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Making concessions pop

STORMING images

Theater refreshment sales are a blockbuster with digital menu boards

By Gary Wollenhaupt, contributing writer

Despite the explosion of video rentals, downloadable movies and premium TV channels, going to the movies remains one of America's favorite pastimes, with about 1.5 billion theater tickets sold in 2006. But theater operators compete among all those other leisure-time alternatives for the billions of discretionary entertainment dollars spent each year.

Even with a steady stream of ticket buyers, theaters operators make as much as 75 percent of their profits from concessions: the buckets of buttery popcorn, large boxes of candy and soft drinks that seem an indispensable part of enjoying the latest blockbuster. In fact, Edward Jay Epstein, author of "The Big Picture: The New Logic of Money and Power in Hollywood," notes that out of every dollar's worth of popcorn sold, approximately 90 cents goes directly to the theater's bottom line. The average customer spends about $3.50 on concessions per visit, according to the National Association of Theater Owners. Not surprisingly, theater owners constantly seek new ways to coax more dollars out of theatergoers' wallets, particularly for high-margin snacks.

Since theater operators make as much as 75 percent of their profits from concessions, owners are always looking for new ways to market the high-margin snacks.

The challenge

Managers at Moore Theaters, with four locations in southwestern Michigan, attended a National Association of Concessionaires conference and saw the latest tactics aimed at enticing theater patrons to buy more items at the concession stand and speeding up the lines.

Unlike most theater chains, Moore Theaters uses a one-stop system for selling tickets and concessions at the same sales station. The system cuts transaction time because patrons wait in line and pay only once. In that system, speed is of the essence. As Joe Chabot, project coordinator for Moore Theaters says, "The movie is going to start when it's supposed to start."

The theater chain sells an eclectic array of food, as well. In addition to the standard popcorn, candy and soft drinks, patrons can munch on hot cinnamon nuts, hot dogs, cotton candy, nachos, 12 flavors of ice cream and Dippin' Dots ice cream.

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Because these small-volume items typically return the highest profit margins, the chain wanted to increase sales of these offerings. The problem was, lines of patrons often blocked the standard glass candy case and back-bar displays. Customers two or more people deep in the line couldn't begin their decision-making process ahead of time.

Sessions at the convention convinced Chabot that digital menu displays were the way to go. Remodeling at the theaters was scheduled anyway, so the time was ripe to revamp the menu and concession counters with digital menu boards.

The solution

Chabot consulted with Jeff Hemingway, president of Milford, Mich.-based Storming Images LLC, to develop the digital menu board system. Storming Images previously worked with Moore Theaters and other motion-picture chains on preshow advertising systems.

The company also had experience in digital menus for concession stands in major sports arenas, and the creative design team even added an LCD display to a Zamboni for a hockey team.

Hemingway devised a system that used four 19-inch VGA-resolution LCD panels for three installations in each theater. Each set of monitors covered two selling stations in the theater. To save on costs, Hemingway specified multiple 19-inch flat panels rather than a large single screen, say, a 42- or 50-inch behemoth. The smaller screens are placed above the counter as close to the customer as possible, so they are readable from at least 3 feet away. That way, people deep in line can plan their purchases.

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"To increase the transaction speed, we want people to resolve any issues about what they wish to purchase," Chabot said. "The menu screens are in their face and allow an immediate decision."

A single server drives the monitors in each theater. Storming Images' Web-based video-trafficking software allows for easy updates as menu items are added or prices change. Theater managers can easily test new ads as well as food items or combos in a single theater or throughout the chain.

With video displays common in amusement parks, malls and airports, people are accustomed to watching the screens for information. The video presentation uses colors, motion and eye-grabbing photos of mouth-watering goodies to attract attention and provide information while customers wait in a quick-moving line.

One of the four screens always shows the array of candy available, with a number assigned to each one. Chabot says it's helpful for children who may be too young to read the name of a candy bar but know their numbers. "They tell their parent what number they want and the line keeps on moving," he said.

The result

Before the full installation, Chabot conducted a test with a single screen and a PowerPoint show touting the special menu items. The results from that trial run proved that the power of video would entice people to buy advertised items.

Chabot cautions that developing proper content is important. A static list of menu items won't do the trick. "We emphasize motion and color," he said. "We'll show the machine cooking cinnamon nuts, then pull out the price and a picture of the product, and the same thing with cotton candy. We use color and action to draw customers' eyes and we hope they spontaneously decide they want to buy more."

He doesn't waste the video screen time advertising popcorn and soft drinks. Customers know those staples are always available, so Chabot displays actual buckets and cups to inform customers about the sizes. He also shows prices for all items so customers can make up their minds before they order. "They can make a decision quicker, and they know we're price conscious, too."

In the first three months of installation, Chabot calculated the digital menu boards were responsible for a 12-cent-per-person increase in sales, which came mostly in the targeted food items. Lines at the sales stations moved more quickly, as well.

"By using these screens plus other procedural changes, we've been able to speed up the whole process," Chabot said. "The results have been quite satisfactory and I'll never do another concession stand without the digital menu boards."

About the sponsor

Storming Images specializes in "moving video to the masses" with digital signage that revolutionizes out-of-home advertising. Easily manage content with the Web-based video-trafficking software that controls when and where a video advertisement is displayed. Capabilities include remote video playback, video system integration, video networking, video production, video network installation and design.