

## Movie theaters cut print show times as Web gains

August 21 2009, By DAVID TWIDDY, AP Business Writer

(AP) -- Filmgoers who have long turned to the local newspaper to find theaters and show times for movies may have to start looking elsewhere as theater chains rethink the value of paper and ink in a digital age.

The top two U.S. chains, Regal Entertainment Group and AMC Entertainment Inc., have begun in recent months to reduce or eliminate the small-type listings showing the start times for movies at individual theaters. Theaters typically must pay newspapers to print that information.

Looking to cut costs, the theater chains are instead directing consumers to their Internet sites or third-party sites, like Fandango, Moviefone or Flixster, which offer those listings for free and make money from the fees they charge for selling advance tickets to movies. Many of those sites also feature film reviews and movie trailers.

The effort may be gaining some traction, as U.S. <u>Internet traffic</u> to AMC's Web site rose 21 percent in July compared with a year ago, according to comScore Inc., while visits to Regal's Web site were up 18 percent.

The Newspaper Association of America doesn't track revenue that newspapers generate from print movie listings, but believes the amount is relatively small. Yet every dollar counts as newspapers are forced to cut staff, reduce the frequency of print editions or even close completely amid the <u>recession</u>.



And readers have come to expect such listings. Seeing them curtailed or disappear could give them yet another reason to abandon their subscriptions.

"For a reader, some things that are ads are actually considered news," said Mort Goldstrom, the NAA's vice president of advertising. "Ads for concerts and things at clubs, for restaurants and movies - that's a reason people read."

He said the pullback in listings will hurt theaters by reducing their visibility among potential customers, sending those dollars to competitors that still buy listings or to other sources of entertainment like plays or clubs.

Readers formulating weekend plans "may look at something broader than Moviefone," he said. "That's the piece that newspaper Web sites have and niche (entertainment) publications have."

Kansas City-based AMC helped shine a spotlight on the trend last month when it pulled its listings from The Washington Post, prompting the newspaper's ombudsman, Andrew Alexander, to deflect readers' ire in his blog.

"Most readers believe that it was the newspaper's decision," Alexander wrote, comparing it to The Post's recent move to cut back on the newspaper's television listings. "In fact, movie listings in the print product are paid advertising, and it was AMC's decision to stop paying."

The Post declined further comment, and Alexander wrote in his column that the newspaper wouldn't tell him either how much revenue the AMC ads provided.

AMC spokesman Justin Scott said daily movie listings are expensive and



the theater chain believes that that money would be better spent promoting its value programs or other theater events.

"In an era when many moviegoers are using alternative resources to access show times, AMC has chosen to reallocate its show-time information methods," Scott said.

Scott wouldn't say where else AMC has cut its listings and how much it has saved. But he said "so far we've seen no impact on attendance."

Regal, based in Knoxville, Tenn., said its in-theater and online surveys found 60 percent to 80 percent of respondents saying they received their movie listings online.

"So we've evaluated our newspaper strategy on a case-by-case basis and in a number of markets have eliminated our newspaper ads," spokesman Dick Westerling said, adding that in other markets Regal theaters run movie listings only on the weekends.

The company has eliminated ads in such markets as San Francisco, Seattle, St. Louis and Orlando, Fla. Westerling would not disclose how much Regal spends on movie listings, but he said ticket sales haven't significantly changed.

He said that the company has also tapped social networks, such as Facebook, MySpace and Twitter, to communicate listings with customers who sign up for updates.

Carmike Cinemas, a Columbus, Ga.-based chain that operates primarily in smaller towns, also has cut back on newspaper ads in some markets, in most cases just buying listings on the weekends.

"Out of the 50 markets where we've done drastic reductions, I've



received one complaint," said Dale Hurst, Carmike's director of marketing. "I'm not trying to be a soothsayer but everyone seems to be going high-tech. They want it now."

Some newspapers don't charge for movie listings, considering them akin to community meeting notices or television listings. In markets where the listings are free, Regal and AMC said they've continued to run movie listings. The NAA's Goldstrom said, though, that he knew of no newspaper that has dropped fees as a result of the theaters' pullback.

Movie studios, meanwhile, have been cutting their own newspaper advertising as well. The newspaper trade group said national movie-related display advertising totaled \$141.5 million in the first quarter of 2009, or 51 percent lower than five years ago.

Ken Doctor, a media analyst with Outsell Inc., said some newspapers have responded by teaming up with Web sites that sell movie tickets, gaining a small revenue stream on each ticket sold, or by selling movie studios sponsorships for parts of their Web sites. For example, he noted that The New York Times displays small ads for movies when a user wants to e-mail a news story to a friend.

In general, though, Internet ad rates haven't matched what print commands.

And as social-networking sites like Twitter and Facebook become the place to learn about which movies are hot and where they're playing, he said, newspapers and their Web sites risk losing their readers if they cannot quickly figure out how to tap in.

Andrew Lipsman, director of industry analysis for <u>comScore</u>, said the online sites have become more interactive than newspapers. Although newspapers may try to add similar features to their own sites, he said, the



damage may be done.

"Once a behavior has moved from the print medium to online, in many cases people go to the online brands," Lipsman said. "They won't necessarily go to the newspaper."

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