

Target Market Project
CinemaNOW
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cinemaNOW

Industry Potential

For many decades, the American cinema has been a constant source of entertainment in the United States. The movie theater has been enjoyed by Americans all across the country and is one of the original sources of American entertainment, along with traditional stage theater. The movie theater industry has been steady for over a span of more than 50 years. From 1955, overall annual ticket sales have fluctuated anywhere from 1.2 billion to 1.5 billion (Article #2). Total revenue generated from box office sales across all United States movie theaters have also encountered a slight, gradual increase over the 50+ year span. From 1955, Total box office sales (adjusted for inflation) have fluctuated anywhere between \$10 billion to \$12 billion (Article #1). From these numbers alone, it is no question that there is a great interest in viewing feature films at movie theaters, especially in the United States.

Currently, there are a few major players in the industry including, AMC Theatres, Regal Cinemas, IMAX Theaters, UEC Theaters and more. Between all of these brands, there are locations spanning all across the globe with an extreme prevalence in the United States. AMC Theatres, specifically, is now known as the largest movie theater chain in the world (Article #10, web #7). This is, in part, due to AMC's recent acquisition of major movie theater chain, Carmike Cinemas (article #7).

Any new movie theater brand looking to join the industry must offer a significant innovation to the movie theater "experience" in order to compete with the current, established giants of the industry that I have previously mentioned. Nevertheless, there is still a great deal of development and evolution to be had in the commercialized venues that the public uses to view new, shiny feature films. More films and television is being produced than ever before and to match, consumers in all parts of the globe are eating every bit of it up.

Implications: There is still a lot of growth and innovation to be had within the movie theater industry. Although it does not occur often, a new brand in the movie theater industry can make a name for itself among established and prevalent brands if an advancement and innovation is to be offered.

Current Trends in the Industry

At the core of the overall theatrical experience, there has not been a significant amount of change from theaters of the 1950's and 1960's, to movie theaters today in 2017 (article #1). However, if you consider features and components of the experience on a surface level, movie theaters have made a formidable attempt to keep up certain advancements in technology that have been greatly accepted by the public within the breadth of the existence of movie theaters.

A major example of this would be the adoption of modern websites and cutting-edge mobile applications by movie theaters (web #2). The website of each competitor within the

industry is home to all relevant information, account data and current promos for the respective theater. The theater brands have acknowledged the fact that relevant information had to be conveyed to both returning customers and potential customers in the most efficient and convenient means possible. The movie theater's ticket to customer convenience was, indeed, mobile ticketing. Mobile ticketing gave the consumer the ability to skip the line and essentially claim their seat within their preferred showing, all from the comfort of their own smartphone or computer (web #8).

Another facet of improved brand-to-customer engagement would be social media. Social media presence is an increasing factor in current and future customer engagement. Theaters use the top platforms within social media such as Facebook, Twitter and Instagram to be in constant contact with the public (web #9). This contact includes information such as new films coming to theaters, current promotional deals and virtually any other information the brand needed to convey to the consumer.

Implications: Even though the core model and essence of the theatrical experience has not withstood much significant change for many decades, surface level features, mobile ticketing options and customer engagement components have developed and improved with the rise and prevalence of technology and social media.

Acknowledgement of Competitive Factors

Direct Competitors:

- AMC Theatres - largest movie theater chain in the world, based and headquartered in the United States (web #2).
- Regal Cinemas - major movie theater chain in the United States, based and headquartered in the United States (web #1).
- UEC Theaters - medium sized movie theater chain in the U.S.
- Palace Picture House - an 'Art House Theater,' a sub-channel of the movie theater industry that serves fans and connoisseurs of classic and independent film. Arthouse theaters do not screen the new, exclusive commercial films that the previously mentioned competitors do, but rather films that have been previously placed into consumer distribution and/or obscure films that can be difficult to find for the average viewer.
- The Void - a very specialized theater that is focused on virtual reality (VR) technology. The Void is a theatrical venue for virtual reality film simulations (web #5).

Secondary Competitors:

- Redbox - movie rental kiosk service with locations all across the United States. Redbox was a stark innovation in the sector of physical DVD rental, as opposed to the previous rental

model made famous by BlockBuster.

- Netflix - major movie and television streaming service. Largest subscription based, entertainment streaming platform in the world (web #4).

- Hulu - major television and film subscription based streaming platform. 'Stream-able' content with an emphasis on television, over film (web #3).

- Roku - internet-based home entertainment console that hosts a wealth of video content ranging from film, television, sports and more.

Implications: Within the movie theater industry, giants like AMC Theatres and Regal Cinemas take hold of most business leaving room for some smaller sized firms in between, depending on location. Whereas, the largest competitor to the industry is the development of film streaming services with the rise of platforms such as Netflix and Hulu (article #5). The major secondary competitor to the movie theater industry is similar content that can be viewed from the comfort of the consumer's home. In combating a new wave of streaming services, a new brand in movie theaters has to essentially give the consumer a reason to leave their living rooms behind and go out and use your venue for their next film viewing.

Technology Factors

In the past, movie theaters have been quick to adopt the latest advancements to keep the movie going experience not only a delve into the latest films, but also into the latest technology in audio/visual. The technological advancements that can be observed in theater auditoriums include 3D movies, 4K high quality resolution video and projection systems, Dolby Atmos Surround Sound systems, and more (Article #3). Some theaters might even feature specialty auditoriums, such as IMAX, that boasts the most cutting edge audio/video technology that would best that of the standard theater auditorium. Outside of the audio/visual component, select theaters have adapted and developed a comfort and leisure setting by adding leather reclining seats and increasing a variety of selection in concessions.

