

TEENS!

WHO NEEDS 'EM?

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WE NEED THEM!



“Bueller? Bueller?”

Teenagers. The word alone is sufficient to induce a deep sigh, followed by a tut and perhaps a sharp intake of breath from many adults. This is generally accompanied by the stereotypical view that they are self-absorbed, they don’t listen, they pay no attention to their parents, they live in their own world, they are argumentative, lazy, challenging, rebellious, and just plain weird at times. Well, we’ve all been teenagers and look at us—we turned out fine in the end, didn’t we?

■ It is actually true that these traits are nothing new; teens have been the same for centuries. What has changed is society and the ways in which teenagers communicate, have more entertainment choices, higher education demands, and greater mobility and freedom.

Seriously though, love them or hate them—or both at the same time—we actually really need them for our business growth and long-term survival.

This article focuses on teens (13–17) and takes a look at their current behavior, population trends, and what we do for them (or not!) as cinemas. I have also included two fascinating contributions from Bill Alberti, senior vice president of strategy for Communispace, a major Boston-based international agency that specializes in youth, and Jacob Elkær-Hansen, sales and marketing director, Nordisk Cinemas, a major exhibition company based in Denmark and Norway.

I would also like to thank Corinne Thibaut, international customer director, cinema and leisure, from Coca-Cola in Europe for allowing me to use some of her research and findings, which have been invaluable in making this article possible.

I will end the piece with a few marketing and tactical suggestions, which I hope will be helpful and give food for thought.

LIFETIME VALUE (LTV) OF AN AVERAGE CINEMA-GOER

In a recent article I wrote for BOXOFFICE magazine about the lifetime value (LTV) of an average cinema customer to an exhibitor, I was surprised and slightly concerned that the amount came to just under \$1,700 (allowing for inflation, tax, film rental, and retail profit spanning a 30-year period with an average frequency of six times per annum).

One of the significant points arising from this low number was the importance of encouraging the cinema-going habit from as early an age as possible. We need to nurture children’s love of cinema through their teen and student years into adulthood and then parenthood and later as mature empty nesters—at every point along their journey with cinema. If at any stage they reduce their frequency or stop going to the cinema, we have less chance to increase the LTV of the average cinema-goer above \$1,700. *(continued on page 84)*

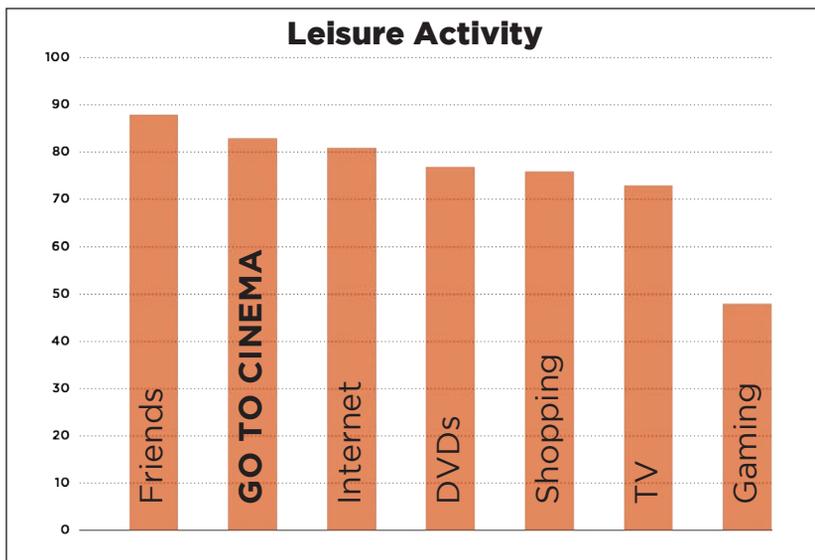


CHART 1
TEEN RANKING OF
CINEMA, 2006

POPULATION TRENDS

I reported last year in *BoxOffice* about the changing population trends in Europe. Relevant to this article is that by 2020, the percentage of over 65s will increase by more than 20 percent. In fact, over a third of the working population in many countries will be over 50 years old by this time (Source: GOV.UK). There will also be proportionally fewer teens in the overall population. Population growth in many mature markets is relatively flat, with some actually declining.

