

# Luxury cinema for



# Everyman



Mark Trompeteler looks at the rapid growth of luxury cinema

**T**here has been a rapid growth of luxury cinema in recent times, and I was fortunate to be given the chance to look in particular detail at the emergence of one of Britain's first chains of all-luxury cinemas – The Everyman Group.

In this wide-ranging interview with the Everyman CEO, Daniel Broch, and a colleague, we range from buying a cinema and starting a "chain", through to what the future might hold for projectionists.

It seems that with the advent and rapid growth of larger TV screens appearing in homes, the increasing installation of home cinema sound systems, and video projectors becoming more affordable and more common, there has been a corresponding development of 'home comfort' in cinemas. The consumer at home, even given the current economic situation, has been able to afford and enjoy a far more real or quasi cinema experience in the comfort of their own living room. So why should consumers forgo all their home comforts when visiting the cinema?

Cinemas are offering increased comfort, refreshment and service levels that cinema patrons of yesteryear could hardly imagine. Also, as we become more cost conscious we also now have higher expectations of going out for an evening. Presumably the idea that we can visit just one building and park the car, and get drinks, snacks, a full meal, a great movie, or an opera or a comedy gig all in the same location, is getting more attractive.

#### The National Scene

In the UK, a big cinema chain like Odeon now offers differently priced seats with different levels of comfort within the same auditorium, standard at the front, "Premier" in the middle and "Gallery" seating towards the rear. In some Odeon multiplexes there are 'over 18 only' areas called "The Gallery Bar Area" available up to 30 minutes before the performance or after the movie, subject to licensing laws, where there are self service indulgence counters and exclusive fully licensed viewing areas within adjoining or nearby auditoria. These have extra

wide "Gallery" leather armchair seating and fold down tables for patrons' food and drinks. Vue cinemas have developed their "Evolution" auditoria. Within these auditoria there is soft leather bean bag seating towards the front, leather armchair seating in the middle and family friendly sofa seating towards the rear. The levels of differently priced comfort and service all within the same establishment is a little reminiscent of the air line industry approach of maximising service to the customer, and profit to the business.

Going that bit extra in developing the cinema experience, I know of two cinema chains within the UK that offer the experience of an all-luxury cinema, where every cinemagoer or guest gets the same very high standard of comfort and service when they go there to see a film. In the UK I believe The Everyman Hampstead was one of the first to take part in this development. The Everyman Group operating in London and the South East, now has a rival that is in the early stages of establishing itself in the Midlands.

Cinema De Lux states that it is redefining the cinema experience by bringing together the latest films and events, contemporary dining, impeccable service and a full range of distinctive amenities. At these one stop destination cinemas you can have drinks, cocktails, a full meal in a contemporary style restaurant and then go into see the movie and have a coffee afterwards – or if you prefer, in any order varying from that one. Cinema De Lux is the latest development of Showcase Cinemas, a major division of National Amusements and the parent company of Viacom and CBS Corporation. There are currently three cinemas in the De Lux chain – in Bristol, Derby and Leicester.

### A Takeover

The Everyman Group, an emerging new cinema business in the UK, is slowly and surely developing a modest, growing and impressive chain of all luxury cinemas. One of my favourite cinemas that I enjoy visiting was a Screen cinema at a small village on the outskirts of London called Oxted – a small charming old world / nostalgic single screen with balcony. Regular visitors to London may be aware of the small chain of Screen cinemas, previously owned by Mainline, that have been part of the London cinema scene for very many years – The Screen On the Green (at Islington), The Screen Baker Street, The Screen on the Hill (at Belsize Park) as well as a few other Screen cinemas on the outskirts of London and in the South East. When a year ago I read that the small chain of Screen cinemas, including my local, had been bought by The Everyman Group I sat up and took notice. I wanted to find out more about this growing concept of luxury cinema.

