

Spotlight on art houses: Specialized-cinema advertisers target exhibitors and audiences

April 26, 2011

-By Andreas Fuchs



Michael Sakin and Ronnie Ycong

“Our focus is on understanding the audience we are delivering to and making sure that we put content and advertising in front of them that they will consider appropriate and find informative.” Such is the goal of Michael Sakin, executive VP at Santa Monica, Calif.-based [Spotlight Cinema Networks](#).

“The main objective of our company, and where we are different from other cinema advertisers, is that we focus on a targeted niche and do not try to be everything to everybody. We bring information and advertising that is appropriate for art-house audiences, exclusively.”

Spotlight Cinema Networks (SCN) was formed in October 2010 when the in-house advertising team of Landmark Theatres, then led by Sakin as senior VP of sales, joined forces with Art House Marketing Group (AMG). Founded in 2003, AMG was the very first company to have focused exclusively on the specialized-cinema market. Jerry Rakfeldt, who has run AMG since 2007, now serves as president of SCN.

“Other cinema vendors have done an excellent job focusing on providing opportunities to reach the general cinema audience,” Rakfeldt noted when the two companies merged. “Spotlight’s first niche platform will focus on providing marketers the ability to target the desirable adults 18+ audience who are educated professionals. Our network will deliver this audience primarily in the top 25 DMAs.” (That’s demographic market areas for the uninitiated reader.)

Now representing more than 450 screens owned and operated by 35 different art-house exhibitors—including segment leaders Landmark Theatres, Angelika Film Center and Laemmle Theatres—Spotlight offers the full cinema catalog from special events and screenings to online extensions, to custom content and onscreen advertising, of course.

“Twenty-five percent of our network has a digital pre-show, which can be up to 20 minutes long and represents a combination of digital slides, both local and national, advertising and featured content,” explains Ronnie Ycong, VP and head of the recently opened exhibitor-relations department at SCN. “In those theatres that are not yet digital, national advertising appears on the screen as 35mm rolling stock still, right before the trailers.” Ycong joined SCN and its “team focused on bringing a new approach to the cinema space” from Screenvision, with a 19-year background in our theatrical business that also included

positions at Fandango, National Cinema Network and Mann Theatres.

While Ycong is gearing up to serve their exhibitor partners even more efficiently, *Film Journal International* wanted to know more about the content that is served up on their screens. “The majority of our content is mini-movies and shorts,” Sakin responds. “A lot of people want to get their creativity out and up on the big screen, especially in the independent movie world... We have relationships with several companies that can provide us with two-, three-minute long films that are geared towards our art-house community.” In January, for example, SCN announced an agreement with REELZ Channel (“TV About Movies” www.reelz.com/watch) for bringing “unique branded programming,” including red-carpet coverage and behind-the-scenes footage, to Spotlight’s key exhibitors in New York, Los Angeles, Dallas-Ft. Worth, San Francisco, Denver and Indianapolis. “REELZ Channel is committed to serving movie fans and there is no better way to capture their attention than inside a movie theatre,” noted John deGarmo, senior VP of sales and distribution at the channel.

“Around all this entertaining content,” Sakin continues, “we can wrap either local or national messages by advertisers that make sense for our targeted audience.” Leading advertising categories are upscale automotive, he says, and entertainment such as “networks and cable companies, premium channels that want to get their Emmy-winning and otherwise critically acclaimed original programming in front of that audience to create a buzz and following.” Also popular in the art-house niche are “luxury goods specifically geared towards an upscale audience, as well as high-end electronics and tourism.” In general, “we stay away from the typical packaged-goods company and we don’t have the quick-service restaurants that make sense in other cinemas. In our network of art houses and with our audience of independent moviegoers, we focus on these five categories that make all the more sense for them.”

This approach makes good sense for exhibitors as well. “What we bring to these circuits are national advertisers who are willing to pay a premium to be on their screens. 90% to 95% of our revenue comes from national advertising,” Sakin states. “In the general market, maximum number of eyeballs and broadest reach matter to those companies that are targeting the mass market. If you have something that is very niche-oriented, however, and delivers a specific audience,” as is the case with art houses, “advertisers are willing to pay more.” Sakin says this “effective reach” can bring two to three times additional CPM (cost per thousand impressions) than general cinema advertising. “We deliver an effective vehicle to the advertiser, attractive and appropriate content to the consumer and a higher margin of revenue to the exhibitor.”

In comparison to the big networks, Sakin cites “general-entertainment cable networks” like TBS, TNT and USA along with “specialty networks” like CNBC or even MTV and BET as examples in television that follow suit with the targeted approach. “They are all very successful because of what they each bring to the table... Targeted advertising is something relatively new to the cinema market and there is definitely a way to do more specific targeting,” which he knows is “something that many advertisers look for. Thanks to Spotlight, they now have the option of finding specific psychographic, demographic audiences in cinemas on a national basis.”

And this option comes with “ideal positioning” for “brand associations” in a “quality environment” and with “limited advertising clutter,” to quote a few more of the key assets available in the Spotlight. Looking beyond “perfecting our art-house niche and growing the network further,” Sakin foresees more business ahead. “There are many more movie audiences out there that deserve niche networks and we are looking to serve them.”