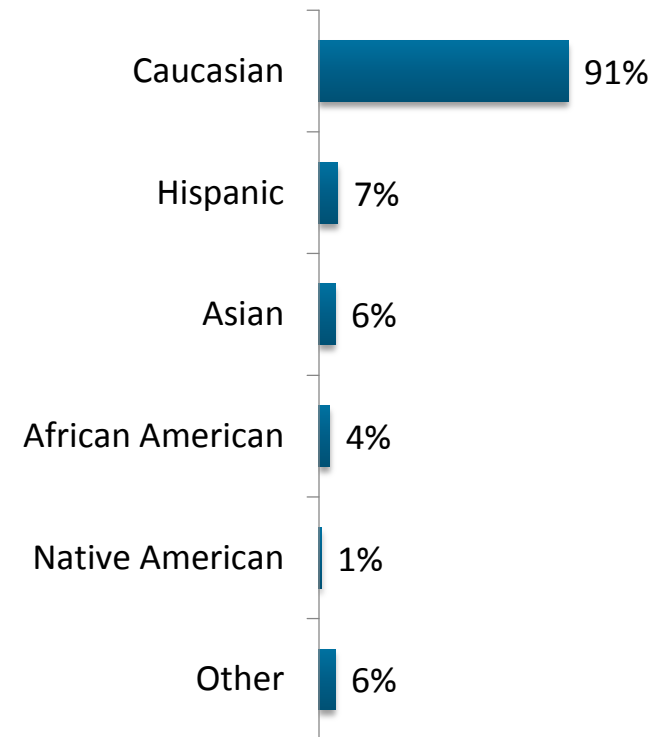
**Has your company been engaged for work based on diversity initiatives?**



**Gender of the majority ownership**



**Ethnicity of the majority ownership**



N=106

Note: The "equal male/female majority ownership" option was added to CD7 in 2014 to account for these types of companies.

CD6. Has your company been engaged for work based on diversity initiatives?

CD7. Please indicate the gender and ethnicity of the majority ownership.





# Diversity Initiatives



Sixteen percent of member companies report being minority owned and participate in a wide array of government-sponsored programs on behalf of diversity initiatives.

Is your company certified as minority owned?

**Yes**

• 16%

**No**

• 84%

N=106

If so, please identify which programs your company currently has certification for:

	Base	17#
WOMEN-OWNED BUSINESS ENTERPRISE (WBE)		41%
MINORITY BUSINESS CONCERN (MBE)		29%
WOMEN-OWNED SMALL BUSINESS CONCERN (WBC)		29%
OTHER		6%

If your company is not certified, is it because:

	Base	89
Do not qualify		87%
Have not applied, but plan to		9%
Have elected not to apply		2%
Are in the application process		2%

CD8. Is your company certified by appropriate government agencies as minority owned?

CD9. If your company is not certified, is it because:

CD10. Please identify which programs your company currently has certification for:

#Caution: Low base size under N=50



# Office Location



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STRATEGY

Nearly two-thirds of member companies have offices in California.

Sales							
	Total	<\$1M	\$1M-\$5M	\$5M-\$10M	\$10M-\$20M	\$20M-\$50M	\$50M+
<i>Base</i>	106	13 <sup>#</sup>	43 <sup>#</sup>	9 <sup>#</sup>	17 <sup>#</sup>	16 <sup>#</sup>	5 <sup>#</sup>
<b>California</b>	64%	54%	35%	67%	94%	100%	100%
<b>New York</b>	38%	0%	35%	33%	41%	69%	80%
<b>Florida</b>	1%	0%	2%	0%	0%	0%	0%
<b>Georgia</b>	2%	0%	2%	11%	0%	0%	0%
<b>Minnesota</b>	3%	16%	2%	0%	0%	0%	0%
<b>Illinois</b>	6%	0%	7%	33%	0%	0%	0%
<b>Texas</b>	3%	15%	0%	0%	6%	0%	0%
<b>London</b>	10%	0%	5%	0%	6%	25%	60%
<b>Other</b>	19%	15%	30%	0%	6%	6%	40%



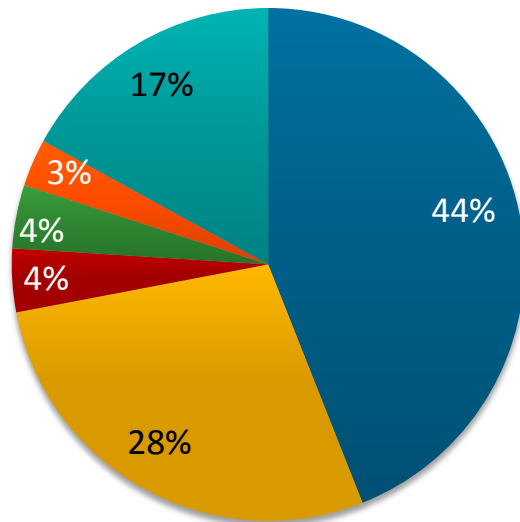
# Headquarter Location



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STRATEGY

Nearly half of member companies are headquartered in Los Angeles.

**Total**



N=106

**Sales**

