

MINORITY REPORT

ETHNIC CINEMAS AIM TO SERVE A GROWING AUDIENCE

By Doris Toumarkine

Question: What foreign-language film with subtitles in yet another foreign language was a U.S. circuit's biggest box-office grosser in 2004?

The answer below might be obvious to ethnic-cinema operators or their vendors. What is less obvious is why in a country where the ethnic and foreign-speaking populations are booming and growing rapidly as a greater percentage of the total population, the number of movie theatres catering to these groups is diminishing.

Ethnic populations, most notably Hispanic and Asian, have grown dramatically in the U.S. over the past decades. U.S. Census and other recent surveys suggest Hispanics and blacks each number about 35 million, Asian and Pacific Island groups about 11 million, and Russians about eight million. These and even smaller ethnic clusters have created all manner of communities, businesses, services, and products catering to their specific needs and cultures.

While the country promises liberty and justice for all, the promise of more movie theatres delivering to specific ethnic clusters hasn't been fulfilled. Yet, other media and other platforms, including TV, radio, DVD and print, have emerged and thrived by delivering ethnic-targeted products and services. MTV Networks, for instance, recently announced plans to launch ethnic channels targeting young Indian, Korean and Chinese viewers in the U.S.

Loews Cineplex has been a pioneer in the area of ethnic cinemas with its Magic Johnson Theatres, with six locations and about 84 screens. But the venues, appealing to African-Americans, are not foreign-language venues. The unique outreach to black audiences has a historic precedent. Decades ago, theatres opened in black neighborhoods that offered black films.

Similarly, today, the Magic Johnson Theatres "consistently perform very well in serving the local marketplace," says Loews Cineplex senior VP of marketing John McCauley. The theatres, he explains, serve as a source of community and also work in concert with other local retail establishments. McCauley estimates that Magic Johnson audiences are about 80% minority.

For the Hispanic market, Loews, up until about a year ago, also tested dubbed films and some with Spanish subtitles in appropriate markets like Houston and Los Angeles, but the results were not positive. Explains McCauley, minority audiences are driven by genre, not by content or language.

More and more, we are a polyglot nation. Yet paradoxically there's anything but a "polyglut" of foreign-language theatres serving our foreign speakers. L.A.-based Metropolitan Theatres, for instance, with a total of 80 screens in California and Colorado, has cut back its Spanish-language venues to just five screens at three locations. The reason, explains Metropolitan chairman Bruce Corwin, is that there's just not enough product out there. "We're down from previous years because of the product situation. Mexico has significantly cut back its production, as have other countries like Spain, and we need that steady product flow."

Another downsized market is Brooklyn, New York, and its robust Russian community of Brighton Beach. The neighborhood lost its major Russian-language movie house some years ago. According to Slava Tsukerman, director of the soon-to-be reissued cult classic *Liquid Sky* and the documentary *Stalin's Wife*, Russian-language films played the Oceana beginning in the early '80s and continued doing so at the renamed Atlantic Oceana. Today, in spite of the area's growing Russian population, it is now a renovated venue for live performances such as plays, music, and cabaret and comedy shows that target Brighton Beach's Russians.

Suggesting why an ethnic cinema may not be viable, Tsukerman observes, "The Russian community now has easy access to its films on DVDs, which can be bought or rented in the Russian bookstores."

New York's other ghosts of ethnic-oriented exhibition past include the Warsaw, the Odessa, the Bombay, and venues dedicated to Chinese, Japanese and anime films.

In spite of this trending away from ethnic cinemas, Clearview Cinemas recently gave such an experiment a shot at its 62nd Street and Broadway location in New York. From October to November 2004, Clearview renamed the theatre the Cinema Latino and offered Spanish-language films in its 300-seat venue. The Latino programming included films in Spanish and Portuguese but with English subtitles for general audiences. Clearview promoted the theatre with appealing newspaper ads and the come-on of free popcorn.