On making contact with Daniel Broch, the CEO at Everyman, he and the staff at Everyman could not have been more helpful in helping me find out more about their new and very distinctive cinema operation. Since their acquisition of Screen cinemas The Everyman portfolio of cinemas now includes Hampstead (2 Screen), Belsize Park (1 Screen), Baker Street (2 Screen), Islington (1 Screen), Oxted (1 Screen), Reigate (2 Screen), Winchester (2 Screen), and Walton-on-Thames (2 Screen). The basic plan is to gradually but totally refurbish and rebrand all the cinemas in the chain with the very distinctive Everyman specification. The model for what each cinema will become is what Daniel Broch undertook when he acquired his first cinema, The Everyman, in the



Screen 1

affluent and fashionable North London suburb of Hampstead. In order to get an understanding of what The Everyman vision is – I went to this template cinema to see for myself.

### The Everyman Hampstead

The Everyman Hampstead up until 1932 was a small local theatre. In 1933 it was bought by a local solicitor and converted into a cinema. In post war London from the fifties through to the eighties it became one of London's major arthouse cinemas. On the London underground system its distinctive simple posters heralded the fact that it regularly bought screenings of serious and world cinema within fairly easy travelling of much of London. In its heyday, it often obtained exclusive rights to show important foreign films and people still remember queues of cinema fans in the street all eager to see masterpieces rarely seen in the UK. By the late nineties, it was struggling as a commercial operation. It had £3 tickets on Mondays, and double bills on Sundays in an attempt to attract audiences. In 1999 when it was bankrupt, it was bought by local property developer Daniel Broch. Realizing that the cinema was in one of the more affluent areas of London, he thought potential local cinema patrons would be willing to pay a bit more for a special local cinema experience, rather than

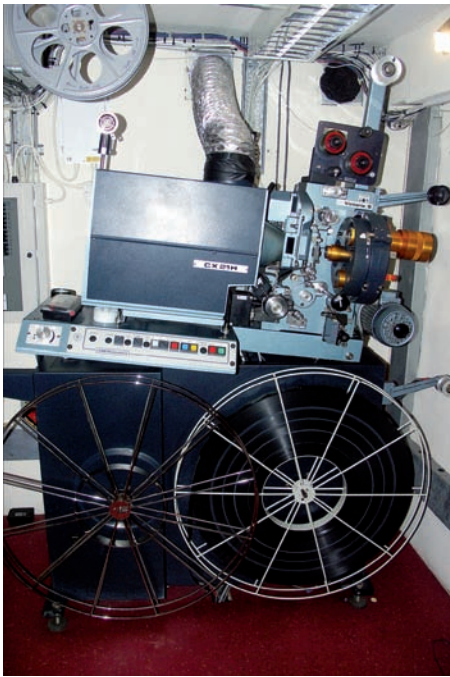


the now tired formula that the cinema had struggled with before. He set about transforming the cinema.

As you cross the road to the cinema from the underground station you realize how well placed the London Everyman cinemas are, located so very close to underground stations. As you enter the cinema you realise that this is a small cinema building which has both character and a history that stretches back to very much earlier days of popular entertainment. The whole atmosphere of the cinema as you enter it is one of a private members club, but one that is quite clearly welcoming to all sections of the public. The ideas of hospitality, service and club are re-enforced when the first thing you come across is a reception desk, not a box office or concessions counter.

During the quiet afternoon time, no films were being shown when I visited. Two extremely personable young ladies operated a one – stop reception service, they dealt with advance telephone bookings and enquiries, personal callers wanting to make bookings, served drinks and refreshments, dealt with deliveries and message taking, operated the cinema switchboard etc.. Close to the reception and just outside the entrance doors to Screening





Left - Screen 1 box: centre and right - views of Screen 2 with its dedicated reception area and velour seating. The Cinemecanica Victoria 5 in the box serving screen 2.

Lounge 1, was a small but extremely stylish entrance lobby where guests can meet, sit chat and enjoy drinks and refreshments (pictures below). Alternatively on arrival guests with advance bookings are able to go straight through to their seats in the screening lounge and order refreshments from their seats and to which staff will deliver their order.

Screening Lounge 1 more than gives the feel of a club lounge and luxury - comfort and service as well as cinema seem to be very key concepts. Beneath the industrial revolution age roof (see title picture) is a cinema area of considerable character and distinctive nature. Seating 122 guests the lounge accommodates them in either fabric covered armchairs or two seat sofas (£12 per person), or in club class leather two seat sofas, with built in foot stools, (picture above) at the sides of the lounge (£15 per person), or in the club class balcony. Every seating position is equipped with a soft cushion, individual café table space, a wine cooler and a bell push for waitress or waiter service.