To put this group into perspective, according to statistics from the United Nations, approximately 25 to 30 percent of all those aged 0 to 17 are 12 to 17.

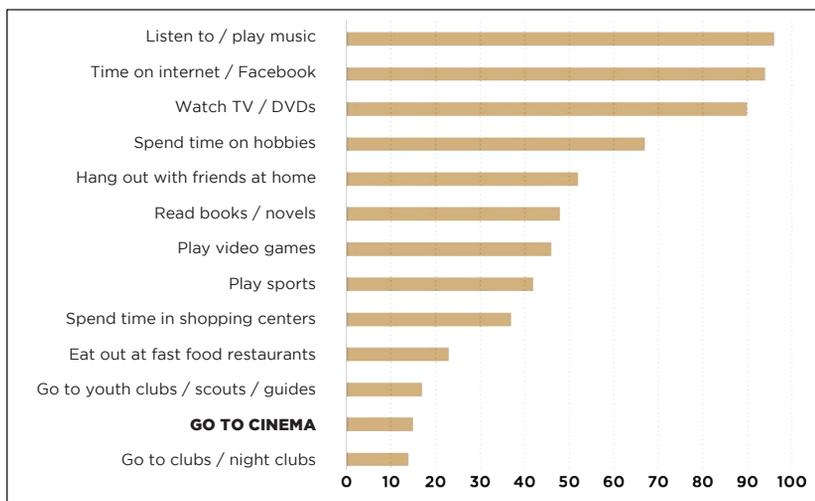


CHART 2
COCA-COLA STUDY
SHOWING RANKING OF
CINEMA WITH OTHER
ACTIVITIES AMONG
TEENS, 2004

In Western Europe, there are approximately 14.3 million children aged 12 to 17; by 2025 this will decrease to 13.5 million (a reduction of 5.5 percent). Assuming they go to the cinema seven times per annum, they represent an attendance of around 100 million, a significant number compared with, for example, the admissions in Germany in 2014, with 110 million admissions and more than double cinema admissions in the whole of Scandinavia.

So while we should focus on maturing audiences, let's not ignore teens, as they are our future, and the potential revenue they offer.

TEENS DISENGAGING FROM CINEMA-GOING?

In 2006, I presented data (see chart 1) at Cinmae Expo that ranked going to the cinema second in the list of activities teens enjoyed. Cinema-going among this demographic was still trending up overall in 2006 by a net 13 percent, but there was a significant number, 26 percent, from the group sampled starting to go less. The concluding message I gave to the conference back then was that teens are OK at the moment, but this would change in the near future. I was not wrong.

In a 2014 study conducted by Coca-Cola in Europe, going to the cinema now ranked 12th (see chart 2).

While these studies are not connected, they do make a point. Cinema-going among teens has dropped 10 places in under 10 years in things they like to do.

Backing this up, information provided from Coca-Cola Europe (chart 3), clearly shows that teen audiences have been falling steadily over time between 1993 and 2013. In 2014, the French government spearheaded a national "cheap price" for children 6 to 14 years old. According to CNC (Centre National du Cinéma—France), in the period January–April 2013 vs. 2014, admissions in this group in France grew 1.2 percentage points above the market with by far the biggest increase from the 6 to 10 group, +32.2 percent, vs. the 11 to 14 group of +2.6 percent. It is not apparent what impact product mix has had or what increase there might be for 13 to 14 year olds (teens). For now at least, the jury is probably out on whether this initiative is working for the teens aged 13 and 14.

Also shown clearly is the rapid growth of cinema-going among over 60s but also a trend down for the 20- to 24-year-old group.

PRESSURE ON TEENS—FROM SOCIETY, PEERS, AND THEMSELVES

In many countries, the pressure on teens to achieve seems to be increasing. This covers both academic pursuits as well as leisure. There is considerable pressure from their peers and parents. They feel a need to be "perfect" and to "fit-in." This pressure extends to being sexually active and to be successful in almost everything they do. According to the U.K. organization Parenting Ideas, three in five young people feel a great need to reduce stress, with girls more likely than boys to report stress.

