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The Best Place to Watch a Movie: Global campaign summary for Cineworld's merger with

Regal Cinemas in the United States

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Abstract

This project summarizes a proposed campaign plan for Cineworld's merger with Regal Cinemas in the United States. Included is the context of the merger, key audiences, objectives for each audience, key messages, and evaluation methods for each objective. Additionally, five examples of campaign messages are included in the appendices.

Context

Regal Entertainment Group was officially founded in 2002 and is headquartered in Knoxville, Tennessee. It was built on a merger between three failed theatre chains and backed by billionaire Phillip Anschutz, considered one of the top five wealthiest people in the world at the time (Regal Entertainment Group, n.d.).

Cineworld, founded in 1995 and based in London, England, is the largest theatre circuit in Europe. Looking to expand even further, Cineworld pursued a merger with Regal Entertainment group beginning in 2017 (Bray, 2017). Both CEOs supported the merger and worked together to make it successful. The acquisition of Regal Entertainment Group (henceforth referred to as Regal) was completed in 2018, creating the second largest theatre company in the world (Bray, 2017). Cineworld operates multi-nationally in the United Kingdom, Poland, Ireland, the United States, the Czech Republic, Slovakia, Hungary, Romania, Bulgaria, Israel, and is currently expanding into Turkey (Cineworld, n.d.).

This campaign summary aims to identify the key publics affected by these changes, describe specific objectives for each public, and provide a model with which to evaluate the success of the campaign. The summary will focus on Cineworld's takeover of Regal and its attempt to make Regal "the best place to watch a movie" in the United States.

Key Publics*Employees*

One of the most obvious, yet important, publics this campaign must keep in mind are the employees. When mergers occur, uncertainty levels are high especially among employees in a company. Without employees, companies cannot exist. The campaign to takeover Regal first must include a plan to address the needs of employees, while also not harming company revenue during such an expensive period for the company, as mergers can cost billions of dollars.

Movie theatres often employ young, typically high school students, and older adults who are not yet ready to completely retire. Young people enjoy working for theatres because it is fast paced, the customer demographic is usually younger and livelier, and there are multiple positions in the theatre which they can work. Another big draw for young people to work at theatres are the benefits, most notably free tickets and concessions discounts.

Regal Crown Club Members

Regal Crown Club (RCC) is Regal's membership program: "Regal: Where membership is free and the rewards are awesome." Members scan their cards at the box office and at concessions, or online if they purchase tickets through the website, to earn points toward rewards. Rewards at Regal include free popcorn, free soda, and free tickets. Members are also invited to special events, private screenings, and other Regal hosted events. They receive a free birthday popcorn for the month of their birthday, 25% off candy on Mondays, and 50% off popcorn on Tuesdays.

An RCC membership encourages people to return to Regal theatres and choose Regal theatres over other theatre chains. This campaign strategy must include a plan to not only maintain positive relations with existing members, but also a plan to bring more people into the program. The RCC program is a staple of Regal Entertainment Group and is not an aspect of the company that can be phased out or eliminated.

Competition Supporting Customers

There are many theatre circuits worldwide. The theatre industry is highly competitive, with pressure coming at operators from all sides including corporate and movie studios. One of the biggest challenges in such a competitive industry is convincing customers that this chain is better than the others and that they should support it instead. In the United States, a key way to do this is offering luxury amenities at big locations. This campaign must include a plan to pull

customers who are undecided on their favorite chain or who are disgruntled at their current favorite chain to Regal. By offering more luxury options, as well as better customer service options than its competitors, Regal can pull more customers into its doors.

Film Studios

With Cineworld emerging as a world leader in the theatre industry, film studios will be more inclined to offer their top events and movies to more locations. Although the studios control the theatre companies more than the theatre companies control the studios (theatres make little to nothing off box office ticket sales), this campaign must still include a plan to convince film studios that booking fan events, sneak previews, etc. in Regal locations is worth their time and money. It must also include a plan to open more spaces and opportunities that film studios can take advantage of, thereby increasing customer traffic and revenue.

