



From February 1 to March 4, 2024 Filmbot conducted an A-B Promotion Test on behalf of Nitehawk Cinema, a dine-in independent movie theater in Brooklyn, New York with locations in the Park Slope and Williamsburg neighborhoods.

Avenue ISR is an independent research and strategy consultancy founded in 2006 with extensive experience supporting independent cinema exhibitors in North America. Avenue ISR is providing objective, third-party evaluation of the test.

TEST DESIGN

Filmbot emailed 2-for-1 discount promotions on February 1 to “Group A” - 1,500 customers who had not attended a screening at Nitehawk since February, 2023 (12 months).

At the same time, Filmbot began monitoring a second “Group B” who did NOT receive the promotion - another group of 1,500 customers with who had not attended a screening in the past 12-13 months to serve as a control group.

The specific discount offered to Group A was two tickets for the price of one for any upcoming screening if purchased in the next 30 days (expired March 4, 2024). The promotional email appears at the end of this document.

Group A discount code users were required to answer the following question before checking out:

Did receiving a discount code prompt you to buy these tickets?

- a) **Definitely** - I would not be buying these tickets without the code
- b) **Somewhat** - I was already interested and the code helped
- c) **Not at all** - I would have bought these tickets without the code

RESULTS

[01]

The incentive appears to have driven considerably higher ticket sales and ticket revenue.

74 members of Group B (the Control group) purchased a total of 176 tickets during the test period. So roughly 5% of these ‘lapsed’ customers (hadn’t attended Nitehawk in 12 months) came back to Nitehawk anyway without a promotion. They spent an average of \$18.21 per ticket for **total ticket revenue of \$3,206.**

By contrast, 150 members of Group A (who received the promotion) purchased a total of 339 tickets during the test period. So more than twice as many (10%) of these 'lapsed' customers (hadn't attended Nitehawk in 12 months) came back to the Nitehawk during the promotional period. They spent an average of \$12.87 per ticket for total ticket revenue of \$4,359.

Group A purchased 92% more tickets than Group B and Group A ticket revenue was 36% more than Group B.

Note: Only 63% of ticket buyers from Group A actually used the discount code. Others who did not use the code may not have seen the code in their email but may still have been motivated in part by the promotional message.

As Chart 1 shows, most (60%) of those from Group A who used the discount said they receiving the code definitely caused them to buy the tickets.

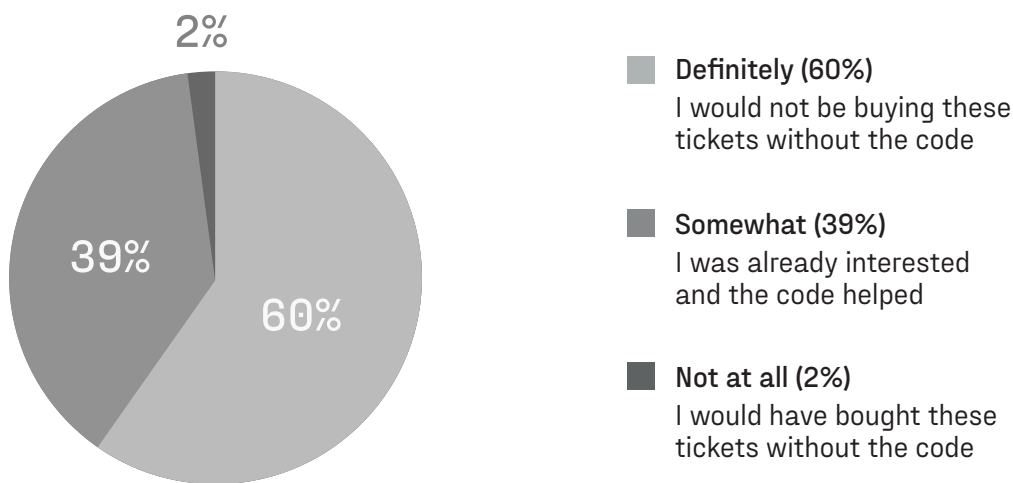


Chart 1 Among Those Who Used Code,
"Did receiving a discount code prompt you to buy these tickets?"

[02]

Factoring food and beverage sales, the incentive appears to have driven significant overall revenue for Nitehawk Cinema.

Nitehawk Cinema offers extensive food and beverage options at its Park Slope and Williamsburg locations. The patrons who attended films during the test period took advantage!

Average spending on food and beverages per screening attended is roughly comparable for the two groups. Group A members (who received the promotion) spent \$38.75 on average on food and beverages compared to Group B members (control group) who spent \$37.20. But because of the larger numbers of attendees from Group A, overall food and beverage spending over the test period was \$6,433 for Group A, more than 116% more than the \$2,976 spent by Group B.

Factoring in both ticket sales and food and beverage sales, Group A spent \$10,790 at Nitehawk Cinema, 75% more than the \$6,182 spent by Group B.

IMPLICATIONS

Positive benefits from the promotion include:

- 01 Better ability to “win back” lapsed customers who had not attended in the prior 12 months, by a 2:1 margin
- 02 Incremental ticket sales that would not have happened without the promotion, since 60% of those using the code indicated they would not have purchased without it
- 03 Higher ticket revenue, food and beverage revenue and total revenue:

	Group A	Group B	Group A v. Group B % Increase
TICKET REVENUE	\$ 4,359	\$ 3,206	+36%
FOOD & BEVERAGE REVENUE	\$ 6,433	\$ 2,976	+116%
TOTAL REVENUE	\$ 10,790	\$ 6,182	+75%

- 04 Since a 2 for 1 promotion inherently invites patrons to share the Nitehawk experience with another person, potential benefit of word-of-mouth referral



Buy 1 ticket, get 1 FREE!

We'd love to see you again at Nitehawk Cinema!

Here's a promo code for a free ticket if you and a guest reserve seats in the next 30 days at our [Williamsburg](#) or [Prospect Park](#) locations!

Use Promo Code: XXXXXX

[Get Tickets](#)

Expires -promoCodeExpirationDate-

Valid for any standard new release movie and standard repertory screenings. Special events are excluded. A minimum of two tickets must be included in the ticket order for the 100% discount to successfully apply to the second ticket. Once a promo code is used, it cannot be reapplied again if you need to exchange or request an ecredit for your order.

It seems likely that Nitehawk Cinema will gain similar benefits by expanding use of this type of promotion and related approaches.

[The Promotion Used]