The greatest source of stress for today's teens is the pressure they put on themselves. Teen girls especially seem to believe they have to succeed at everything they do and set themselves impossibly high standards: 75 percent of girls want to be fitter; 65 percent want to get better marks at school; and 60 percent want to be more confident.

Fear of not fitting in and of social isolation is a big worry for girls.

Boys worry about not fitting in, although not to the same extent as girls. Teens also worry about their families, with one in five concerned their parents will divorce.

More than one in four teenagers turns to music as a release. Sports, exercise, and hanging out with friends are other ways teens use to de-stress. Watching movies is very high on their list of things they like doing, but cinema-going is trumped significantly now by downloading and streaming of content via TV, PC, smartphones and tablets. According to Cisco, the average number of connected devices per person will hit five by 2017, making access to content even more available and easy. *(continued on page 86)*

On the unhealthy side of the equation, eating disorders, drugs, and binge drinking are not unusual; others get “lost” online and spend many hours gaming. Smoking is on the rise again in Europe; 28 percent of teens admit to smoking a cigarette at least once per month.

In many countries, high youth unemployment is a significant issue. In Spain this is at 50.9 percent, which seriously impacts finances and future outlook for this group.

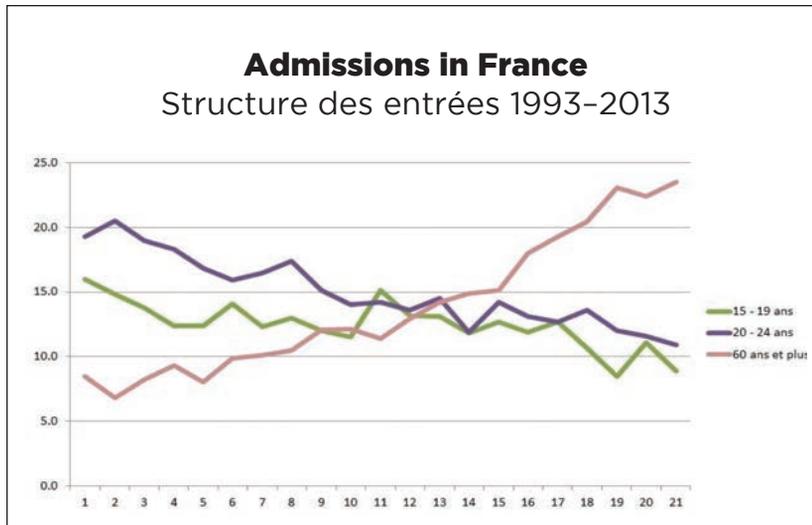


CHART 3
CINEMA ADMISSIONS
(FRANCE) 1992-2013 BY
AGE DEMOGRAPHIC

SOURCE: CNC

AGE, BEHAVIOR, AND MONEY

In the short time span between 13 and 17, differences in behavior are huge; not all teens are the same, either. It's beyond the scope of this article to go into detail, but one thing we can assume is that what they do and like, think and say, is different at each part of this age spectrum.

Parental influence also diminishes as teens get older, and social independence increases as their personalities develop. Older teens typically earn an income through employment. The number varies widely geographically in terms of how many are employed, but according to Fortune magazine, teen employment is decreasing as educational demands increase. Parents will have an expanding role funding their teenage children's lives. Total global teen spending is a huge number (\$100+ billion), however, we should bear in mind that they are discerning spenders, as they have limited cash and resources.

An article about teens would be incomplete without mentioning that teens and children multitask in ways previous generations never did or imagined. With so many devices available at their fingertips, teens will do several things at the same time. While studying or watching TV they will also be listening to music, messaging, gaming, sharing, blogging, and consuming content. Teens are connected to others like never before, and not just in their locale.

Cinema remains a mainstay of the single-task, out-of-home entertainment experience, and one that we probably don't make enough of, not least because it is also a shared experience. What we provide is unique; I don't believe it is outdated, just that we need to make our offer more of a selling point using emotional triggers that appeal to teens, including fun, affordable, de-stressing, escapist, trendsetting, and an experience that cannot be matched on any other device. We may also need to evolve our offering in order to have greater appeal.

