

Measuring the Magic of the Movies:

The Emotional Impact of Movie-going on
In-Cinema Advertising

NCM Introduction

Innerscope Research was commissioned by NCM Media to conduct a series of biometric tests designed to measure the emotional impact of viewing ads within the in-cinema pre-feature advertising program, FirstLook.

Three groups of respondents were recruited to be fitted with the patented Innerscope Biometric Monitoring system and:

- come to a NCM theater and view the FirstLook pre-show prior to viewing a full length feature film
- come to Innerscope's media lab and view a top rated primetime television program in a home/living room environment
- come to a NCM theater and view the same television program on the big screen in a theater auditorium

In each cell, respondents were shown 7 test ads embedded within the pre-show/TV program and were measured for real-time emotional engagement during each content reel as well as for emotional affinity (“brand resonance”) towards the brands being measured before and after exposure to ad content

NCM Study Details

Participants (n=150)

18 to 34 men and women earning more than \$25K

Cinema Viewers (n=90)

TV Viewers (n=60)

Stimuli

7 ads and associated brand images

Study Dates & Location

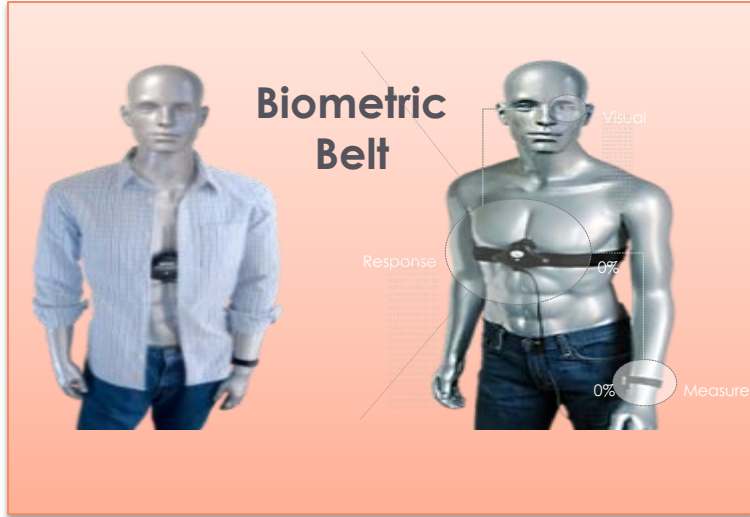
TV experience (n=60)

- March 25th & August 5th in Boston

Cinema experience (n=90)

- April 11th and 12th at Regal Cinema, Boston, MA
- July 28th at AMC Cinema, Boston, MA

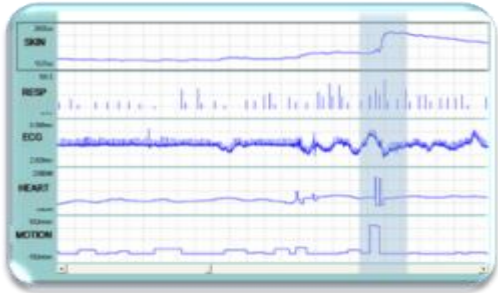
How Innerscope Measures Unconscious Emotion



Participants wear the **Innerscope Biometric Monitoring System™** which has advanced sensors that measure moment-to-moment changes in biologic indicators of emotion including:

- Skin sweat
- Heart rate
- Breathing
- Motion

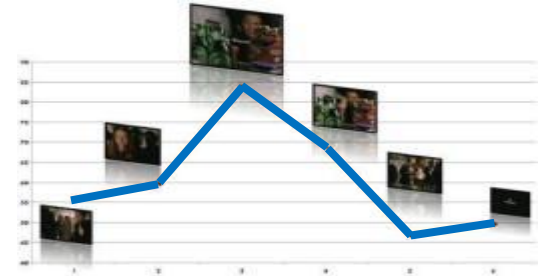
Ad Analysis Process



Biometric Signals



Aggregated Across the Audience



Emotional Engagement

Key Findings

- *Findings from Wave 1: TV at Home vs. FirstLook*
 - Viewers exposed to ads within FirstLook were taken on an emotional journey that typically had **peak engagement levels corresponding to the main messaging and branding moments** of the ads measured.
 - Following exposure in cinema, the lift in brand resonance, the unconscious emotional connection to a brand, was **75 % higher than that generated by exposure on TV**, with individual ads seeing increases **up to 193%**