Objectives for Each Public

Employees

Objective: By the end of fiscal year 2019, Regal will utilize an increase in pay rates and benefits to increase employment in each theatre by at least 50%. These pay increases will be based on the average cost of living in the area for each location. Employees will receive four free tickets per week, as well as 50% off in the concession stand.

Maintaining and hiring employees is critical to the success of any company. In most theatres, there are at least four positions that must be covered to run the operation effectively. On a slow day in a fifteen-screen theatre, one to two employees in each position is adequate. However, on busy days, especially on blockbuster movie opening weekends (such as *Avengers: Endgame*) it can take as many as 25 employees to run the floor. In addition to those employees, busy days require at least two managers or team leads to be on staff at any given time, but more than two is ideal.

It takes an army of well-trained employees to effectively run theatres. Cutting benefits and freezing pay/raises is not an effective way to assist the individual locations in hiring and maintaining employees. Furthermore, Cineworld must recognize that the United States' employment rate is at its lowest in almost 50 years (United States Employment Rate, n.d.) Thus, the market for high talent and available workers is far more competitive than in previous years; companies cannot get by with low pay rates and poor benefits.

Regal Crown Club Members

Objective: By the end of fiscal year 2019, Regal will increase the number of enrolled RCC members by at least 50% by improving customer service options and convenience.

As of now, Cineworld has done a poor job at managing positive customer relations. The company has removed management discretion in instances requiring refunds or ticket swaps, and while trying to improve convenience, has decreased convenience through a faulty mobile app and website. This has alienated and angered many customers. The campaign must now include a commitment to customer service by fixing these issues. First, manager discretion must be reinstated. Emergencies happen and a system that physically locks managers out of doing certain transactions after a certain time does not create a positive customer relationship with the company. Second, the app and website must become a priority. In their current states, the app and website are driving people away from Regal as they are faulty, often cancelling and refunding tickets without customer knowledge or approval. This further angers customers when managers cannot do anything to help the situation.

Competition Supporting Customers

Objective: By the end of fiscal year 2019, Regal will have increased revenue by at least 30% by providing more unique, luxury options to bring in more customers. A long term result the company would like to see through this objective is an eventual decrease in concessions

prices.

Closely tied with the previous objective of customer service and convenience is providing a luxury atmosphere at each location. These luxury initiatives must be unique; it does not help to provide a service that another chain already does better. Cineworld inherited some luxury options with many theatres including reclining seats, alcohol sales, full kitchens, and special screening formats such as IMAX and RPX theatres. This aspect of the campaign would include implementing at least one type of luxury experience at each location. Furthermore, theatre companies make all their profit from the concession stand, which is why prices are so high. Film studios set the ticket price, not the theatre company. If Regal could sustain an increase in business for several years, it could eventually begin to bring down the cost of concession items, thereby making customers happier and more inclined to choose Regal. This objective and the previous would also mutually support each other.

Film Studios

Objective: Regal will increase the number of locations booked for special studio events over the next five years by demonstrating a demand for those events through customer feedback programs.

Regal utilizes the GEM (Guest Experience Management) system for customer comments and complaints at each location. As customer satisfaction improved through the aforementioned objectives, Regal can begin emphasizing these surveys and include a section that asks for feedback regarding fan events and sneak previews. In doing so, Regal would demonstrate to film studios that its customer base is not only large enough, but also desires these events enough to justify the studio's time and money in booking more locations in the circuit. This would not only increase revenue for Regal with more customers coming for the events and purchasing concessions, but also for the studio as more people would purchase tickets.

Key Campaign Messages

For this campaign, there will be three main messages, discussed in the following section.

The Best Place to Watch a Movie

This is Regal's new tag line and mission statement following the initial merge with Cineworld. This tagline will appear in all Regal related ads and will show under the Regal logo during the pre-show in movies; on social media posts, banners, and posters with the logo; and other promotional items. This is an important message because Cineworld targeted a Regal buy out to compete with other movie industry giant AMC, but buying the second largest chain is only half the battle. The company must demonstrate that it is the best place to watch a movie so that people choose Regal over AMC or other chains.