I asked Bill Alberti, senior vice president, strategy, Communispace, a Boston-based international agency that specializes in youth, for his expert take on teen behavior and what they think and do. He refers to them as Generation Z and raises a number of challenging thoughts.

BILL ALBERTI:

Generation Z is roughly two billion strong around the world. They are the children of the Gen Xer or millennials and under the age of 20. They are both an extreme version of their parents (fueled by technology) and the opposite (they are far more pragmatic).

This is a generation born digital. Born always on, on demand, and on every device, every platform. It is a generation born inseparable from the technology that surrounds them.

And it is a generation increasingly at odds with the moviegoing experience. Consider the following:

This generation is “always on,” whereas movie theaters are “everything off”

No phones, no texting, no talking. Outside the theater they are multitasking across multiple screens, crowd sourcing, chatting, and sharing. But not at the movies. What was an escape for earlier generations risks becoming an alienating experience for Gen Z.

The moviegoing experience is built on waiting

This generation doesn't do that. The big difference for this generation is their access to everything everywhere and the expectations that holds for any experience. There is nothing holding this generation back. They have access to and absorb massive amounts of information—binge-watching, searching, and finding nearly anything. There is immediate gratification in everything when nearly everything is on demand.

But with movies, they wait. From the trailers released months in advance to the massive amounts of marketing before release to the time in the theater before the movie starts, an audience is exposed to the content surrounding a movie many times more than the content of the movie itself. Whereas waiting built anticipation for previous generations, it risks losing Gen Z to the wide variety of other choices during that same time.

They don't have time for the movies

Never has a generation had more opportunities to be distracted, overstimulated, and overscheduled than Gen Z. They are shuttled between ukulele lessons and weight lifting. They might be into knitting and deejaying. They have more access to and more interest in so many things around them. So, a two-hour break from it all to watch a movie in a dark, disconnected theater is a lot harder to fit into the schedule.

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**TEEN/YOUTH FOYER
DESIGN—COCA-COLA'S
STAND AT CINEEUROPE
JUNE 2014**

They don't need the movies as much

Previous generations looked to the movies and pop culture in general to find out how to be cool, how to fit in, or how to rebel. But Gen Z is more interested in "who I am" than "how I fit in."

The idea of the "in" and "out" crowds is fractured into an unimaginable selection of sub-crowds, and the ability of this generation to find others who share similar interests is limitless. And when they find them, they are relying on them for their perspectives, their opinions, and their shared experiences to entertain them, to validate them. They don't need institutions to inform them or define who they are. They are doing it for themselves.

The theater doesn't account for a social experience beyond the physical

While going to the movies has always been a social experience (somewhat ironically for a quiet, dark theater), it has always assumed one's social circle was local—that kids could get together with their friends on a Friday night. But as today's teens are increasingly friends with people well beyond a reasonable driving radius to the cinema, the theater isn't accounting for a social experience beyond who those teens are physically with at the time they are watching the movie.

And then the credits just roll

Ferris Bueller, at the end of his day off and after the credits, says, "Go home. It's over." In most other parts of the lives of this generation, there is no ending. Everything is a journey, an evolution, an entry point into something else. It continues on. There is a follow-up, a way to click and find more, a way to share and interact. The aftereffect of a movie's experience is largely left to the audience to take up or not. And so they largely don't take it upon themselves to engage further. No one is giving them tools to explore more, help them assemble the pieces that are most meaningful to them, and provide them a way to share, to interact, to find out more.

Unlike every generation coming into its own—dealing with the rights of passage and milestones of growing older—this generation is bucking the trends that have defined every generation of kids before it. And those differences spell big changes for the brands, theaters, and content creators who want to engage them, get them in their doors, and sell to them now and in the future.

This doesn't mean one should blow up the movie marketing model, but it does reinforce a need to adapt the experience to a new audience, to understand their journey and where movies can play a part. Because this audience is not just a teen generation. The shifts they are making will be the leading edge of change. Certainly technology will play a role, but it will be this generation who will shape its use and relevance.

Creating new ways to access content, to interact with it and with others; providing opportunities to do something with the content, other than simply absorb it; adapting the moviegoing experience to new behaviors: This generation provides significant challenges but also a new world of opportunities to create new experiences. These experiences will drive the future of the movie business if the movie business is to keep up with the next generation of fans.

