

CINEMA ADVERTISING

AND THE SCIENCE OF CAPTURING CONSUMER ATTENTION

This whitepaper was commissioned by:



The added complexity of our increasingly multi-media and multi-device lives has made it much harder for companies to deliver the experience we as potential customers expect. We've seen it reported that people are now exposed to north of 5,000¹ brand exposures per day. This comes at the cost of attention. We can't process that many exposures. In fact, only a small percentage of the total advertisements will actually result in any discernable level of engagement. With so many media channel and device choices, where are you likely to get the most in terms of consumer engagement and campaign performance? That depends, in part, on your campaign objectives.

Traditional reach media like television does a good job building brand awareness, whereas digital media tends to perform best when consumers, already aware of your product or service, have moved a little further along in the consumer journey. Meaning they show signs of product consideration or intent-to-purchase after being exposed to a more general message. Digital advertising is addressable by nature, enabling advertisers to target audiences that show signs of intent with creative that closely matches their specific interests.

Unfortunately, attempts to ensure your advertisements are seen – regardless of media type or targeting ability – aren't guaranteed. Digital display advertising is challenged by ad blocking and banner-blindness (e.g. when consumers automatically ignore all content resembling a banner advertisement – and this extends to text-based advertising as well). Television advertising is challenged by DVR-recording, on-demand content and people being present in the room (or “tune in”) when the ad is airing.

¹ [Media Dynamics, Inc.](#)

CONSUMERS ARE HIGHLY DISTRACTED AND DISENGAGED FROM MOST ADVERTISING



WITH MOVIEGOING AUDIENCES YOU HAVE AN ARGUABLY MORE RECEPTIVE, PAYING AUDIENCE IN FRONT OF A GIANT, HARD-TO-IGNORE SCREEN.

Less-distracted, “captive” audiences are hard to come by among most major media sources in today’s marketing environment. There is one source, however, that remains relatively distraction-free. And that is cinema advertising. With movie-going audiences you have an arguably more receptive, paying audience in front of a giant, hard-to-ignore screen. With little to distract them from the content being shown on the screen, movie audiences are highly engaged and – as many studies have shown - perform very well against brand awareness and message recall metrics.

One such study, conducted by Nielsen on behalf of National CineMedia® (NCM)², the largest on-screen advertising theater network in the country, showed this in the context of TV tune-in campaigns conducted in 2016. The analysis looked at the ability of on-screen promotions to drive TV program title recall as well as intent to tune-in or watch the program(s). The campaigns targeted summer weekend moviegoers with a prime time program tune-in advertisement. Summer is traditionally a time when broadcast networks are looking to increase viewership and/or launch new programs. Weekday tune-in of programs being advertised was measured for lift in title recall and intent to view the program being advertised. NCM’s moviegoing respondents recalled TV-titles 40% to 68% of the time, and intended to watch these programs as much as 68% of the time. These results demonstrate just how receptive an cinema audience is to the promotions they see.

² National CineMedia (NCM) is America’s largest cinema advertising network, which sees over 700 million moviegoers a year. NCM presents cinema advertising across a digital in-theater network, consisting of theaters owned by AMC Entertainment Inc., Cinemark Holdings, Inc., Regal Entertainment Group and other regional theater circuits.

