

How Digital Signage Menu Boards Raise Revenue for Cinema Concession Stands



Exhibitors know that profits from concessions are often crucial to their bottom line, since ticket sales alone barely [cover the costs](#) of leasing movies from distributors.

In order to generate significant per cap revenue, a theater needs to sell concessions to as many patrons as possible. But because only [34 percent](#) of moviegoers describe themselves as “very likely” to buy concessions, owners and operators need to get creative about drawing customers’ attention to the concession stand.

That’s why a growing number of theater owners are embracing digital signage and menu boards in their lobbies and concession areas. When used strategically, these screens can entice customers to add a snack or meal to their movie purchase – raising revenue while enhancing the customer experience and deepening engagement. Here’s how it works.

One-size-fits-all concession offers just don’t work like they used to

Today’s movie customers are more selective than ever about what and where they eat. Popcorn and candy might’ve been the go-to cinema snacks of yesteryear, but as those treats’ popularity wanes, new snacks like hot wings, pizza, gourmet chocolate and even fresh fruit are taking the spotlight. Millennial customers, in particular, are likely to avoid one-size-fits-all concessions and seek out snacks that satisfy their individual cravings.

A [recent study](#) by Deloitte found that the most successful food service brands “capitalize on digital technology options and analytics” to deliver highly tailored food and beverage offers to many different customer segments. Theater concession stands are no exception to this new reality, especially now that many theaters have added restaurants and bars to their reception areas. All these points of sale draw different customer demographics at different times of day, which means static signs won’t encourage nearly as many sales as adaptable digital menu boards will.

To sell this vast variety of new concessions, theaters need to approach customer engagement as if they were quick-service restaurants, using highly personalized advertising to connect with every customer’s unique taste.

Digital menu boards deliver targeted messaging at the point of sale

By approaching each visitor demographic as a unique set of selling opportunities, exhibitors can attract each group with personally relevant offers – for example, offering combos with small drinks and healthy snacks for daytime family showings and then switching to burger-and-beer deals for late-night premieres.

Digital boards allow instant updates of menu options and offers, enabling concession managers to switch to new sales pitches for each of the day’s showings or even to add brand-new items to the concession slideshow as soon as they’ve been photographed. Adaptable digital signage also makes it easy to add social media logos, encouraging customers to share their experiences, or to add icons indicating healthy options, such as locally grown fruit or gluten-free chips.

And for younger audiences, digital signage serves as a clear indicator that this theater is smart, connected and fully on board with the latest technology. Even a few small digital screens can make a dramatic difference in the appearance of a theater’s lobby, bringing a hip, high-energy feel to the entire reception area, while sharing a range of highly targeted concession offers with customers waiting for their movies to start.

Digital signage represents a significant savings over traditional paper boards

Digital menu boards do require an up-front investment, but they represent an annual savings as high as \$2,200 over paper menus. Since every personalized pitch on a digital menu board contributes to dramatically increased revenue, these eye-catching advertisements will soon pay for themselves in a range of interrelated ways.

Once the initial installation costs are taken care of, the only charge for swapping in new imagery, menus and slideshows is the cost of electricity. Digital imagery never requires paper or ink – or a courier service to deliver new posters. Managers will never have to pay an employee to change prices manually or to take the old signs down and put the new ones up. And they'll never again suffer the embarrassment of noticing missing letters that have fallen off the board.

Although digital signage isn't an end-all marketing tool, a large number of studies have demonstrated that it does increase sales – as long as it's used to enhance the theater's brand and not to overwhelm customers with constant advertisements. Exhibitors who use digital signs and menu boards strategically, in concert with other marketing tactics, are already reaping the rewards: repeat business, increased profits and a highly engaged customer base.

