

Insights and inspiration from the world of Movie Theaters

Exploring lessons assns can learn from other industries by Rhea Blanken

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Movie studio marketing suits are in a frenzy of surveys, test screenings and public opinion polls to re-evaluate what moviegoers want – examining everything from increases in home theater sales, rising gas prices and the short turn-around time between a movie theater release to its availability on DVD. According to movie studios, there are real changes in movie-going patterns that do not support following old strategies.

While the studios are uncertain about the future, theater owners know attendance has a natural ebb and flow especially since each theater gets the same 35-mm films that its competitors do. But that doesn't mean owners are at the mercy of and only counting on studios to create the revenue.

Movie theaters are real estate investments that need to be occupied to realize revenue. Historically, increasing ticket prices and offering a traditional concession menu (popcorn, sodas, and candy) was an answer. However, since ticket and concession revenues are no longer sufficient to guarantee profit, other non-traditional avenues had to be created.

The Big Idea – making the theater a destination and setting it apart as an entertainment experience. Its satisfying sensory experiences that have audiences coming back. How the seats look and feel (stadium, love-seat, lounge or rocking), the gastronomical delicacies available, the baby-sitter rooms provided, and much more have patrons coming back to “their” favorite theater.

Theater owners are being proactive in building multiple revenue streams and generating loyalty for returning to the physical space through new uses for theaters when movies aren't the main attraction, and new perks and offers for patrons when movies are the main attraction. Can associations learn from these

situations and try a few revenue “tests” of their own? You bet your popcorn they can!

More uses for movie theaters

Historically, all movie screens are not in use all the time. Therefore, owners have begun actively courting events that put attention on the advantages of the physical experience. Alternative programming gives the theater owners three possible ways to generate revenue – a rental charge for using the physical space, potential movie ticket and concession sales and, when appropriate, accompanying advertising in the event program.

Currently, theaters are being used for business and sales meetings, educational trainings, and private catered screening parties. They are the site for simulcasts of live music concerts and sports events. And religious congregations are convening church services in them.

Patron perks and offers

Most theater chains have introduced commercials into the pre-show review. Theater operators like these ads because, unlike the feature film, they don't share these proceeds with the studios.

Additionally, they partner with area merchants to accept ticket stubs as coupons thus extending the value of the ticket price. Pre-show promotions even include job board postings. Additionally, theaters are offering:

Special movie clubs for parents with young children insuring age appropriate movies in an environment dedicated just to them;

- The New York Times digest-sized movie magazine free 18 times a year;
- CDs of movie soundtracks and movie books at the concession counter;
- Food and beverage items beyond the predictable popcorn, soda and boxed candies – they have dinner-style meals, cocktail-type finger foods, imported chocolates, coffees, alcohol and much more.

Consider...

Associations have investments – some as physical real estate and others are products, services, events, communications, reputation, image and staff. How are these investments being utilized, leveraged and maximized?

If the Internet can enhance the service experience (movie ticket purchases and show listings), how is your association making participation easier via your web site?

If your association's body of knowledge is similar to the physical space of movie theaters (needing to be used in more innovative ways and visited more often), what is your organization doing to increase user frequency and loyalty?

When considering new non-dues revenue offerings what is and isn't acceptable? What are the criteria for deciding? What is your association doing to extend its "customer-ship" for existing offerings? What in your current organizational culture might need aligning to encourage customer-ship?

How does the old user/new user-old use/new use matrix apply to your organization? Specifically, what new uses and new users are possible for existing offerings?

The most pathetic person in the world is someone who has sight, but has no vision. □– Helen Keller

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