SPENDING POWER OF NCM IN-THEATER AUDIENCES

HIGHER INCOME & SPENDING



2X MORE LIKELY TO BE OF AFFLUENT FAMILIES*

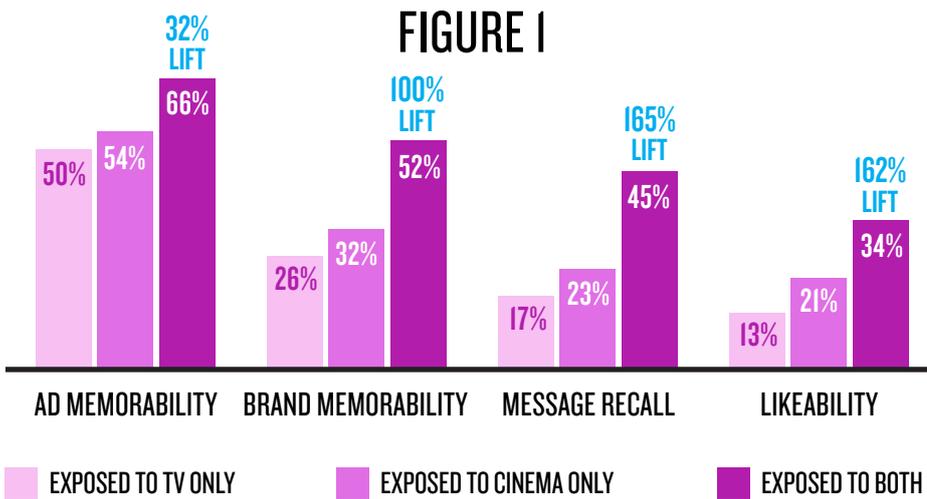
** Compared to the general population*

4X MORE LIKELY MORE LIKELY TO HAVE INCOME OF \$250,000+*

** Compared to heavy TV viewers & heavy moviegoers*

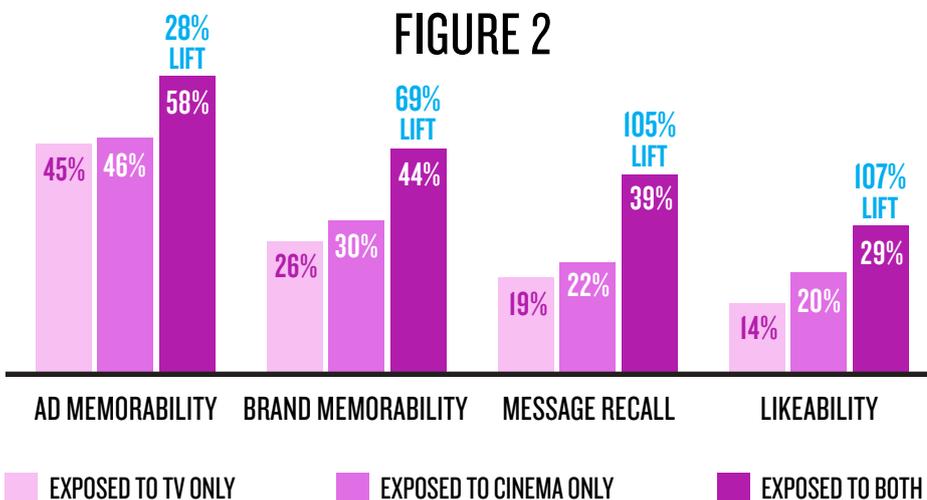
And the results get even better when cinema advertising is combined with other media channels like TV and digital. In one TV Brand Effect study with NCM, Nielsen analyzed six years (2011 to July 2016) of on-screen advertising and TV data to determine if a combination of cinema and TV advertising impacted brand memorability and likeability metrics for the Financial category. Ad memorability improved by 32% when audiences were exposed to both TV and Cinema advertisements versus either media on its own. Brand memorability doubled, message recall increased 165%, and advertising likeability rose over 162% compared to TV alone.

This analysis was then extended to multiple advertiser verticals to see if the cinema + TV combination worked as well outside of Financials. The study again showed higher ad memorability and likeability scores than TV alone. Brand memorability enjoyed a 69% lift, message recall improved 105%, and likeability was up 107% compared to TV alone. This shows that regardless of product category, advertisers can expect improvements in their campaign performance metrics when combining cinema and TV advertising.