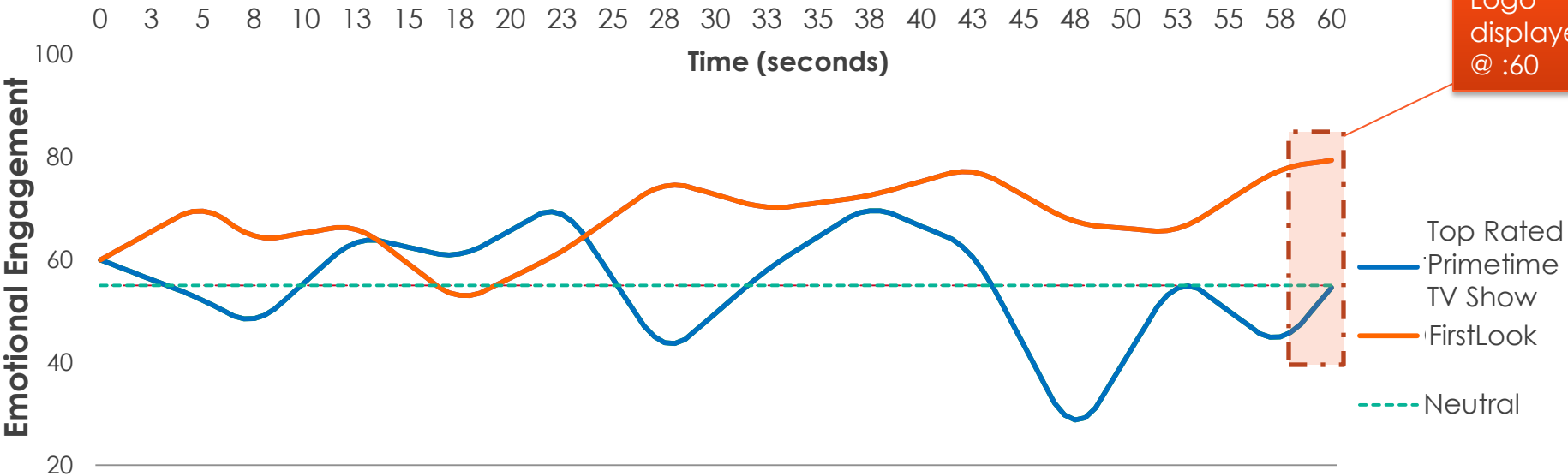
Key Findings

- **Findings from Wave 2: TV at Home vs. TV in Cinema**
 - Overall, participants in the theater were **highly engaged 2.4 times longer** than in the living room environment while watching program content.
 - Overall, participants in the theater were **highly engaged 3.5 times longer** than in the living room environment while watching ads.
 - For the majority of brands measured, the brand resonance scores generated by ad exposure within the **FirstLook experience were greater than those generated by ad exposure within the television program in the movie theater** - the difference in brand resonance values represents the impact of the movie-going experience itself

Wave 1 Case Study:

**TV at Home vs.
Theatrical Experience**

Emotional Engagement Comparison -Retail Advertiser-



Branding Moment.
Logo displayed @ :60

Top Rated Primetime TV Show
FirstLook
Neutral

- 31/60 seconds are below neutral engagement for TV, **only 2 seconds in cinema.**
- Logo placement coincides with neutral engagement on TV, **maximum engagement in cinema.**
- At the end of the spot, TV engagement dropped 9% from the beginning, **cinema increased 32%.**
- In real world scenario, **TV viewer would most likely change the channel /fast forward when below neutral engagement.**

Emotional Lift: FirstLook vs TV

FirstLook Impact = + 82%

TV Impact = + 28%

FirstLook Lift vs. TV Lift = + 193%

Brand Resonance*



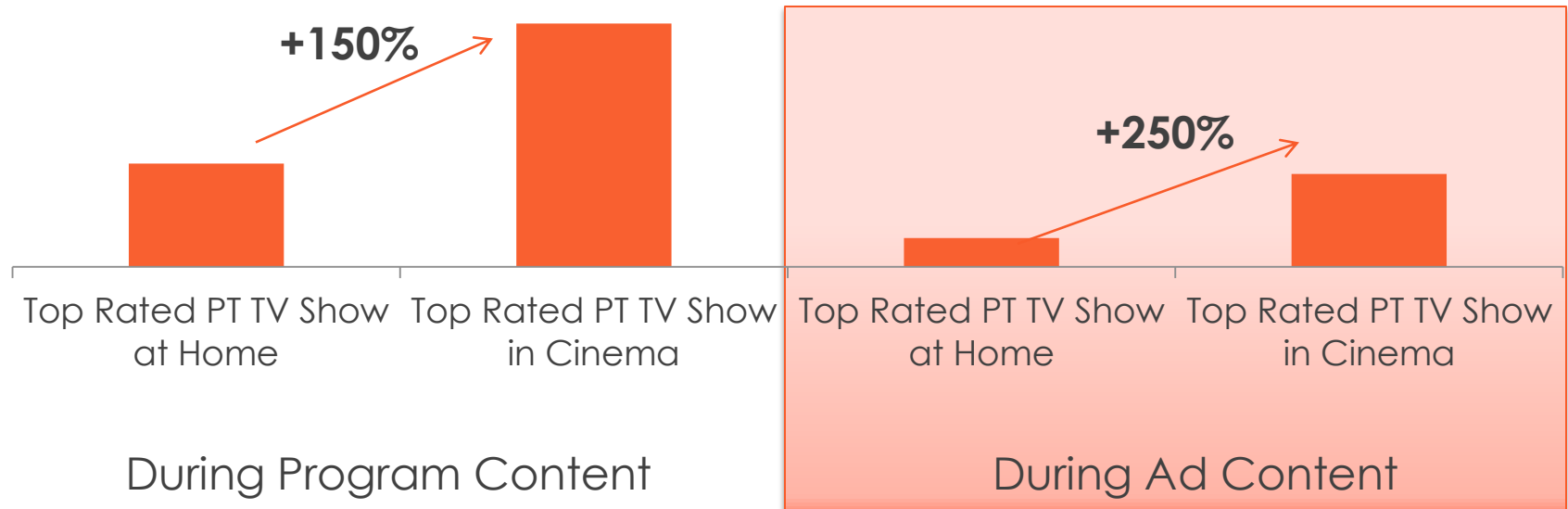
**values represented as percentiles against Innerscope database of 1,500+ ads*