CINEMA AUDIT—TEENS IGNORED!

As part of the research for this article, I briefly browsed many theater/cinema websites from around the world to see if they recognized and marketed to this group. It was clear that the majority do not specifically recognize teenagers in their pricing structure. Among those who do is Vue Entertainment, who pioneered teen pricing and became the first cinema company in the U.K. to launch a teen price in 2009. Child prices tend to apply to up to 12- to 15-year-olds, with older teens having then to pay full adult prices unless they are students or are eligible for another limited-time offer. Finding pricing is often not easy or clear.

In most cases there are no specific offers or messages targeting teens at all. Families with younger children, over 60/65s, students and adults all fare much better than teens in this regard.

A good reason to have a teen ticket price, other than because they are discerning and value-seeking buyers with income, is that doing so would enable theaters to measure the "ticket mix" for this group and their contribution to the receipts. It will also allow for the development, targeting, and delivery of new strategies and offers, whether circuit-wide or on a site-by-site basis.

RETAIL/CONCESSION/FOYER TARGETING

With a teen-ticket type, it would also be easier to target special food-and-beverage prices for them. This would help maximize spend per head, with the money (cash) often given by parents for the cinema visit.

Corinne Thibaut and the team at Coca-Cola Europe are very engaged in targeting teens in cinemas and have in-

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novative ideas that include creating specific spaces/zones in foyers specifically for teens and adults. The teen area looks and feels very different and features different seating, colors, games to play, more fun, interactive content, and specific retail messages. These areas would appeal to a wider group than just teens, but there is a clear distinction. Best of all they are away from adults, which probably suits both sides!

The concept was demonstrated very well at last year's Coca-Cola stand at CineEurope, and is shown in the pictures provided.



**ADULT FOYER DESIGN—
COCA-COLA'S STAND AT
CINEEUROPE, JUNE 2014**

PROGRAMMING & SCHEDULING FOR TEENS

Because of the general lack of strategically focused offers from cinemas targeting teens, it is also apparent that many operators do not offer “filtering” of content on their web sites and other portals for teens to easily access content in the same way they provide for families and children or other film genres such as action or comedy.

The introduction of filtering could be an effective way of highlighting content specific to the teen market, allowing greater engagement as well as highlighting gaps in existing content that can point to opportunities that can be converted into incremental revenue by in-filling with content.

It is equally worth considering specific alternative content that might appeal to this group. Live music, sports, and gaming are all interesting possibilities, as is the possibility of showing specially created content about fashion and make-up, for example. Interactive content that encourages use of second screens would also be appropriate, including fun quizzes and “mashed-up” content. The offer of specific “Teen Screen” branded events and shows could be worthwhile.

Teens will also be sensitive to session times, particularly during school holidays. Evening shows (not late) on Fridays and afternoon/evening for weekends are ideal times. Morning shows are likely to be less popular, not least because teens tend to sleep in when they can.

Parents will often be gatekeepers on when they can go out (school work) or because they may have to take them or provide money for the trip.

SCANDINAVIAN TEENS

In order to provide a country-specific example for this article from an exhibitor, I asked Jacob Elkær-Hansen, sales and marketing director, Nordisk Cinemas, to give us his views. Denmark and Norway are interesting as they have a growing teen market and are among the leaders in the world in terms of Internet and mobile connectivity.

JACOB ELKÆR-HANSEN:

International sources may well be quoted saying our most treasured target audience are doing less cinema than they used to. Attendance derived from this target accounts for 20 percent of cinema visits in Denmark, and it has gone down from 25 percent since 2010.

Teen focus makes a lot of sense for exhibitors: They represent a large volume of tickets, they are decent spenders at the concession stands, and—most importantly—the building of a cinema habit pays off for many years to come. Generally speaking, a teen that goes to the movie theater once a month represents a source of revenue of 2,000 euros in a 10-year perspective.