THE FINANCIAL CATEGORY SEES INCREASES IN ADVERTISING PERFORMANCE WHEN AUDIENCES ARE EXPOSED TO TV AND CINEMA ADVERTISING

Source: Nielsen TV Brand Effect and NCM 2011-2016



CROSS-CATEGORY ANALYSIS SHOWS INCREASES IN ADVERTISING PERFORMANCE WHEN AUDIENCES ARE EXPOSED TO TV AND CINEMA

Source: Nielsen TV Brand Effect and NCM 2011-2016

SPENDING POWER OF NCM IN-THEATER AUDIENCES

IN-MARKET FOR CARS FREQUENTLY



2X MORE LIKELY TO OWN
NEWER CARS*

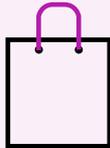
* Compared to the general population

70-80%

MORE LIKELY TO HAVE AN AUTO BUDGET
OF \$40,000+*

* Compared to the general population

SHOP AT PREMIUM RETAILERS



127% MORE LIKELY TO SHOP
AT COACH*

* Compared to heavy TV viewers

90% MORE LIKELY TO SHOP
AT NORDSTROM*

* Compared to heavy TV viewers

PREFER HIGH QUALITY HOTELS



2X MORE TO STAY AT
5-STAR HOTELS*

* Compared to the general population



The benefits of a cross-channel marketing approach that includes cinema don't stop there. To better understand how cinema and digital advertising impact one another, we analyzed NCM's auto-client campaigns using the Nielsen Marketing Cloud's In-Flight Analytics application in the spring of 2017. The goal was to see if the combination of these media moves people further along in the consumer journey. The study³ looked at NCM audiences exposed to cinema auto advertisements who were subsequently exposed to banner and video advertisements from the same advertisers across desktop and mobile devices.

The in-flight campaign analysis connected cinema exposure to subsequent digital actions taken by moviegoers that constituted evidence of car-shopper consideration and intent-to-buy as defined by NCM's auto-clients. Nielsen derives consideration⁴ and intent-to-buy⁵ information from consumer actions taken on endemic automobile sites (e.g. dealership sites, automotive media and product comparison sites). These actions can include anonymous car research and product comparisons, test drive requests and price quotes. The cinema advertising exposure was then matched with the aforementioned consideration and intent-to-buy data and compared with those of a pre-defined control group to identify lift. The control group was not exposed to subsequent digital advertising. This journey analytics data was analyzed in real-time (e.g. as the "in-market" actions were taken) to support the clients' in-flight campaign optimization efforts.

³ Nielsen Marketing Cloud – In-Flight Analytics and NCM 2017 – Confidential & Proprietary Copyright © 2018 The Nielsen Company.

⁴ Consideration is a subsequent 'interest' action – defined by the client – taken by a person exposed to an in-theater automobile advertisement such as visiting an auto dealer-site visit, engaging with a digital advertisement (online, mobile, search, etc.) or vehicle simulator.

⁵ Intent-to-buy is a subsequent 'ready-to-buy' action – defined by the client – taken by a person exposed to an in-theater automobile advertisement such as requesting a test drive, scheduling an appointment or asking for pricing on a dealer site.

As illustrated in Figure 3 below, the combination of cinema and digital advertising has a significant impact on auto advertisers' ability to guide potential customers through the stages in the purchase funnel. Figure 3 below shows an aggregate analysis across multiple auto-brands.

In-consideration lift for mobile banners was +230% versus a control (e.g. those not exposed to a subsequent digital advertisement), while mobile videos saw a 350% lift. Intent-to-buy lift was 350% for mobile banners and 270% for mobile videos.

NCM's cinema advertising packs a punch in terms of generating brand awareness and message recall. The numbers really shine, though, when combined with online and mobile advertising. Audiences come away from a movie experience with the advertisements they've seen top-of-mind, which provides advertisers with a good opportunity to encourage them to take concrete steps towards making a purchase.