Screening Lounge 1 is serviced by a projection box with a Cinemecanica Victoria 5 and a NEC 8000C digital projector (pictured above).

### The key concepts continue in the smaller Screening Lounge 2 downstairs

Again, with its own dedicated smaller entrance lobby area this smaller screening lounge seats 72 guests in velour armchairs and sofas. The very rich fabric of the screen drapes again re-iterates the feeling of luxury. All seats in this lounge cost £12. A projection box with a single Cinemecanica Victoria 5 services this second screen.

### Recipe for a Full House

I was told that The Everyman Hampstead has 100% seat occupancy on Fridays and weekends

and it is most inadvisable to turn up without having booked in advance, and that the rest of the week sees 60-70% occupancy. In addition to the two screening lounges the Hampstead Everyman has a small screening room which can seat 15 adults or 20 children or perhaps a combination of the two. Private hire of this costs £350 for up to 3 hours during peak hours, and £250 – £300 off peak.

I have visited three Everyman cinemas in the past few months and the other distinctive feature is that there is not a giant tub of popcorn, a hot dog or one those giant cartons of ice and coke to be seen anywhere. Refreshments available include Honey Roasted Cashews (£4.00), Smoked Almonds (£4.00), Marshmallows (£3.75) Mini Jazzies (£3.50) White Chocolate Raspberries (£4.50), coffees, teas, fruit juices, lagers, spirits and wine by the bottle, ranging from a chardonnay blend at £15 per bottle to a bottle of champagne at £35, as well as wine by the glass. Surprisingly, I was told that the average spend per customer per visit at Hampstead is currently running at £15.80. Both the whole feel of The Everyman, this cinema with its weekly level of seat occupancy, and even an average customer spend below what I was expecting, left me impressed with the whole concept.

What is also particularly impressive in the Everyman concept is its commitment to making each of its cinemas connect more closely with their immediate local clientele and community. Also their approach to programming and alternative content is extremely impressive – with classic films, foreign language films, special events, visits and talks by world famous film directors, opera, ballet, live gigs, all programmed seamlessly alongside current mainstream releases.

### Talking with the management

I was fortunate that Daniel Broch, the CEO and founder, and Jesper Larsen (Everyman's Head of Systems) spared me an hour in their busy schedules to talk with me in more detail about Everyman's concept of cinema. They were both in the middle of the complete refit of their small Belsize Park cinema. While I waited for them, browsing through corporate literature, it occurred to me that the language and concepts of the hospitality industry ran through their concept as much, if not more, than concepts associated with the traditional cinema industry. I met them at their company's offices close to the British Museum and I discussed the Everyman concept with them in reference to a number of key cinema areas.

### The Company's Vision

I asked Daniel directly, was he the CEO of a hospitality and catering business or a cinema business?

*Daniel Broch (CEO): "I have a background in property, but foremost I think of us as a hospitality company. The principle of it is, that if you take away the cinema enthusiasm element, (people often ask me don't I need to love film in order to run a cinema business – well Richard Branson runs an airline but he doesn't have to know how to fly a plane) – there can be lots of other people who can bring the cinema enthusiasm elements to that part of the equation – what I try to do is bring the business vision.*

*To me fundamentally it has always been about how the company contacts with the customer at a certain level. So when we took over The Everyman originally – the cinema was incredibly exclusive – I mean obnoxiously so – it was an arthouse cinema with a rep dimension and if you didn't know what you were talking about*

you weren't welcome – I hate that. We've actually made it less exclusive, and our concept, I would say, is very middle of the road. It is basically for people who want to go out, in the easiest way possible, have a nice time and go home. That is the base requirement that at a day to day trade level we deal with.

What we concentrate on is on what is in our control, for instance we don't make films in the same way that we do not make beer, but we sell beer alongside the fact that we show film. Does that make us a brewer as well as being in the film business? So what we try and do is put all the component parts together to give a customer experience that the customers can connect with and see value in. So that is what we do as a company”.