For the last 15 years, the number of teens in Denmark and Norway has grown more than 20 percent, but these benefits are challenged by the current teen behavior:

They stream content like there is no tomorrow

The Scandinavian countries are some of the most wired countries in the world, with home broadband for mostly every household. On top of this, they are very well stocked in devices of all kinds, from smart TVs to smartphones and tablets. A lot of family households own three devices per member. And it is no coincidence that Netflix and HBO targeted the Nordic countries as first-launch European territories. In addition, piracy is very common, and although it is illegal, teens do not perceive it as such. The movie consumption is at an all-time high, but all of the additional viewing is done at home.

Other media is also entertaining

Facebook, Instagram, and YouTube offer an abundance of entertainment. There is a significant increase in viewing and binge watching of popular TV, particularly with content available on demand and via catch up. The season premiere of *Game of Thrones* is as equally anticipated as the next *Twilight* installment—the volumes consumed and the information processed are amazing.

Super short cycles

The attention span of any entertainment property has reduced significantly. Here today, gone tomorrow is more significant than ever. It is the same pattern as we see in music, fashion, books, and sports: more, faster, digital.

Cinema being squeezed

These changes in media consumptions affect cinema visits. With more content consumed, a lot of it is perceived as free; the spot for cinema is becoming tighter and
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Openly recognize, welcome, and embrace teenagers as a strategic priority and market to them using all the tools at your disposal.

Allocate a specific marketing budget for teens and place it within an overall strategy/plan.

Set specific targets you wish to achieve from this group as part of a customer road map that aims to increase the lifetime value of the average cinema-goer (\$1,700).

Design specific on-line environments for teens to engage with on different devices and platforms.

Encourage blogging, sharing, advocacy.

Social media is great, but remember that information given such as age can be inaccurate, and many channels are now anonymous and data short lived

Creating content for sharing is important. Videos are the most effective, better than images and much better than words.

Teens like fun stuff including games with prizes—you can profile and target communication through game play.

Create a teen ticket price within an overall strategic pricing structure and policy.

Make it easier for teens and their parents to see how much it costs to go to the cinema.

Extend family ticket offers to include children up to 15 or 17.

Create cinema-going messages and offers that specifically appeal to teens.

Run loyalty and frequency offers aimed only at teens

Use teen-ticket types to target retail offers that drive spend per head.

Offer gifting ideas to parents for their children to use.

Make it easier for teens to find, search, access, and filter content that would appeal to them via your web sites, platforms, social media, and other applications.

Schedule films when teens are available and like to go, and set up operationally to handle them.

Check if you have consistent relevant content for teens to see at regular intervals.

Consider branded events such as “Teen Screen,” which offer specific experiences that appeal.

As suggested by Coca-Cola, consider creating physical environments specifically for teens in your foyers—a place where they can interact, socialize, and multitask.

tighter. Not only is the available capacity for consumption reduced, the price point has also risen significantly compared to alternatives.

But there is good news!

Cinemas can use this appetite for content to their advantage because teens are also becoming increasingly social, and the majority of their activities are completed, communicated, and conceived in this fast-moving digital media stream.

Cinema visits are becoming the signature out-of-home entertainment, signifying going out, socializing with friends, and teen independence in a safe environment. Additionally, cinema is a fun and safe place for kids and young teens to socialize and so is seen in a very positive light by parents.

Exhibitors can address this by designating special teen offerings on specific timeslots, for example a teen package at 5:00 p.m. with an affordable ticket and a small concession item included. Price is a motivator, and the secondary pricing issue is who actually pays for the ticket. Parents respond well to good value, all-inclusive packages with no hidden extras that enable them to manage their expenditure and the amount they give to their kids to go out.

Early evening/late afternoon show times are essential on weekdays to enable teens to return home early on school nights both for sleep and security.

Encourage sharing of trips to the movie theater: Post your pictures on Instagram with #atthemovies and win free tickets! This drives behavior and recognizes the need for social sharing. Consider putting sharing points or photo walls in theaters, where the lighting is good.

Groups!

How do you encourage group traffic? Consider offering additional benefits to groups of four or more. Teens loves groups, and if they are rewarded for bringing more people to the show, it more or less pays for itself. These could be concession items, seat upgrades, or similar.

It makes no sense that we see an increase in teens and a decline in admissions. Let's get the teens back in the seats! ■