Wave 2 Case Study:

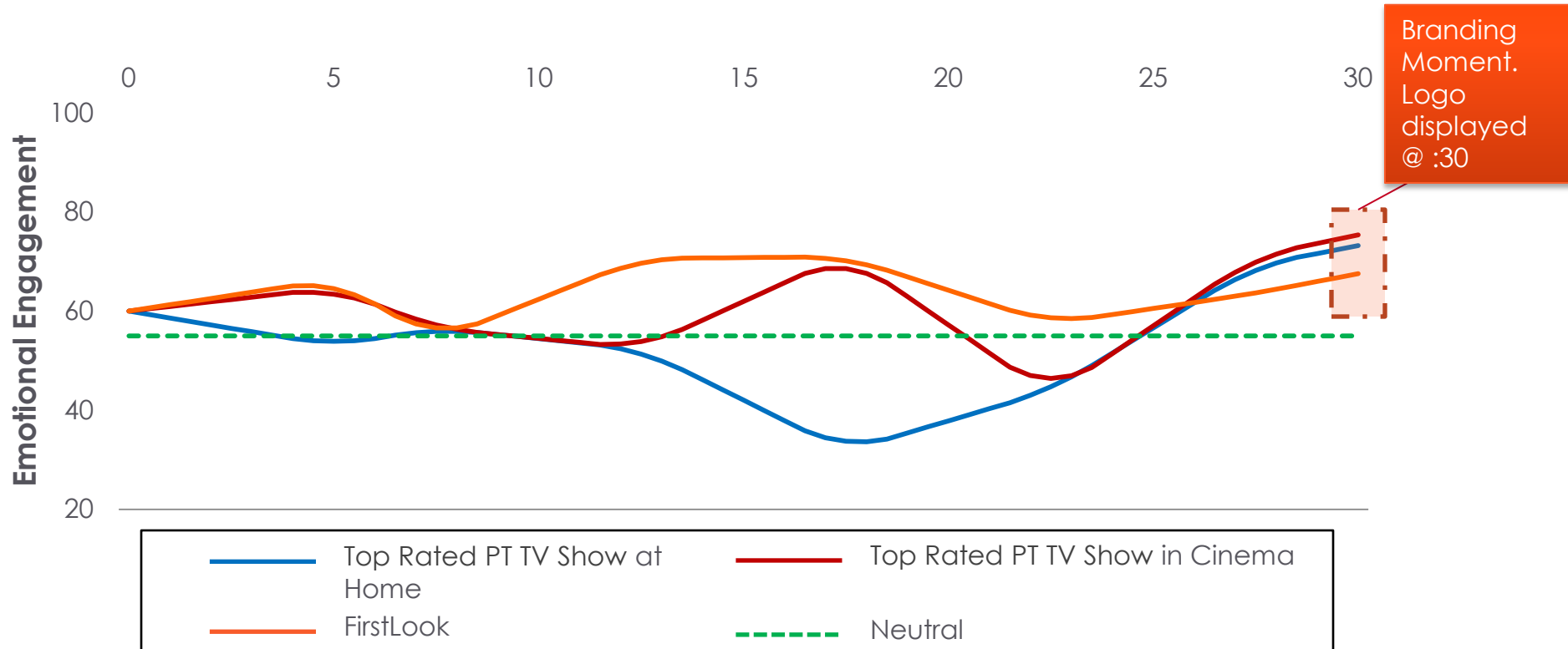
**TV at Home vs.
Television Content in the
Movie Theater vs.
Theatrical Experience**