Some industry insiders say the venture, perceived as an interesting strategy to gain

leverage in Manhattan, was hobbled by its location in a non-Hispanic and upscale location near Lincoln Center. Clearview, which has returned to traditional programming at the venue, maintains it "will continue to showcase Latino films through various film festivals throughout the year" at the theatre.

But other pioneers have ventured into the niche space of foreign-language ethnic cinemas and stayed the course, such as Colorado-based Cinema Latino Theaters (CLT), a division of Sonora Entertainment Group. Launched four years ago, CLT is the brainchild of entrepreneur Jared Polis. Inspiration for the venture struck after visiting Spanish-speaking friends groused that they were unable to find a Spanish-language film in theatres.

The chain currently has 22 screens in three locations (Phoenix, Arizona; Ft. Worth, Texas, and Aurora, Colorado, near Denver) and is about to open two more locations in Texas. The circuit shows Spanish-language films in the original Spanish, and movies with Spanish subtitles or dubbed



in Spanish. Or, says company CEO Anne Tengler, some films might be English-language but with Latino actors. Subtitles don't frighten Cinema Latino audiences, Tengler explains, because most TV and home product in Latin America is subtitled, so patrons are comfortable with subtitles. But product primarily for kids like animation are presented dubbed in Spanish.

Tengler notes that Phoenix is the operator's highest-performing theatre, since it draws from a much larger Hispanic population. The circuit's best-performing films overlap with the general-market high-grossers. "Shrek, for instance, had broad appeal in our theatres, but something like *Vanity Fair* doesn't interest our market," she says.

Now what about that top-grossing foreign-language film with foreign-language subtitles we first mentioned? That was *The Passion of the Christ*, which originated in the Aramaic language and which Cinema Latino showed with Spanish subtitles.

"That film was the perfect storm for us, as it had the media attention, the prestige of Mel Gibson and the appeal to the Catholic audience that is our audience. It was an interesting phenomenon and provided the same surprise for us as it did for everyone else."

The Hispanic or Latino market is very fragmented, but Cinema Latino theatres, concentrated in the Mexican-American southwest, target all Spanish-language speaking groups. Venues play Latino pop music in the lobbies, offer American concessions with a smattering of Mexican burritos, churros and candies, and signage in both English and Spanish. Also, floor staff must be able to speak Spanish.

Hispanic patrons, says Tengler, are "attractive" because they go to films more frequently. "They are early adopters who spend more at concessions."

These filmgoers also bring their families, which is why prime times for the chain—Sunday afternoons and early evenings—are different from those for general markets.

For decades, the growing Latino population has sustained Los Angeles-based Arenas Entertainment, a subsidiary of the Arenas Group of Spanish-language media and management companies. Larry Gleason, Arenas Entertainment president of distribution, says that there are some standalone ethnic cinemas out there, but their number is insignificant. Instead, Arenas produces and distributes about four to six Spanish-language films a year to both mainstream circuits and the Cinema Latino theatres—in addition to a handful of straight-to-video titles.

While commercial foreign-language theatre ventures are scant, the non-profit sector has taken up the slack. In New York, Chicago and along the East Coast, the four-year-old Cinema Tropical presents extensive programs of Latin American cinema, including both Spanish and Portuguese-language offerings. Deep-pocketed sponsors like *The New York Times* or funders like the New York State Council on the Arts assure aggressive marketing that drives traffic to Cinema Tropical venues. These are largely small commercial theatres or

cultural institutions that usually feature one Cinema Tropical film a month that travels from New York locations to other destinations. Currently, New York and Miami are Cinema Tropical's strongest markets.

Cultural groups throughout the country like New York's Scandinavia House, the Alliance Francaise, Japan Society, Goethe House and others all offer foreign-language features to targeted audiences, as do university and other educational centers around the country. And there are countless foreign-language film festivals, especially in the bigger markets, that quaff the thirst of audiences seeking films from other cultures in any number of languages.