FIGURE 3 – ALL AUTO BRANDS

AUTO ADVERTISERS SEE BIG JUMPS IN PERFORMANCE WHEN NCM CINEMA ADVERTISING IS COMBINED WITH DIGITAL

AUDIENCE	FIRST IMPRESSION	LAST IMPRESSION	IN-CONSIDERATION LIFT (VS. CONTROL)	INTENT-TO-BUY LIFT (VS. CONTROL)
Desktop Banner	4/14/2017	5/19/2017	+50%	+120%
Desktop Video	4/17/2017	5/22/2017	+70%	+120%
Mobile Banner	4/17/2017	5/12/2017	+230%	+350%
Mobile Video	4/17/2017	5/19/2017	+350%	+270%

Source: Nielsen Marketing Cloud – In-Flight Analytics and NCM 2017

SPENDING POWER OF NCM IN-THEATER AUDIENCES

PURCHASE HIGHER QUALITY FOOD



2.5X MORE LIKELY TO PURCHASE STONYFIELD BRANDS*

* Compared to heavy TV viewers and heavy moviegoers

1.5X MORE LIKELY TO USE BLUE APRON OR SIMILAR SERVICES*

* Compared to heavy TV viewers and heavy moviegoers

SHOP AT HIGHER QUALITY SUPERMARKETS

120% MORE LIKELY TO SHOP AT TRADER JOE'S AND WHOLE FOODS*

* Compared to heavy TV viewers



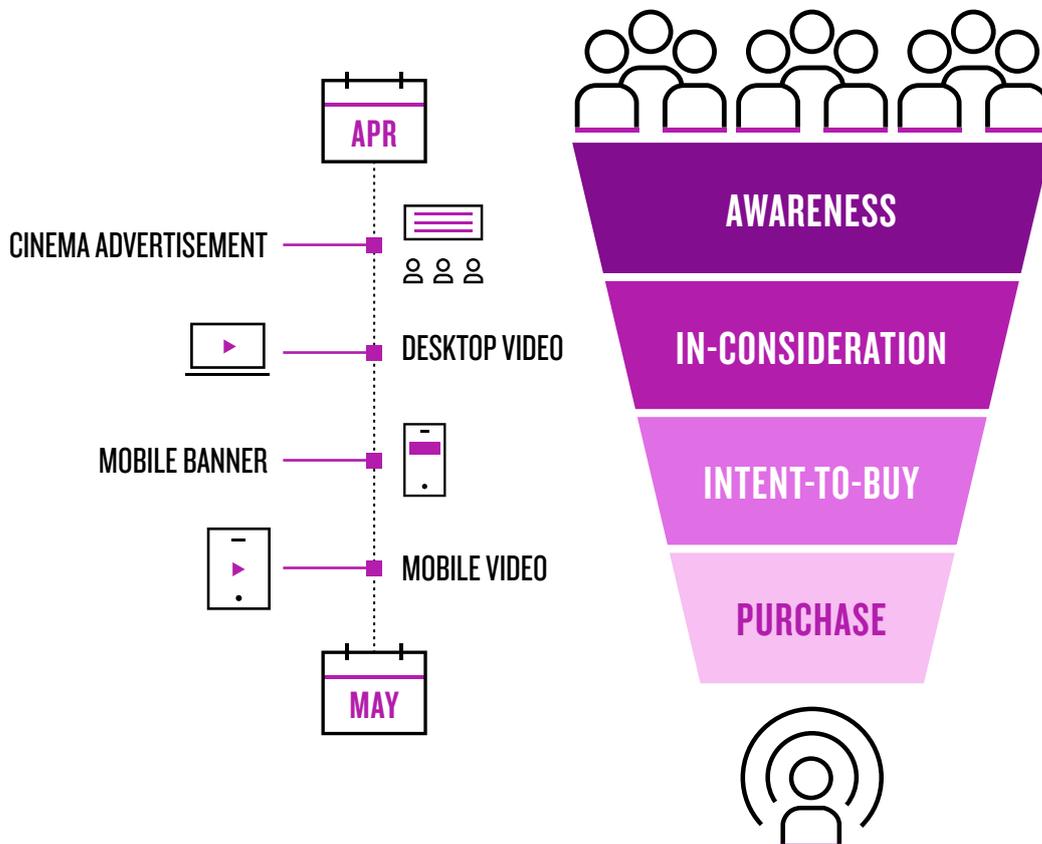
Another in-flight analysis was conducted for NCM, this time looking at a single auto-brand, and the results were equally encouraging. Mobile again did a great job of pushing audiences closer to making a purchase with a lift of 450% for in-consideration and 370% for intent-to-buy among the audiences tested. Desktop banners also see a big jump with a 240% lift in intent-to-buy.

