# Movie theaters' suicide-by-advertising with income from abusing customers

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**Abstract**

**Purpose** – The purpose of this article is to examine US cinema audiences' reactions to advertising. Cinema advertising and other failures of customer relations management by movie exhibitors explains how consumers are discouraged from going to a cinema to see newly released movies. To avoid commercials, consumers increasingly turn to VCR rentals, DVD purchases and computer downloads, all of which feed production company profits at the expense of the movie theater owners.

**Design/methodology/approach** – Historical observations on the origins and growth of cinema advertising in the USA, coupled with notes on the overall decline of the cinema viewing experience.

**Findings** – Cinema advertising swiftly grew from "underused" to commonplace in the early 1980s, while losing track of theater owners' early concerns for potential harm to the viewing experience for ticket purchasers. The presence of advertising is not in itself the cause for consumer dislike of the theater experience, but the increasing quantity of messages are often poorly written or produced, previously seen by audiences *ad nauseam* on television and written for a small target group of cinema audiences while boring or offending the rest.

**Practical implications** – There are limits to consumer tolerance of ambush media vehicles, and a failure to take this consumer abuse into account contributes to a loss of customers. In a similar vein, over commercialization of over-the-air radio encourages consumers to use subscription systems, satellite radio or other forms of in-car entertainment. Increasing television advertising clutter is a major factor in declining ratings for programs, as well as decreased attention to advertising messages by audiences that remain.

**Originality/value** – A call to action for movie theaters to see ticket sales as a function of factors other than the appeal of the latest blockbusters, with overuse of advertising discouraging repeat customers.

**Keywords** Customer relations, Cinema, Advertising, Customer retention, Advertising media, Target audience

**Paper type** Viewpoint

In his weblog for March 22, 2006, entertainment writer Mark Evanier noted the upcoming showing of *Penelope* on Turner Classic Movies, coupled with his personal memories of seeing the movie in 1966 with his father[1]. They were initially enticed by a movie trailer from weeks earlier: the teen-aged Mark by scenes of Natalie Wood running around in her underwear; his father by seeing Jonathan Winters announced in a starring role. But despite the star billing with his name on the theater marquee as large as Natalie Woods, the less-than-enjoyable movie had Mr Winters on screen for only a few minutes.

The elder Evanier told his son that he felt swindled. On the way out they encountered the manager who expressed a hope that they'd come back soon, so Mark's father blurted out his huge dissatisfaction with a movie whose marquee contradicted the delivery of a much-loved-yet-absent star. To their surprise, the manager quickly whipped out four free passes that were given to the Evaniers with his apologies while directing an employee to "Get the letters for the front and the ladder. I want to change something." Riding by the theater the next day, Mark saw that comedian Dick Shawn replaced Jonathan Winters on the marquee.

Modern movie audiences learn much more about movies than trailers and marquees before the release date, so such consumer deceptions wouldn't succeed today. More noteworthy was the manager's concern to retain customers, instead of the more common modern view in which they apparently believe that an audience gathered for the main feature will endure all sorts of distractions or abuse undertaken to increase profits for the exhibitor.

Of course, some elements of the declining movie theater experience are outside any manager's control, such as ubiquitous cell phones, uncontrollable children and generally rude audience members. A renewed tradition of cinema ushers would only be able to remove such problems if they had the physical presence, training and salaries of bouncers working at the popular metropolitan night clubs. Rising ticket prices and overpriced candy, popcorn and drinks are driven by contract costs with movie producers and distributors, though claims of refreshments as a movie theater's main profit center would intuitively direct design of a better counter system than one that is less efficient than an overworked and understaffed government post office in the

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midst of the December holiday season. Another audience problem of dark movies is simply an error caused by too many owners' or managers' mistaken beliefs that running the projector light at a reduced level lengthens the life of the expensive bulbs.

The most often cited major source of audience ire noted by both film critics and the ticket buyers comes from the product advertising that now precedes each showing, so a scheduled 8 p.m. movie does not start till 8:15, 8:30 or even later. Rarely do audiences voice objections to the trailers for current or upcoming films, which have taken up a few minutes at the start of every movie from the earliest days of the medium. While cinema advertising for unrelated products or services possesses an equally long tradition in other countries, it is relatively new in the USA. And while the European cinema owners always have been conscious of the need to provide messages audiences want to see, the increasing quantity of boring or poorly targeted advertising per movie in the USA encourages audiences to seek an advertising-free venue.

## Conflicting forces of greed and fear

Describing media buyer information phrased in terms of the potential benefits of the vehicle for advertisers, plus reporting results of audience advertising recall from small-scale tests, Johnson (1981) labeled theater screens as an "underused" advertising medium. Few audience complaints were registered during the research in the Okemos, Michigan, and the article also noted that "infrequent complaints" came to a movie theater company in Farmington, New Mexico, that had been running advertising for several years. A corporate study described in the article of consumer attitudes toward advertising in cinema versus television did not reveal stronger negative audience reactions for the former and another company's study of a single commercial found stronger consumer memory of the advertising in the cinema than from the television showing.

The article could be read as advocacy of potential benefits from using the cinema as an advertising vehicle. Advertisers' efforts in US theaters other than movie trailers were minimal at that time and the advertising tests reported were all limited in scope, sample and location. Advertising researchers know that comparing the number of complaints relative to total customers is always a misleading indicator of potential problems, yet the picture was encouraging for advertisers to direct more spending toward the cinema owners in the future.

However, the major limitation to cinema advertising at that time was not the dearth of potential advertisers, but rather, the reluctance of cinema owners to sell the time. After all, the advertising audience pays a hefty price to see the movie in a theater while other advertising media can claim the programs are free, such as television or radio, or greatly price-reduced, such as magazines or newspapers. They were properly concerned of adverse audience reactions.