**Jesper Larsen (Head of Systems):** “Daniel doesn't have a background in cinema – which I think is very positive in terms of the company initially. If you visit Hampstead and look around at first there isn't a lot at first that tells you that it is about film and content. What it shows you is that it might be more about hospitality and giving the customers an experience. Generally people nowadays days are prepared to spend a little more for a completely different experience. If our customers are going to spend money on food and drinks on their night out, why not get them to spend it with us? “

“In the same way as we don't have box offices, and we don't have foyers, then we now have receptions and we have screening lounges. We have a concierge at a greeting point, they are the person who meets you, greets you and assists you with finding where you need to go and to be there to help you with whatever you need – just like in a hotel.”

### The Takeover of Mainline's "Screen" Cinemas

I asked Daniel to expound about that.

**Daniel:** “People made a big deal that suddenly we jumped from owning one cinema to owning eight. The truth of the matter is that if you are prepared for it, as we had prepared for it, if you have invested time in your operational systems and your structures then whilst you have new needs – you also get an immediate “uppage” in the volume of what you are dealing with by sheer numbers, but actually the principles are exactly the same. That is exactly what we found and when we were doing the takeover deal we



Jesper Larsen (left) and CEO Daniel Broch

were prepared and in some ways it is easier despite the increased volumes. I had never been running one cinema in my head, and as a company we never envisaged ourselves just running one cinema, and we started out like that from the beginning. Originally I bought The Everyman Hampstead completely whimsically with no game plan. But very quickly you have to ask yourself what am I doing here? My plan was never to run it as a cinema, I am not a film enthusiast. Many people may have a dream to run a cinema – that was never my dream. So we have always in our heads been

working towards acquiring Mainline, I had been talking with them for three or four years and the premise became more real as their own position solidified. How we did it was that we developed a concept which we demonstrated could be saleable.”

I asked Daniel about how dependent his chain of luxury cinemas were on the fact that they are all located in quite affluent areas.

**Daniel:** “We inherited a business where they had focused on what they showed on the screen and they were film programmers essen-



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tially at a geographic location. What they didn't do was deliver an experience commensurate with the geographic location. Actually what they got was the lowest spending customer base at that geographic location into their venues and were alienating anyone who might have a few bob to spare. You often pay for what you get so there was a dusty old experience and there were dusty old customers and we need to re-invent that – and the scope is there and a need to completely change. The success of the business is not now so reliant on the geographic areas. It may have been initially but it is certainly not now. The reason we bought Mainline's screen cinemas is because we needed to reinvent them as they had lost the connection with their customers.

We took our concept to the market place and sold it to a group of investors. So essentially I sold the company to a group of investors last year and the investors came on board in order to expand it."

(In a short period immediately after the takeover Everyman increased the turnover of the chain from 3.7 million to 4.1 million on a base 488,018 admissions.)

### The Company's Staff

Everyman now employs some 160 full and part time staff and all of Mainline's staff transferred with the takeover. I suggested that takeovers and employee morale can be a sensitive issue.

Daniel outlined a few points:

"On acquisition of Screen cinemas we took over all the staff and I think the staff have been one of the big shining lights. We took over a company that had been mismanaged, underinvested in and had no future – the staff were in an incredibly tough position when we took over"

**Jesper:** "One of the first things we did was to involve the staff and the teams in the venues. From day one the amount of energy, or energy we saw coming at us, was incredible."



**Daniel:** "Anecdotally, we organized a presentation for all the venue managers at a hotel around the corner from here. At the end we asked them if there were any questions and several people asked if we could do this again. I asked them why they had asked such a question – has it never happened before? They replied.... Never!"

### On Digital Projection and the Future for Projectionists

A picture that was emerging, the more I was finding out, was of a company that was not only forward thinking, but one, like so many companies have to these days, that puts a lot of faith in developing effective systems, procedures and IT in place and in integrating all its systems through its use of IT and communications systems as a key part in its future success. Also the word technician or venue technician was being used a lot where normally one usually hears the word projectionist.