FIGURE 4 – SINGLE AUTO BRAND

AN AUTO BRAND SEES BIG JUMP IN PERFORMANCE WHEN NCM CINEMA ADVERTISING IS COMBINED WITH DIGITAL

AUDIENCE	FIRST IMPRESSION	LAST IMPRESSION	IN-CONSIDERATION LIFT (VS. CONTROL)	INTENT-TO-BUY LIFT (VS. CONTROL)
Desktop Banner	4/14/2017	5/19/2017	+90%	+240%
Desktop Video	4/17/2017	5/22/2017	+30%	+40%
Mobile Banner	4/17/2017	5/12/2017	+210%	+350%
Mobile Video	4/17/2017	5/19/2017	+450%	+270%

Source: Nielsen Marketing Cloud – In-Flight Analytics and NCM 2017



Additional in-flight campaign analyses are being conducted with NCM that will further connect the dots between these consideration and intent metrics with actual car sales leveraging J.D. Power sales data. One thing is abundantly clear from these initial analyses – cinema advertising is uniquely engaging, considering its captive audience and nearly impossible-to-ignore video format. Now let's take a look at some of the analyses we conducted of NCM's audience to get a better understanding of exactly how many and what types of people you can expect to find. Advertisers, like the auto-brands studied here, should consider a sequenced campaign that brings new prospects into the purchase funnel with an engaging awareness media like cinema advertising, and helps convert these prospects into customers with well-timed and targeted digital advertising.

We've seen the positive impact cinema advertising has on brand awareness, message recall and likability results. We've also learned that cinema, when combined with other media channels like TV and digital, has the ability to encourage buying behavior. Now let's take a look at some of the analysis we conducted of NCM's audience to get a better understanding of exactly how many and what types of people you can expect to find across its digital in-theater network of this type.