Getting into the ethnic-theatre game is further hobbled by the risks and costs inherent in the overall business. The New York area, which comprises one of the country's most ethnically diverse and populated regions, is paradoxically also one of the most challenging. In the borough of Queens alone, the Hispanic and Asian population is estimated at more

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than 2.5 million people. Jackson Heights in Queens, for instance, boasts a huge Latino community and is one of the largest South Asian communities in the U.S. Yet Jackson Heights has only the Eagle Theatre, a popular and colorful Bollywood venue.

The main obstacle to attracting big portions of these ethnic groups has much to do with the fact they are not homogeneous. Latino subgroups like Puerto Ricans, West Indians, Dominicans and Cubans all have their own needs and preferences.

Yet, ImaginAsian Entertainment Inc. (IAEI), which runs the ImaginAsian theatre in New York, dares to target wide as it reaches out to all Asians. Begun only last summer, the ImaginAsian markets to a potential of several million people. The one-screen theatre is on East 59th Street at a site that was previously the D.W. Griffith and a Clearview operation.

Rohi Mirza-Pandya, IAEI director, theatre operations and acquisitions, describes the venue as "perhaps the only movie theater in the U.S. that reaches out to the entire Asian-American population and certainly the only theatre that does so in New York City."

The outreach is to the Chinese, Japanese, Koreans, Filipinos, Vietnamese, Thais, and South Asians, meaning those of Indian, Pakistani, Bangladeshi or Sri Lankan background. Says Mirza-Pandya, "We try not to favor one community."

In fact, ImaginAsian looks beyond Asians. It shows all its Asian language films with English subtitles, in the hope of also attracting a smattering of non-ethnic audiences, including the art-house crowd that took in the Indian art film *Raincoat*.

Films at ImaginAsian run two weeks on average, with product coming from Asian distributors, usually with U.S. offices, and from the major studios, such as DreamWorks' *Ghost in the Shell 2: Innocence* or New Line's mainstream comedy *Harold and Kumar Go to White Castle*, featuring Korean and Indian buddies.

Like general theatres, the ImaginAsian strikes standard deals with distributors and draws its biggest crowds on Friday and Saturday evenings. The theatre also hosts an occasional film festival such as that showcasing Korean films. Upcoming fests will focus on Indian and Thai cinema.

The Asian stamp is also on the venue's concessions. While popcorn is on tap, so are offerings like Pocky (a chocolate-covered cookie), Boba Tea (a fruit drink with tapioca balls), and wasabi peas and samosas, both familiar crossovers.

Patrons, says Mirza-Pandya, come from Manhattan and nearby Asian-American outposts like Queens, New Jersey and Long Island. Marketing is basically a grass-roots effort that gets Asian organizations involved. Ads in general publications like *The Village Voice* and *The Onion* pull in the younger crowds. Mirza-Pandya concedes that the new theatre operation is still a work-in-progress and currently serves mainly as a marketing arm and promotional tool for IAEI's more established ventures, especially its TV and radio platforms.

Unlike the ImaginAsian, most ethnic theatres target specific subgroups. Yash Raj Films USA, Inc., a distributor of Bollywood films that is headquartered in Long Island City, recognizes the fragmentation of the Asian community. It is among several such Indian distributors located in New York and New Jersey and one of the largest that provide the immensely popular (and populist!) Bollywood product to the ImaginAsian and to Indian theatres in the U.S.

Vai Bhav, general manager and administrator at Yash Raj, names the nearby one-screen Eagle Cinema in Jackson Heights and the one-screen Bombay Cinema in Fresh Meadows as rare standalones. These are two of an approximate dozen theatres throughout the country dedicated to Bollywood fare. Other venues are the two three-screen Naz Cinemas in San Francisco and Los Angeles and the two-screen West Belfort Cinemas in Houston.

Yash Raj, which also distributes to the major American chains, has had a number of its Bollywood films break into the top 20 grossers—Bhav names the recent *Veer Zaara* as one such breakout. Of course, probability works in Bollywood's favor. India, with the world's biggest film industry, produces about 1,000 films a year, with most of those being Bollywood productions—popular worldwide—from the Mumbai (formerly Bombay) Hindi industry.

