

Scotiabank takes to the silver screen

Scotiabank and Cineplex conclude the first-ever sale of naming rights to a movie theatre, but it's the loyalty program that both parties are really banking on.

The partnership announced last month between Scotiabank and Cineplex is unprecedented. For the first time in North America, a movie exhibitor has sold naming rights to several of its cinemas. The partnership also gives Scotiabank on-screen branding throughout the chain, as well as an in-lobby advertising presence. Together, Cineplex and Scotiabank will develop a loyalty program that, if Scotiabank Vice President Rick White is to be believed, may reinvent the model.

“We think it’s a fantastic buy,” says **Judy Haber, Senior Partner of Performance Sponsorship Group and an expert in the sale of naming rights**. “It’s good for the business. It’s out-of-the-box thinking, which is what you’d expect from Scotiabank.”

Most of the details, beyond those publicly released, are locked up tighter than a Scotiabank vault. We know that five cinemas will be rebranded, and that they will be in major markets. Financial terms, and length of contract, were not disclosed.

The key to the deal is the loyalty program. It’s something that Cineplex has been looking at “for a couple of years,” says Pat Marshall, Vice President Communications and Investor Relations.

“Scotiabank would not have gone forward with the naming rights if we didn’t have the loyalty program,” adds Rick White, Scotiabank’s Vice President of Brand and Marketing Management.

The loyalty program will allow the two organizations to leverage each other’s greatest strengths: Scotiabank’s regular interaction with its six million customers and its skills in managing those relationships, and Cineplex’s foot-traffic — 60 million pairs of feet pass through their doors every year. More importantly, most of those feet are sneaker-clad. “We are uniquely able to deliver the young demographic that many advertisers, particularly banks, would be interested in targeting, and that’s the 15- to 25-year-old,” says Marshall.

Cineplex, which operates the Cineplex Odeon, Galaxy and Famous Players (including Coliseum, Colossus and SilverCity) venues, is the largest movie exhibitor in country, with almost 65% market share nationally — more than 70% if one excludes Atlantic Canada, where it does not operate.

“I don’t know of any other industry in North America where you get as much free publicity as the film exhibition business,” says White. Cineplex is a unique partner that not only provides the entertainment, “but is a media partner in its own right.” And despite recent price inflation, movie-going remains the most accessible out-of-home entertainment option for Canadians. Sixty-three per cent of Canadians between the ages of 12 and 49 go to the movies at least monthly, he says.

That combination will allow the partners to craft a loyalty program with almost immediate rewards, says White. “So many programs are long-term and aspirational,” says White. The Scotiabank-Cineplex program will be positioned differently from any other in the marketplace. “A person within this program will be able to earn and redeem within a very short time.” Added to that is the opportunity to communicate your brand message to an audience that is your willing captive for two hours. Scotiabank will be sponsoring the opening trailers at all Cineplex locations, an opportunity with very high value by its calculations. Though no details have been released, expect the activation to be fresh and fun and relevant to the younger demographic Scotiabank is eager to reach.

People start making their own banking and credit card decisions around the ages of 17 to 18, says White, exactly the time when they are turning to movies for much of their entertainment. “This is an opportunity to position banking, especially for a younger audience, into a sphere where they never see it,” says White. “I don’t expect people to start thinking of banking as being fun, but I would love to move us closer to it.”

Pat Marshall does not view the sale of naming rights in five key markets as weakening or diluting the brand. “We have not announced what the new brand name will be,” she says, and cautions against “making an assumption that either of our current brand names are not part of it. I think the extent to which the brands will be advertised and leveraged will ensure that it is an enhancement and an extension.”

The ability to communicate with Scotiabank’s six million customers, and to use Scotiabank’s skill to influence behaviour, are assets that would be out of Cineplex’s reach without this partnership.

“We’re a business that’s very driven by our database,” says White. “They’re a business that’s never used a database.” For instance, he says, cinemas need more weekday traffic. “Are there ways to do that? Absolutely with a database.”