Everyman currently employs about 16 technicians (projectionists). 35mm projectors are in every projection box with approximately 50% of boxes having either an NEC or Christie digital projector as an addition. Jesper clearly sees the day in the not too distant future when the cinema chain will be entirely digital.

A technical manager, Colin Payne, oversees not only projector maintenance and repair, but heating and ventilation also comes within this brief. As much projector maintenance and repair is done in house as is possible. A number of the cinemas have satellite connectivity for the screening of opera and other live events, in others pre-recorded alternative programming is used. The plan is that all sites will have satellite connectivity. We talked about how they saw the future of projection and projectionists.

**Jesper:** "We can't avoid the fact that in moving forward everything is going to be digital. We are probably going to go more digital as we develop each of the sites and re-brand them. Most of the sites are already part digital as they have Christies or NECs. Certainly the goal is to be completely digital and remote programme it - as in the playlists and as in setting up trailers. At the moment all this is done on site."

"Changes in the traditional projectionist role are a sensitive issue. On top of what we do in terms of showing films and all that comes with that, we would do a lot of events and private hires and there is going to be a shift from just running and maintaining a projector to maybe more other activities. For instance our events department here has two or three people just organising and managing events. Obviously you need technical assistance to events. For instance if someone wants to do a corporate presentation with a laptop and PowerPoint – at the moment some of our sites do not have the infra structure to do that – we will need to be putting things in place to be able to cope with that. In terms of the projectionists traditional role it is already a more multi-tasking role in our Hampstead site

and one or two of our new sites."

**Daniel:** "I think that for me the whole opportunity around technical staff is under exploited and underutilised. I would like to revisit all this and ask what actually could this role be like? Is it a role where someone just quietly walks in through a back door then sits in a room and just works a projector or is it more viable and all encompassing? Is it a role where that person is a primary individual within that venue or a number of venues – what is the scope of that role? I see the role as venue technician as opposed to projectionist. To me the role is clearly venue technician. This is something I would like to see develop as an Everyman standard and I would like to accommodate anyone who is interested in becoming a venue technician in terms of exciting people. People may have different views on what they want to do and you may or may not be able to influence that. But also I would like to see if we can breathe life into it as a viable career choice for new young people coming through or make it a new way. At the moment the way it is positioned as projectionist, - it is a dusty old term. From a job satisfaction point of view we see a venue as a fully integrated set of components not as auditorium, front of house, and projection. We say that the big cultural difference with us is one of fusing - fusing the teams together and we have good indications regarding how that is going coming out of the Screen takeover. Culturally the techs, the projectionists seem to be slightly marginalised, not by us, but within this industry, and possibly what they may think about themselves. I think the future is in integrating all this together and I don't think we should be frightened of that but look at this as a positive thing and ask ourselves how can we make all this work better together."

### The Club and Community Dimensions

**Daniel:** "When we started in our own little way, we had to very strongly sell the concept of intimacy, because that's what we were - against the rest – the concept of club is less relevant to us now because we have scale and in fact we will develop the Everyman name without the concept of club being attached to it.

Then we will go to the next stage of our plan which is to launch a membership club which will be like a two tier operation. Such a club would offer members previews, members events, anything we can build in - because going back to what we are as a company - we are a hospitality company - in the sense that we are there to bring in an experience. But also what we are day to day is a content management company. We manage content – that content can be what we show on the screen, what we serve in the bar, what our menus are – you know the environment we deliver it in – its all about content management and we put all the component parts together. The membership will be a content managed or content rich scheme that members will benefit from – exclusive to members."



The refreshment area at the refurbished Everyman, Belsize Park

(It is interesting to note that the Cinema De Lux concept operating in the Midlands has a similar "Insiders" second tier customer scheme.)

### Refreshments

The luxury cinema concept has a very up market approach to cinema refreshments and this is obviously seen as key. The Everyman Group has its own central kitchen facility where especially ordered snacks and foods get delivered, prepared, packaged and branded before onward delivery to the cinemas. It has plans to further develop the income from this, but with its current portfolio of cinemas the sites are often quite small with very limited space being able to be devoted to food preparation. The refit at Belsize Park is a good case in point. I asked Daniel how he contends with improving this side of the guest experience.