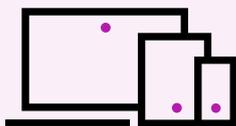
TECH & MEDIA BEHAVIOR OF NCM IN-THEATER AUDIENCES

USE CONNECTED DEVICES

2-3X

MORE LIKELY TO USE CONNECTED DEVICES, SUCH AS A SMART TV OR TABLET

** Compared to heavy TV viewers*



STREAM VIDEOS ONLINE

100% 

MORE LIKELY TO STREAM NETFLIX*

** Compared to heavy TV viewers*

120%

MORE LIKELY TO STREAM VIDEOS ON ITUNES*

** Compared to heavy TV viewers*

WATCH BASEBALL AND CARTOONS

3X 

MORE LIKELY TO BE MLB BASEBALL HEAVY VIEWERS*

** Compared to the general population*

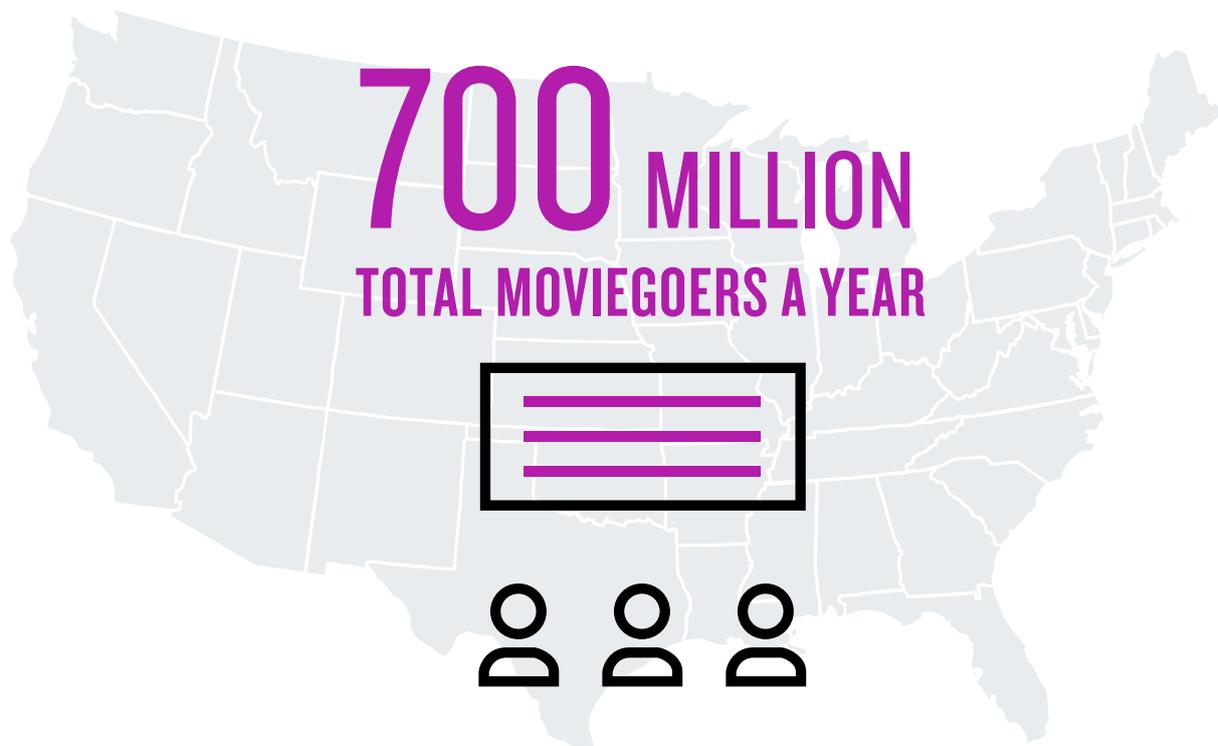
2X **MORE LIKELY TO BE ADULTS EXPOSED TO KIDS ANIMATED SHOWS***

** Compared to the general population*

As for audience scale – the NCM digital in-theater network consists of theaters owned by AMC Entertainment Inc., Cinemark Holdings, Inc., Regal Entertainment Group and other regional theater circuits. These theaters see over 700 million total moviegoers each year. NCM's average weekly audience has a Nielsen rating of over 7.0 in adults between 18 and 49.⁶ This places NCM's Noovie[®] among the weekly top 10 primetimes shows in the U.S. On a monthly basis, the NCM audience comes in at number 5 between the major broadcast and cable networks. NCM is the largest reach network in the country on Saturday and Sunday. With these numbers, cinema advertising clearly fits in the mass reach category, which should satisfy a good portion of an advertisers' audience scale needs.

As for audience quality – our data science team has uncovered a lot of evidence⁷ that NCM moviegoing audiences are younger, more social, and spend more than the general population. In terms of purchasing power, these audiences are 2X more likely than the general population to be from affluent families. They are also 4X more likely than heavy moviegoers and heavy TV viewers to have an income of over \$250,000 or more.

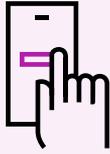
NCM DIGITAL IN-THEATER NETWORK REACH



^{6,7} National CineMedia custom audience research conducted by Nielsen in July - August 2017.

