



The Secret Life of Walter Mitty—the most missed recent movie
(SOURCE: Action Marketing Works Ltd., 2014)

“I REALLY WANTED TO WATCH THAT FILM IN THE THEATER”

(says every moviegoer at some point)

by Mark de Quervain, Managing Director, Action Marketing Works Ltd.

■ Ask any moviegoer if he or she has ever meant to see a movie at the cinema but didn't, and you'll probably get a similar response: immediate agreement mixed with a touch of frustration followed by a sort of wistful despondency over a lost opportunity.

This article is about latent demand, what it is, why it happens, what the potential is, and what we might do about it.

Definition: Latent Demand is a consumer expectation, desire, or preference that goes unsatisfied because acceptable goods or services wanted are not available or are too expensive.

LET'S TACKLE THE WHY

All of us are sometimes a bit like Dory in *Finding Nemo*—wide-eyed and keen on something one minute, then...what was that again?

Unless people really care about something or it has to get done, their enthusiasm for it can easily get overtaken by something else or it just fades away. For infrequent and occasional cinemagoers, the desire to see a film at the cinema is more easily pushed down the to-do list than with those who love to go, as these people prioritize it higher and remove the common hurdles that prevent them from going.

There are many good, practical reasons why people who have a desire to see a movie at the cinema fail to do so: “A friend let me down,” “I could not get a babysitter,” “I forgot,” “Something else came up, then it slipped my mind,” or “It was not on at a convenient time.”

Certain reasons will be impossible to overcome of course, but if we can help make it easier for people to remember a film they want to see and, more importantly, why they want to see it, we may start converting some of the latent demand into incremental admissions during a film's primary release window.

We are, as an industry, almost inevitably moving at a faster speed than many of our potential customers with regard to hearing about a film and then actually getting around to seeing it at the cinema. The net effect is

that we often leave people behind. With multiple new releases each week and an ever-increasing number of choices, it is a fine line between getting people into new films and keeping the older films going.

Trying to get people to “buy” as soon as they are interested in a film is another challenge, both because of the relatively short window we offer on publishing show times and because pre-booking fees can act as a deterrent. Generally we are not capacity constrained either, so we almost always have seats available for the walk-in trade.

WHY SHOULD WE CARE ABOUT LATENT DEMAND?

The first answer to that question is that the more people who “fail” to see films they wanted/intended to see at the cinema, the more likely they will lapse completely or reduce their frequency, since over time they become less satisfied and engaged in the whole process (effort vs. return). The net effect of this could mean fewer cinemagoers overall, possibly weaker admission numbers, and a greater dependence on blockbusters and frequent cinemagoers.

The second is that latent demand is a “low-hanging fruit” for us to convert into real admissions. They want to go, after all, to see a specific film.

HOW BIG IS LATENT DEMAND?

I reported at CinemaCon in 2013 that around 33 percent of all potential admissions are left on the table as latent demand. This is clearly a big number.

In order to back this up, Action Marketing Works is currently carrying out a research study in several countries including the United States and the United Kingdom. Early results show that latent demand is running at around 35 percent, which correlates well with the previous findings. The project is not completed, so more detailed findings will be published in the near future.

SO WHAT CAN WE DO ABOUT LATENT DEMAND? HERE ARE A FEW IDEAS:

Allow people to sign up for ticket alerts on web, mobile, social.

Even if they don't book, you can remind them of the film they want to see in e-mails or posts on their Facebook walls.

Make this really easy, simple—no need to ask information about them such as age, gender, where they live, how many kids they have.

Try not to confuse this with registration for a membership or loyalty program.

Import release dates of films people have said they want to see into their calendars or Facebook.

Set up a reminder to choose a date or set up as a specific date so they can see when the film is and can plan accordingly.

Give people the ability to share desire about a film with friends to help create and organize an event. There are numerous platforms available that do this. Encourage them at the same time to share why they want to see a movie and how much they want to see it.

Let people know when films are about to leave the cinema—try notifications at different periods from midway through a release to its actual last week.

Test sending these messages and notifications on different days of the week to see which are most responsive.

This can be done in a creative, positive way. Call-to-action messages are not unusual so there needs to be more than the call to action, there needs to be the benefit. Perhaps link this to the ideas above.

Offer more personalized and relevant communication—possibly making more use of your existing data and applying that through more optimized customer relationship management (CRM). You might also use new film-specific algorithms and services that can provide predictive and relevant information about customers even without having their purchase history or being a member of a loyalty/membership program. This should also increase engagement.

Pricing can be a useful tool to convert latent demand into action. However, unless pricing is a barrier to entry, there is the issue of offering discounts to people who don't need it, and then things get complex, particularly with regard to measuring incrementally.

Small changes in prices might be enough to drive action in some cases.

Offering limited “early” booking discounts on some films and at different times may help drive take-up and commitment.

Remove/reduce booking fees. Some cinema companies such as Cineworld in the U.K. have removed their booking fees and have made online ticket prices cheaper than in cinemas. This is certainly a big and complex decision for any company to take.

Last chance to see screenings—money off possibly, weekday evenings, well publicized and marketed. Free to book?

BOOMERANG CINEMA™ Created by Action Marketing Works Ltd. Bring back recently released films to the big screen, one evening a week, possibly outside school holidays close to or to coincide with the video release, which makes more of an event of it. The ticket price can be normal, reduced, or include UV deal.

The idea list could go on, but suffice it to say I hope you think latent demand is important and warrants a serious look in more detail to the extent that it becomes recognized and plays a part in marketing plans for cinemas.

For further information please contact:

Mark de Quervain, Managing Director, Action Marketing Works Ltd, markdeq@actionmarketingworks.com, +44 7798 657651.

TOP 10 MOST MISSED RECENT FILMS AT THE CINEMA

SOURCE: Latent Demand Survey, Action Marketing Works Ltd., 2014

Title	% Missed	Cume Missed %
The Secret Life of Walter Mitty	10.4%	10.4%
Kill Your Darlings	8.4%	18.8%
Mandela: Long Walk to Freedom	7.9%	26.7%
Saving Mr. Banks	6.7%	33.4%
Out of the Furnace	6.7%	40.1%
47 Ronin	6.3%	46.3%
The Hobbit: The Desolation of Smaug	6.3%	52.6%
All Is Lost	6.1%	58.7%
Grudge Match	5.5%	64.2%
Delivery Man	5.3%	69.5%