**Daniel:** "We are talking about a new venue in Leeds that is likely to have a full brasserie and kitchen. A venue like Belsize Park is never going to have something like that, then it's a question of what you can do in a smaller space or what you can do offsite. We have a kitchen facility that services the chain that is remote. Another thing is to ask yourself how you are going to apply yourself to the existing square footage. For instance if you wanted to open a restaurant, say you need 1500 to 2000 square feet in Belsize Park – we have about 4000 square feet on the whole site. With say about 130 covers (covers being seats) – that is a big operation for a restaurant. The trick with us is that we look at the total entire space – so as a customer you should become aware that we have worked hard to remove the segmenting of the experience. Traditionally the customer enters and has to go somewhere for this, then somewhere else for that, and then somewhere else for something else. So in the new Belsize Park you will be able to walk straight in with a barcoded advance ticket, there is no need to

queue, you can go straight to your seat and be served there or if you prefer serve yourself, so we get the flow of operation through the entire space. The culture of cinema has always been about what we are delivering at the screen end so customers tend to be filtered into or put into funnels – they don't get very much out of that. We aren't like multiplexes - we have to use the entire space and that goes down to your seat and your table, the wine cooler and the bar in the auditorium. At Belsize Park we are reducing the seating capacity from 243 down to 130 so we can devote that space to a better standard of experience to each customer by reducing the number of customers in the space at any one time."

**Jesper:** "There will always be a market for an NFT style of cinema where you are hardly allowed to bring in a bottle of water, or when you cough there will be three people shouting at you. I don't mind that kind of experience – it may depend on the type of film you are viewing but that is not what we are about. With us it's about having a good time, it's what we call filmertaining – we do invite people not necessarily to talk during the film but we have wine coolers by the seat and we have tables for their drinks. We are not sure whether or not at the new Belsize Park we will be keeping the bar open during the screening, but possibly."

### Programming

This is done weekly on Mondays with Claire Bins at City Screen. She is able to get deals with distributors and she knows The Everyman target audiences. Local venue managers can input into programming – for instance some specialist programming for Halloween. Feedback from local management to the central programming process is encouraged so local cinemas can relate more closely to local needs.

**Daniel:** "Cultural shifts in programming have

to work with the staff and the customer base. The human condition is that in the choice of change or no change - the human default position is no change. As a business we have always been "ballsy" in having the courage to back our beliefs. Normally business people say - find out what the customer wants and give it to them. I think when you have a business that requires to be evolving, you have to do a little bit of that, but you also have to say, you know what, let us change something and try it. With us, how we begin to drive the venues, how we start to begin to treat the programming, and how we bring the technology into it, are all ways of how we start to get people forward thinking about this is the future of this business, and not what is its past."

### The Belsize Park Refit

During the time I was finding out more about Everyman, their Belsize Park cinema was undergoing a very major refurbishment. Everything I found out about the Everyman philosophy and strategy can clearly be seen in the total refit. I have made this cinema upgrade the subject of a shorter companion article for a future issue of CT.

### The Future

As mentioned above, the Group is in discussion about a venue in Leeds, which is planned to be a brasserie cinema. The group plans to open a venue in Hammersmith Grove in 2010, again closely linking restaurant and cinema. I also understand that Daniel and his team are in discussion with hotel companies and other UK property developers. Their longer term corporate plan includes an aspiration to have a chain of 50 cinemas in ten years time. The whole impression I got was of a young very dynamic company with a clear and strong focus on the future. They deserve every success.

When I first started talking to Daniel and he almost emphasized the fact that he was not a film enthusiast, I must admit that for this old die hard cinema romantic that felt a little harsh. By the end of our interview I had found him to be quietly charismatic and I very much admired and respected his very clear and very valid take on cinema.

In summing up he told me: "**Basically what we are about is reinventing these venues in their locality, as THE place or THE destination for entertainment, which is what cinemas used to be. That's where the opportunity in the market is**".

You can't argue with that I thought. I left The Everyman offices so impressed, so much more informed about this important new trend in cinema and the ideas behind it, and as enthused about cinema's diverse future as ever.

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Related Website:  
www.everymancinema.com