TECH & MEDIA BEHAVIOR OF NCM IN-THEATER AUDIENCES

TEXT AND VIDEO CHAT



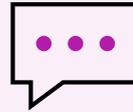
4X MORE LIKELY TO TEXT
1-10 HRS/WK*

* Compared to heavy TV viewers and heavy moviegoers

2X MORE LIKELY TO VIDEO
CHAT 1-10 HRS/WK*

* Compared to heavy TV viewers and heavy moviegoers

ACTIVE ON SOCIAL MEDIA



2X MORE LIKELY TO USE
LINKEDIN*

* Compared to heavy TV viewers and heavy moviegoers

1.75X MORE LIKELY TO
USE FACEBOOK*

* Compared to heavy TV viewers and heavy moviegoers

USE SHARED SERVICES



110% MORE LIKELY TO
USE LYFT*

* Compared to heavy TV viewers

150% MORE LIKELY TO
USE AIRBNB*

* Compared to heavy TV viewers

IN CONCLUSION

One of the biggest challenges marketers face in today's complex advertising environment is understanding how individual media channels impact consumer behavior and how these channels can more effectively work together to guide people through their purchase journeys. The better you are at generating brand awareness – at capturing consumer attention, which is an increasingly hard thing to do – the more effective you will be with subsequent advertising. Cinema advertising's captive audience and engaging form-factor does an exceptional job of winning the attention of consumers.

Advertisers trying to get the word out and fill the top of their purchase funnels should consider the reinforcing brand awareness effect cinema and TV have on each other. The combination of NCM's in-theater advertisements and TV significantly improves recall metrics over either media on its own. Digital media has significant advantages when it comes to moving consumers along in the path-to-purchase. Mobile and online advertising – especially video advertisements – subsequent to an in-theater exposure, led to big increases in purchase intent (e.g. consideration and intent-to-buy) for the automobile advertisers we analyzed.

Cinema advertising (across National CineMedia's network of theaters in the U.S.) provides a solid combination of audience quality, quantity and marketing performance and should be strongly considered as a key channel in your next campaign.

LEAD AUTHOR

Brett House, Vice President, Nielsen

CONTRIBUTORS

Doug Pulick, SVP, Strategic Insight & Analytics, National CineMedia

Kevin Lyons, SVP Data Science, Nielsen

James McNamara, SVP Client Strategy, Nielsen

Shigeki Abe, Director Client Services, Nielsen

ABOUT NATIONAL CINEMEDIA (NCM)

National CineMedia (NCM) is America's Movie Network. As the #1 weekend network in the U.S., NCM is the connector between brands and movie audiences. More than 700 million moviegoers annually attend theatres that are currently under contract to present NCM's Noovie® pre-show in over 40 leading national and regional theatre circuits including AMC Entertainment Inc. (NYSE:AMC), Cinemark Holdings, Inc. (NYSE:CNK) and Regal Entertainment Group (NYSE:RGC). NCM's cinema advertising network offers broad reach and unparalleled audience engagement with approximately 20,400 screens in approximately 1,600 theaters in 187 Designated Market Areas® (49 of the top 50). NCM Digital goes beyond the big screen, extending in-theatre campaigns into online and mobile marketing programs to reach entertainment audiences. National CineMedia, Inc. (NASDAQ:NCMI) owns a 43.6% interest in, and is the managing member of, National CineMedia, LLC. For more information, visit www.ncm.com.



ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global measurement and data analytics company that provides the most complete and trusted view available of consumers and markets worldwide. Our approach marries proprietary Nielsen data with other data sources to help clients around the world understand what's happening now, what's happening next, and how to best act on this knowledge. For more than 90 years Nielsen has provided data and analytics based on scientific rigor and innovation, continually developing new ways to answer the most important questions facing the media, advertising, retail and fast-moving consumer goods industries. An S&P 500 company, Nielsen has operations in over 100 countries, covering more than 90% of the world's population. For more information, visit www.nielsen.com.



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