For Both Program and Ad Content, Viewers were Emotionally Engaged Significantly Longer by the Big Screen

Time Spent Highly Engaged (75+)

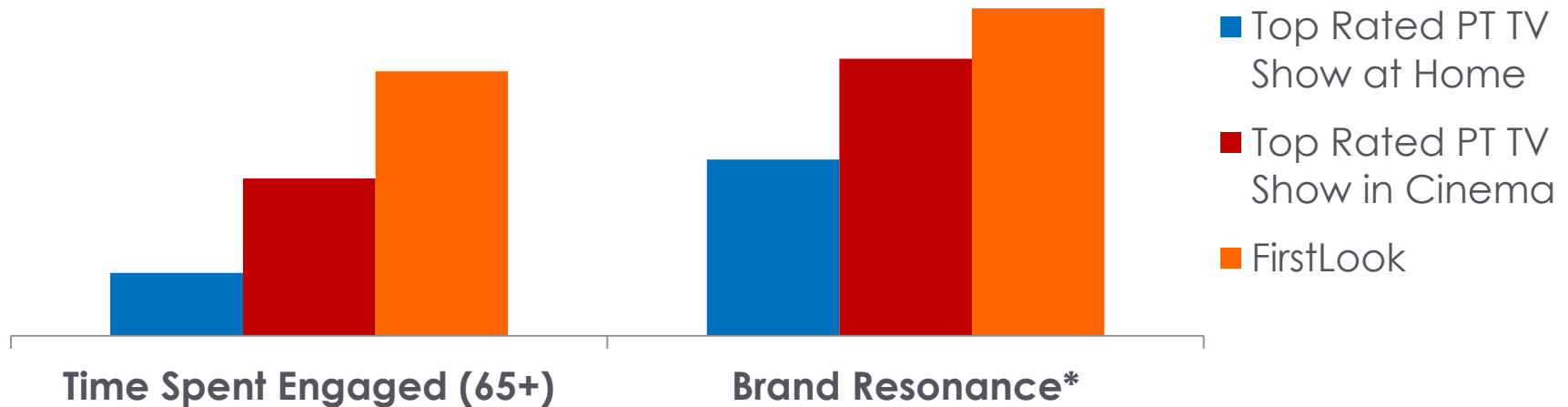


Emotional Engagement Comparison - Case Study for an PC/Electronics Ad -



Time Engaged & Brand Resonance – PC/Electronics Ad

The true “cinema experience” generated the highest results both in terms of time spent engaged and brand resonance



*values represented as percentiles against Innerscope database of 1,500+ ads

Appendix

NCM Engagement



IAG (TV Respondents within 24 hours, NCM Respondents within 7 DAYS)

	NCM: TV INDEX
BRAND RECALL	138
MESSAGE RECALL	147
LIKEABILITY	143

- The results of the biometric study corroborate recall data collected by Nielsen IAG dating back to 2004
- In nearly 8 years of testing, NIAG has never shown decay in cinema ad recall from 1 day after exposure to 7 days after
- This can be explained by the strong connection between emotional reactions and how memories are formed



About National CineMedia (NCM)

NCM operates NCM Media Networks, a leading integrated media company reaching U.S. consumers in movie theaters, online and through mobile technology. The NCM Cinema Network and NCM Fathom present cinema advertising and events across the nation's largest digital in-theater network, comprised of theaters owned by AMC Entertainment Inc., Cinemark Holdings, Inc. (NYSE: CNK), Regal Entertainment Group (NYSE: RGC) and other leading regional theater circuits. NCM's theater advertising network covers 177 Designated Market Areas® (49 of the top 50) and includes over 18,600 screens (approximately 17,700 digital). During 2011, nearly 671 million patrons attended movies shown in theaters in which NCM currently has exclusive, cinema advertising agreements in place. The NCM Fathom Events live broadcast network ("DBN") is comprised of over 700 locations in 167 Designated Market Areas® (including all of the top 50). The NCM Interactive Network offers 360-degree integrated marketing opportunities in combination with cinema, encompassing 42 entertainment-related websites, online widgets and mobile applications. National CineMedia, Inc. (NASDAQ: NCMI) owns a 48.7% interest in and is the managing member of National CineMedia LLC. For more information, visit www.ncm.com.

About Innerscope Research, Inc.

Innerscope Research, Inc. is dedicated to solving difficult market research questions by measuring and analyzing unconscious emotional responses to media and marketing stimuli. With its breakthrough Biometric Monitoring System™, Innerscope accurately predicts consumer behavior, providing Fortune 100 advertisers and media companies with an unprecedented level of consumer insight. Founded by Harvard and MIT scientists, Innerscope leverages the latest advances in biometrics, neuroscience and eye tracking to measure moment-to-moment emotional engagement, the primary driver of behavior and choice. For more information, visit www.innerscope.com.