

UP CLOSE & PERSONAL

Stephen Simons: CEO, VIP Cinema Seating

Premium seating has seen ticket-sales go up by +80% and the more 'wow-factor' we put into the chairs, the greater the spend-per-head... those exhibitors that are *not* installing recliners are losing revenues to the tune of 5-10%

How did you come to enter Exhibition?

I was first exposed to Cinema through the Australian exhibitor, Village Roadshow, who, in 2008, was expanding with a chain of VIP cinemas in the U.S. and approached me to build their seating. We did the first few locations and, in so doing, introduced the 'recliner seating' concept to the industry. This was when our company, VIP Cinema Seating, was formed.

Being CEO of VIP Cinema Seating, what's in a typical day?

Well, there's probably no such thing as a typical day, but the factory here starts up at 7am and – being the bottom-up kind of CEO that I like to be – this is where I'll spend the early part of each day. Otherwise, my focus remains pretty much on the product-development, engineering and manufacturing side.

How big, as a phenomenon, is recliner-seating in Cinema today?

In the early days, we considered that about 40% of cinema auditoriums would be re-equipped with premium-seating but, nowadays, that figure looks more like being 60%, and will continue from there, so it's huge. But it should be remembered that re-seating cinemas isn't a 'simple runway that starts at A and finishes at Z', but, along the way, there'll be a whole host of seat-replacement and refurb programmes as the whole dynamic evolves.

What key thing about recliner-seating would you say exhibitors need to know at this time?

Probably that while it all maybe started out as 'just recliner seating', the industry has seen ticket-sales go up by 80% or more and the phenomenon is now the new business model. In point of fact, it is the *seats* that are bringing the movie-goers in, those with more disposable income who, instead of popcorn and cola, are now consuming beer,

wine and sliders, for example. And the more 'wow-factor' we put into the chairs, generally the greater the spend-per-head. Even in cases where there aren't increases in admissions, the seats are still managing to generate more profit and their roll out has essentially enabled a more upmarket model. By contrast, those exhibitors that are choosing not to equip their auditoriums with recliners are found to be losing revenues to the tune of 5-10%.

Also, due to competitive innovation, how is the premium seating offer likely to evolve?

Things are developing fast in the seating [arena] and while the details are not for discussion right now, what I can say is that by using smart home-technology, there is a project under development that we call 'the chair with the brain', such is the sophistication in terms of what it can, and will, do for movie-goers.

There are many luxury seating suppliers in our industry – some might say *too many* – so what distinguishes VIP Cinema Seating?

VIP is the *only* company in our industry that began as a premium seating manufacturer, as opposed to, say, a seating manufacturer looking to add a luxury cinema chair to its range, and this already gives us a major head-start. VIP produces 1,100 hand-crafted chairs a day and so, not only being first in this business – with 70% of U.S. market-share – we're also the world's largest industry supplier of luxury recliner cinema seating. The present premium-seating trend I think has re-energised us: we know the business and exhibitors' needs and this is important because ours isn't a 'buy-sell' relationship with Cinema but, instead, one of 'partnership'. In fact, we're sometimes asked how we manage to keep our relationships [with the likes of AMC and other majors], and I have to reply that 'we love them to death', because it's true!

What are the company's forward-looking plans for Cinema?

The company, right now, is at a point where it's feeling comfortable with its exhibitor relationships in the U.S., so we are now looking at becoming a global industry supplier, commencing with a presence in Europe and then Asia.

What are the best and the worst things about running VIP Cinema Seating?

I think, very often, we like to talk in terms of the upper-management of a company because it's the fashionable thing to do; but, personally, I like to celebrate our production team and middle-management because, in our own case, I think they both are incredible and the best I've ever seen.

However, in 2008, when VIP was a much smaller company, we had just 25,000 sq. ft. of factory space and 25 employees and I could touch *everything* when it came to the day-to-day operation. Fast-forward eight years, to where we now have 600,000 sq.ft. and over 400 employees, and it's simply not possible for me to cover everything in the way that I'd want. As you get bigger, your reach becomes diluted.

What has being in Exhibition taught you the most so far?

I think that relationships are important, as is being both a fair and beneficial partner. At the end of the day, you should 'do what you say and say what you do'.

If you weren't in cinema seating, what might you be doing instead?

I have no idea, is the honest answer. 

VIP Cinema Seating, founded in 2008, and located in New Albany, MS, is regarded as the premium seating pioneer of the Cinema industry, having given birth to the 'VIP seating' concept.