New York, with its massive and exploding foreign-language popula-

tion, would seem the ripest location for ethnic-cinema growth. According to a just-published city report on immigrants, the area's foreign-born population is at least 3.2 million immigrant residents, a record high. The report also says that foreign-born residents and their offspring account for more than 55% of the city's population, and the same dramatic rise of foreign-born residents is happening in nearby New Jersey and neighboring New York counties to the north and east of the city.

But if the New York metropolitan area, also including Brooklyn, Bronx, Queens, upper Manhattan, and New Jersey communities across the Hudson River, is teeming with ethnic pockets, it is nevertheless a tough market to crack. New York-based Robert Greenstone, a broker and developer who works with major circuits like Regal, Loews Cineplex and National Amusements and specializes in placing brand-new theatres in the New York area, pinpoints specific challenges. In certain ethnic-rich neighborhoods like Harlem or Queens, people often want to leave these areas, not go in. New York theatres also need nearby "retail magnets" to keep neighborhoods safe and fun.

Neither Hispanics nor Asians represent one marketplace, Greenstone explains. "A director like Pedro Almodóvar, for instance, may be Spanish, but he's an art-house darling who does not cross over to the Hispanic mass market." In fact, there is tremendous "splintering" within both the Asian and Hispanic groups. "The reality is that both Hispanics and Asians break down into specific identities. Dominicans and Puerto Ricans and Cubans, for instance, distinguish themselves, as do the many Asian groups that include the Chinese or Japanese or Vietnamese. Because New York can be broken down into hundreds of different trade areas with different trade patterns, ethnic consumers may not go to the same stores and they may not go to the same theatres."

There is also the cost factor, which is huge in New York because land is so dear and rentals so high. Greenstone suggests that building a new theatre comes at a cost of about \$230 to \$250 a square foot.

Echoing others, Greenstone suggests another fact of exhibition life: "A lot of these [ethnic] filmgoers, like most filmgoers, want to see American movies, the big movies."

In spite of the odds, Greenstone doesn't rule out involvement in ethnic cinema. "If you built it, they would come, but you need the chutzpah and the pocketbook." Asked where he would build if given the bucks, he answers: "I'd go to Washington Heights. It's safe and clean and has an infrastructure of retail and good mass transit."

Most things, especially in entertainment, move in cycles, so it's not unrealistic to think that ethnic cinema may move out of its dormancy. Says Metropolitan Theatres' Bruce Corwin, "I still believe this is an untapped market. It's just that the product needs to be there."

The ImaginAsian theatre, too, believes it is onto a good thing and is hoping to expand its pan-Asian concept to Los Angeles and San Francisco. And Cinema Latino Theatres, looking in the opposite direction, is aiming to expand its Hispanic cinemas eastward. While the chain is currently concentrating on the Midwest and Southwest, places like New York with large Hispanic pockets are not out of the question for expansion. Says Tenger, "We will grow [the chain] into every important key Hispanic market."

Sounds like Greenstone should do lunch with both Cinema Latino and Metropolitan. And ImaginAsian should brave the West Coast after successfully taking on the country's most challenging theatre market.

RAVE REVIEW

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vis-à-vis the competition. And we are very proud of that."

In terms of premium pricing, Devine fears a possible disconnect. "We do not want to charge more. If you get more for your money, that equals value. The bargain we give is that we do not charge more.

"Movies are and always will be a shared communal experience," Devine concludes. "Even if people had the wherewithal technically in their homes, they could not replicate what it means to share a comedy, drama or horror film with 400 equally excited people. No matter what gets thrown at us—television, video, Internet streaming—there will be theatres and, as an industry, we'll continue to adapt. This may not be a highly original thought, but I see it as a ringing endorsement for the future of our business." Leave it to Rave to rave about moviegoing. **FJI**