Commitment to Excellence

This message begins internally with employee benefits and pay. By improving the workplace internally, employees will be happier and will be more willing to provide stellar customer service to customers. This will also be demonstrated by allowing management discretion in handling customer issues and by providing at least one luxury service at each location. This message will be more subtle than the aforementioned tag line, appearing in the captions or text accompanying social media posts, as well as in press releases or news articles.

The Regal Treatment

Using what are called "TNT" moments- Tiny Noticeable Things- employees will demonstrate that Regal goes the extra mile to resolve issues and to make people's movie going experience unforgettable. For example, if a family came in and mentioned that it was their child's first time in a movie theatre, the theatre staff could find ways to celebrate that, such as giving them a movie poster or another promotional item. Each customer should feel like they are royalty, receiving "regal" treatment in every aspect. The phrase "Regal treatment" will be

incorporated into social media posts and major policy announcements to instill this idea in employees' and customers' minds alike.

Evaluation of Campaign Success

Naturally, much of the success of this particular campaign will include the sheer profit Regal makes in the time frame specified in the objectives. To do this, Regal will hire an outside analytics company to look at the following key areas.

Employment Rate at Each Theatre

This analysis will include a pre-analysis of the number of employees currently working at a given location and a post-analysis of how many work there at the end of the specified period. Next, it will include an analysis of the turnover rate for each location, as well as how many people applied on average at the beginning of the campaign versus that at the end of the period. The goal of this research is to reveal whether the new changes in pay and benefits is enough to bring in more employees.

A second qualitative analysis could also be completed to compare staff morale before the pay/benefits increases rolled out versus after. This would have to be conducted by sociologists through a series of qualitative surveys and interviews at each individual location. The goal of this research would be to show the saliency of pay and benefits to employees, and whether employees felt that the raises were enough to affect their overall work attitude.

Number of RCC Members

This analysis would be fairly straightforward, as the objective is to increase the number of RCC members by 50%. Thus, a quantitative analysis would be conducted to determine how many customers signed up for an RCC membership after new customer service and luxury options were unrolled. The second and most informational part of this analysis would be a series of qualitative surveys for customers, asking why they chose to participate in the rewards

program. The survey would be brief. Customers would be prompted to answer the questions upon signing up for a membership through the mobile app or website. The answers would be gathered and analyzed for content to show which specific improvements had been most beneficial in increasing the number of members.

Increase in Revenue

This analysis would be similar to the previous, except that it would analyze the overall profit of the company, rather than the RCC program. For the long-term objective to decrease concessions prices, Regal would hire an agency to track the company's profitability and help Regal determine how much and where it can cut costs to customers without hurting revenue too greatly. This would be a long-term relationship between the two companies and would be an ongoing quantitative analysis. The goal of these analyses would be to determine what makes people want to spend money at Regal in order to eventually bring down concession prices.

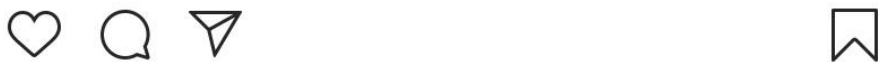
Increase in Special Studio Events

Again, this analysis would begin with a basic quantitative analysis of the number of events the company was booked for before the period versus after. Next, the company would conduct a qualitative study of how much the customer feedback programs influenced the number of events booked across the company. The goal of this analysis would be to determine what makes film studios choose more Regal locations to book events for over other companies and locations.

References

- Bray, C. (2017). Cineworld and Regal in blockbuster merger to challenge AMC. *The New York Times*, Retrieved from https://www.nytimes.com/2017/12/05/business/dealbook/cineworld-regal-movies.html?rref=collection%2Ftimestopic%2FRegal%20Entertainment%20Group&action=click&contentCollection=business®ion=stream&module=stream_unit&version=latest&contentPlacement=1&pgtype=collection
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- United States Unemployment Rate. (n.d.) United States Unemployment Rate | 2019 | Data | Chart | Calendar | Forecast. *Trading Economics*, Retrieved from tradingeconomics.com/united-states/unemployment-rate
- All photos labelled for public reuse (see appendices).