Movie exhibitors were facing declining revenue and profits in the late 1970s and early 1980s, so potential advertising income seemed like an easy alternative to even larger ticket price increases. The potential revenue source seemed so attractive that it also created political fighting between theater owners and distributors as to who should get the get the money. The advertising trade press of the period reported numerous audience complaints wherever theaters first started to run the advertising, while the Seattle office of the Federal Trade Commission declared it to be unfair and misleading to run the cinema advertising without first warning patrons. Initially, some theater companies set their own limits on non-trailer minutes of advertising, also demanding higher production values than television spots and that commercials have a lengthy first-run in theaters before being adapted for the small screen. (For a more detailed review of this history of cinema advertising, see Rotzoll, 1987.)

## Boiling the frog

Advertising has become so ubiquitous in the twenty-first century such that modern audience dislike of cinema advertising can't be attributed to the advertising itself, but also to the quantity and quality of the messages. Regardless of the announced start time for a movie, everyone knows it is "really" later, but how much later is uncertain. It could be a few minutes or it could be a half-hour, so the audience desires to come on time to not miss the start of the movie. Some product advertising looks grainy with chaotic sound tracks, as if it was produced for television and badly converted to the wide-screen, complete with a stretched out center that gives the audience a headache. Other commercials already approach audience burn-out from prior showings in other theaters or even television. And while early cinema advertisers showed concern for matching of their products with theaters in certain locations or fitting the movie style (e.g. Johnson, 1981; Rotzoll, 1987), the lack of such matching is painfully obvious when PG-rated animated movies from Pixar are the forum for clothing and grooming product advertising whose presentations are designed to appeal to young adults in the throes of raging hormones.

During the past year, an often-repeated metaphor from Al Gore's book and movie on global warming, *An Inconvenient Truth*, tells the tale of a frog in a pot of water that is increasingly heated up. The frog is comfortable, and as the water is gradually heated, the amphibian does not realize its life is in danger from being boiled until it is too late. Cinema advertising has been increasing the quantity of advertising to the point of driving away their audience, in a fashion akin to the equally destructive myopic practices of commercial television and radio.

Up until the mid-1980s, the US Federal Communications Commission (FCC) had rules aimed to prevent the over-commercialization of television and radio stations with specific limits on the number of advertising minutes that could be broadcast per hour. The National Association of Broadcasters (NAB), an industry trade group, had similar rules in its code of good practices. The NAB dropped its code in 1982, and the FCC dropped their rules in 1984 and 1985. At that time, the common assertion was that "market forces" of competing stations or networks would discourage any broadcaster from becoming over-commercialized. The loss of these restrictions made it possible for television stations to broadcast the now-ubiquitous infomercials, an entire half hour that television stations or cable networks sell an advertising period (Wicks, 1997). But aside from infomercials, commercial clutter has expanded well beyond the limits of two decades ago while market forces has not proven to be a restraint since all competitors are making the comparable increases in the number of commercial minutes per hour of programs.

To a degree, the ever-increasing quantity of advertising minutes per hour is a function of media vehicle economics. With the decline of the former mass demand popular programs into more segmented and targeted options, the total audience size of even the largest broadcast vehicles is greatly reduced. There are limits to how much stations or networks could hope to increase their cost-per-thousand prices to advertisers, so with smaller audiences, the vehicles need to sell more time to make the same amount of revenue. Yet it should be intuitively obvious that a plethora of radio commercials would encourage commuters to select a different form of entertainment while driving, such as prerecorded music, subscription services or even talking on the phone, causing a further decline in radio ratings. Even with a remote control, flipping, zapping and zipping gets tedious, causing audiences to seek other entertainment alternatives and reducing the effectiveness of commercials in programs they watch.

Last March, the trade magazine *Advertising Age* reported an offer by Philips Electronics to buy four minutes of cinema advertising time and run a 15-second spot that said, "We could have run a four-minute commercial. Instead we chose simplicity. Sometimes, simplicity means getting you to your movie quicker." Unfortunately, Screenvision, the primary seller of cinema ads, rejected the idea on the grounds that it poked fun at cinema advertising (Kerwin, 2006).

Of course it did. That is why Philips thought the advertising would have been effective.

Film critic Roger Ebert has repeatedly expressed the view that overuse of cinema advertising does more to discourage movie going than any other single factor under control the exhibitors. Yet the companies remain steadfast, ignorant or myopic, with Ebert's column and web pages noting their responses to letters of complaint with claims that the audiences see advertising as an enjoyable part of the theater experience, something to do before the movie starts. This claim might be true if the commercials ran before the movie's posted start time instead of causing the movie to start late. The claim might also have been true when the advertising first started, when it was minimal, well produced and better targeted.

In 1966, the senior Evanier probably thought he was simply venting his ire, yet the manager immediately responded. Through most of the 1980s, the audience's decision became a trade off of desires to see the movie versus the pain of enduring a few minutes of commercials. Today, there are numerous cinema alternatives to seeing a movie unedited: premium cable or satellite networks, pay-per-view, VCR/DVD purchase or rentals, all of which can be seen on large-screen home televisions that mimic a theater experience. The audience is no longer captive, and as the cinema companies increase their advertising time sales, they become frogs that are turning up the heat on their own cooking pot.

## Note

1 Mark Evanier is a writer of cartoon shows, television programs and comic books and his News From Me is what he describes as "a weblog about TV, movies, comics, theater, news, politics and other forms of fantasy" at http://newsfromme.com

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