

# National CineMedia plans programmatic advertising in movie theaters

## Article

National CineMedia (NCM) announced Monday that it **will sell movie screen inventory programmatically** starting in Q4 of this year.

- NCM reaches **20,300 screens in 1,600 theaters** across the US, according to the company.

- The programmatic ads would leverage its **NCMx data and analytics platform**, which debuted during the 2022 upfront season.
- The ad company faces an uphill climb after **filing for bankruptcy** in April of this year.

Most **US programmatic display ad spend growth** comes from video, which will grow 30.2% between 2023 and 2025 for a total of \$96.98 billion, per our forecast. NCM wants in on that growth.

### **Will NCM's programmatic ads win over advertisers? It's hard to say.**

- NCM boasts something that streamers can't: Its theater ads aren't skippable or mutable.
- NCM can also be certain of exactly where viewers are and what their watching behaviors are, reducing some of the uncertainty of other forms of programmatic advertising.
- But it's unclear how moviegoers would opt into sharing data with NCM. The movie theater isn't a place where consumers expect to see personalized ads, and retargeting (serving customers ads for products they've already engaged with) could creep out moviegoers.

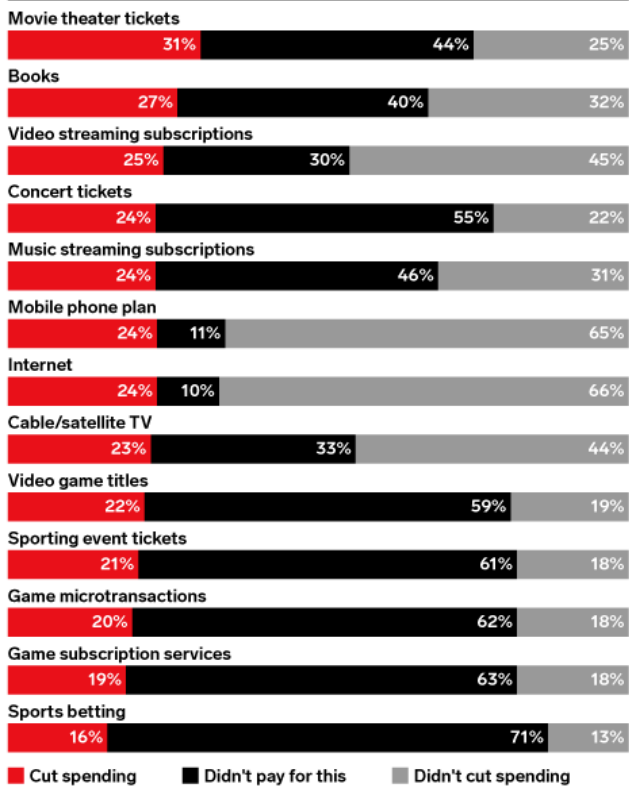
"Whenever 'opted-in' is casually thrown in next to 'geolocation data,' my eyes narrow," said our analyst Evelyn Mitchell-Wolf. "Advertisers should always be asking tough privacy questions where retargeting is involved."

Plus, there's the question of audience: Movie theaters are struggling as people continue the pandemic behavior of watching movies in their homes. With that being said, people are returning to theaters.

- **Midsummer box office sales** were down 2% from 2022, per Comscore as reported by Deadline.
- Movie theater tickets were the No. 1 expense US adults cut back on due to inflation, according to a March 2023 survey from Morning Consult.
- But there's good news too. "**Barbie**" reached **\$1 billion** at the box office last week, becoming the first Warner Bros. movie to sell so many tickets so fast, per the studio as reported by The New York Times.

## Entertainment US Adults Have Cut Back on due to Inflation, by Category, March 2023

% of respondents



Note: ages 18+; in the past 12 months; cut spending means they either spent less on or stopped paying for each category entirely; numbers may not add up to 100% due to rounding  
 Source: Morning Consult, April 11, 2023

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