Appendix A- Social Media Post (Instagram)



leisl_seigler Beginning 6/15/19, customers who sign up for an RCC membership will receive a 25% off coupon for each regular menu item purchased at the concession stand! The time to sign up for FREE has never been better!
#thebestplacetowatchamovie #Regaltreatment #Regallife

*Note- this post would come from Regal's official Instagram page. For the sake of authenticity, a mock post was created on the author of this project's Instagram page then deleted.

Appendix B- News Release

THE TIMES NEWS

After Merging with Cineworld, Regal looks to become “The Best Place to Watch a Movie”

Author: Leisl Seigler

Time: 5/02/19

After merging with European movie industry giant Cineworld, Regal has begun rolling out many new luxury and customer service options for customers. “Here at Regal, we strive to give each patron the Regal treatment. Our employees are committed to excellence in each interaction with our customers” said Regal spokesman Gerald Smith. CEO of Cineworld, Mooky Greidinger is especially excited about the new initiatives the company will be rolling out soon: “It is evident that some customer service experiences have been lacking at Regal for some time and we are committed to solving these issues in every way we can. I think customers will be pleased and excited about our plans! Part of creating a whole new image for us was rebranding the company entirely. Regal is the best place to watch a movie and we want the world to know that.”

Included in these new initiatives are a discounted concessions price day for kids, offering some luxury feature at each Regal location, and more accessible customer service support. One key initiative Regal has implemented are benefit and pay increases for employees: “If your employees are not happy, how can you expect them to provide the Regal treatment for every customer? You simply can’t. The Regal treatment and our commitment to excellence begins with our employees and pours out to our customers,” Smith explained.

Although the merger between the two industry giants has had its ups and downs, we’re all excited to see what Regal has in store to make itself the best place to watch a movie!

Appendix C- Internal Regal Alert to Employees

Regal Alert

June 1, 2019

Notice: Read and react to the important operational information below.

Pay and Benefit Increase- Company Wide			<i>Benefits and Payroll Announcement</i>
Points of Contact	Benefits: John Smith	jsmith@regalcinemas.com	555-555-5555
	Payroll: Jane Doe	jdoe@regalcineams.com	555-555-5555
Date/Time of Announcement	<i>June 1, 2019 12:00pm</i>		
<p>Introduction</p> <p>The benefits and payroll departments are excited to announce that benefits and pay will be increased, beginning July 1, 2019! Overall theatre raises have been decided based on the average cost of living in each theatre’s district. Individual, performance-based raises may also be considered at this time at the discretion of the management team for each theatre location. All hourly and Deputy General Manager positions will receive these overall theatre raises. General manager raises will be determined by the district manager and approved by HR/payroll based on the current earnings of the general manager, as many GMs already make well above the average cost of living for their district.</p> <p>Part-time employees can expect an increase in employee pass tickets from 2 per week, to 4 per week, effective July 1. The employee must be in attendance to receive a free ticket and must stay with any guests for the duration of the film. Employees will continue to receive 50% off in the concession stand, as well. Full-time employee tickets will remain at 4 per week.</p> <p>Full-time employees can expect benefit plans to increase on a more individualized basis, effective July 1. Full-time employees’ benefits portals will re-open July 1, regardless of the last renewed benefits date, and will stay open through August 1 to give employees enough time to consider the new benefits plans. For more information, please contact John Smith at the above email or phone number.</p> <p>Regal is committed to excellence within and without the company. Without each of our hardworking employees, our company would not exist. It is our goal to provide employees with the same Regal treatment they are expected to provide customers. If we are not committed to excellence within the company and the treatment of our employees, we cannot expect a commitment to excellence from the employees to the</p>			

customers. We are grateful for each of you and this is just one way we will say “thank you” in the coming months!

What should I do if would like to be considered for a performance-based raise?

If you would like to be considered for an individual, performance-based raise, please set up a meeting with your general manager to discuss your performance. Employees may receive up to a 6% raise at once, as the company has been on a raise freeze for some time.

How do I submit an employees’ raise request?

Only general managers can submit a request for pay raises. Go to the RIC, select “payroll,” select “request for raise,” and fill out the form. Payroll and HR will advise on the result of the request within 5-7 business days. The raise will take effect on the next pay period following the raise approval.

Has the ROM been updated to reflect this information?

The ROM and all other external sources will be changed effective July 1 to reflect new pay and benefits ladders.

For any other questions, comments, or clarification, please contact Lisa Brown at lbrown@regalcinemas.com or at 555-555-5555.

*Note- The RIC is Regal’s internal information database. The ROM is the Regal Operations Manual.

Dear Sony Studios,

It is our pleasure here at Regal Cinemas to send you our latest analytics report that shows our customers' desire for more fan events across the company. As you can see in the attached data, Regal customers desire more fan events, promotional items, and other special studio events. Backing this desire is a recent strong increase in revenue, demonstrating that more people than ever before are choosing Regal Cinemas over its competition.

We want to be the best place to watch a movie and the film studio plays a significant role in our ability to provide customers with the unique events that will create an excellent movie going experience. We are committed to excellence in every way, including our relations with film studios. Thanks to our significant increase in sales, Regal is looking to expand our special event options for customers.

I would like to personally speak with you about ways to improve this area for our customers. I am thrilled to have this opportunity which will benefit not only Regal Cinemas, but also Sony Studios as we work to promote the studio in each event.

Please contact me directly at my office number, listed in the signature below so we can go over the proposal my team and I have drafted.

I look forward to hearing from you soon!

Sincerely and Eagerly,

Jane Godwin

Vice President of Bookings

Regal Cinemas

Office: 555-555-5555

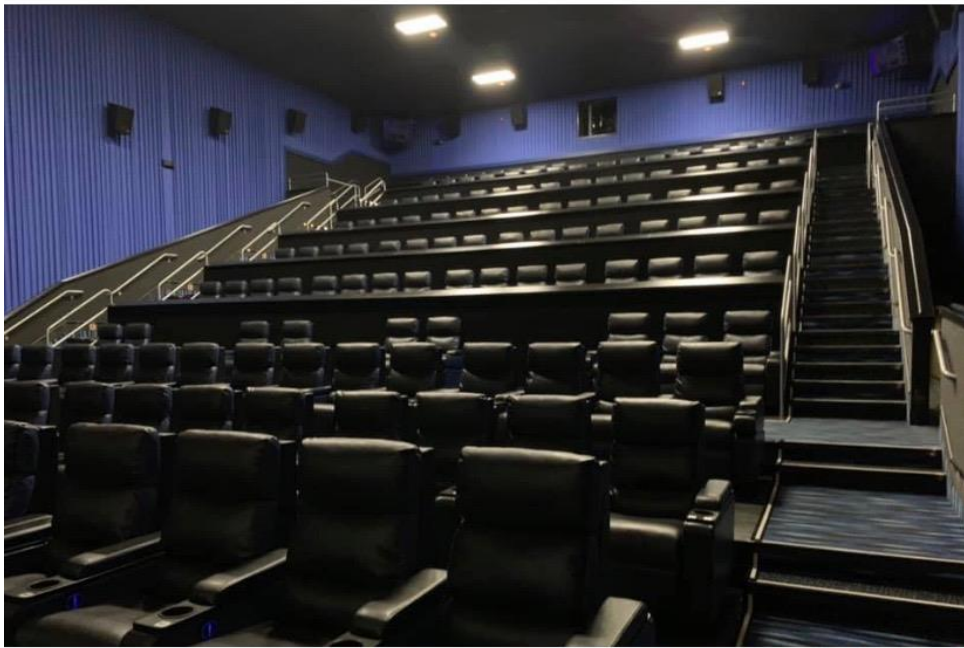
Email: mgreid@cineworld.com



Appendix E- Luxury Option Announcement- Facebook

Coming soon to a location near you!

Enjoy the comforts of home while watching the newest movies on the big screen! Regal is excited to announce that soon all locations will feature at least one of our luxury options! Pictured in this post are reclining seats, beer, and wine: just some of the great luxury amenities we'll be offering EVERYWHERE soon! Are you excited? Because we sure are! **#thebestplacetowatchamovie #RegalLife #Regaltreatment**



 Like

 Comment

*Note- this post would come from Regal's official Facebook page. For the sake of authenticity, a mock post was created on the author of this project's Facebook page, then deleted.