The movie theater's adoption of websites and mobile applications was not only a supplement to their customer engagement reach, but also an improvement to their online presence. The rise of mobile ticketing by theater brands and third party online ticketing websites like Fandango, changed a great deal of the theatrical experience. The websites for these movie theaters are proficient in answering any possible questions the consumer might have by displaying information about the movies, showtimes, facilities, features, concessions and so much more (web #1). The websites also do an excellent job of promoting and informing the consumer of upcoming promotions and advancements. The website for AMC Theatres is an absolutely phenomenal example of these traits and purposes (web #2).

Implications: A new name in movie theaters must have state of the art audio and visual technologies in the viewing rooms, a beautifully designed user friendly mobile application and an easy-to-navigate website packed with useful information.

Consumer Behavior Factors

- Proximity/Location (CI: 1, 2, 3, 5, 6)
- Ticket Prices (CI: 1, 2, 4, 5)
- Customer Service (CI: 1, 2, 5)
- Coupon offer/discounts/loyalty program (CI: 1)
- Previous positive/negative experience (CI: 1, 2, 4, 5, 6)
- Quality of Seating in auditorium (CI: 3, 4, 5, 6)
- Movie Selection (CI: 1,4,5,7)

Implications: To illustrate it plain and simple, these are the factors that a new name in movie theaters will live or die by. Each and every one of these seven areas must be addressed and optimized for quality by a new business in this industry, if it wants to be successful. The major theater chains do not always exhibit the highest quality in every single one of these areas. If the specific area that is lacking can be identified and then perfected by a new business, a very viable path to success could be formed in that way.

Competitor #1

AMC Theatres



Primary Target Market Analysis

Primary Demographic: AMC Theatres is a brand in entertainment that does not minimize their target audience in any way, but at the same is aware of the demographic in which their regular audience lies. Historically, the average individual attending a movie showing at an AMC theater is caucasian and within the age range of 18-24. This core demographic has been very prevalent in the movie theater industry, as a whole, for many decades (web #6). Because AMC has such an established demographic, I have rated 'Demographic' in the top slot because if AMC should ever fail to cater to this particular sector of their audience, they could compromise their strongest customer demographic.

Primary Geographic: In the secondly ranked slot, is the geographical element. With AMC being a brand that consists of brick and mortar establishments throughout the country, location is absolutely king. AMC, a brand with more theatres in the world, boasts over 661 locations all throughout the United States, totaling 8,200 screens (web #7). Consumers of feature films greatly value the location of a movie theater. The distance from home to a local theater is a variable that customers take into account when deciding which venue to enjoy a highly anticipated film (CI 2,3).

Primary Benefits: When visiting an AMC Theatre, customers will receive quality customer service (CI 1, 2), excellent features and amenities (CI 3, 5). Outside of the feature film that draws the customers to the theater, these main benefits are outlets in which the brand can impact their patrons in a positive way.

Primary Psychographic: An individual with a great interest in film, art and general entertainment is the prime market for the psychographic component (CI 1,5). However, the primary psychographic is found at the bottom of the ranking. Since AMC Theatres, and movie theaters in general, appeals to such a massive audience in the United States, the sector of consumers with the right interests is not too high of a priority for the brand to concentrate efforts on.

Product Analysis

Product Objective :

AMC strives to give the patrons the best possible cinematic experience and have them coming back with friends and family to enjoy all the great feature films that AMC has to offer.

The cinematic experience is complemented by the great range of food and drink selection offered by concessions, the Stubbs loyalty program and excellent customer service (web #2).

Product Strategies :

AMC theatres provide an experience in which customers can easily purchase tickets through their website, mobile application or partnered ticketing service, fandango (web #2, #8). Upon entry, customers have a wide, enticing menu of drinks and snacks at their disposal before they make their way into the auditorium to view the feature presentation. Within the auditorium, customers can find a seat among a grand set of stadium seating, outfitted with arm rests and place to hold the drink they acquired back at concessions. While viewing the film, the customer might have the opportunity to enjoy the latest technology from Dolby Digital and IMAX, depending on particular AMC theater location. AMC combines their access of commercial films of the highest quality with top tier features and technologies to bring together a memorable, entertaining theatrical experience (web #2).

Product Strengths - mobile ticketing, comfortable seating, advanced technology, tasty snacks, wide variety of beverages, customer loyalty program, good customer service, beautiful and intuitive website (CI 1,2,3,6).

Product Weaknesses - crowded theaters, expensive tickets, pricey concessions, increase in price for premium features (IMAX, 3D, etc.), possibility of showings selling out, half hour of movie trailer wait time, films available at theater for only a limited time (CI 5,6).

Price

Price Analysis:

	Industry Average	AMC	Regal
Movie Ticket (AVG)	\$8.84	\$9.27	\$9.78
Concessions (AVG)	\$4.28	\$4.88	\$4.42

Price Objective:

In dealing with the price of a movie ticket, the price can fulfill a luxury objective in a less conventional way. In most cases the movie theater ticket serves access to a feature film that has never been available to a venue *before* the period in which a film is shown in theaters. This promotes a luxury, since it is specific content that you cannot view at home. The profitability objective is then fulfilled by revenues made off concessions. In the first fiscal quarter of 2017, AMC theaters made just under 85% profit on concessions alone (article #10). This is an industry norm.

Price Strategy:

Both movie tickets and concessions prices have been perceived as “high” to the public. This is something I have encountered in my own experiences and the claim has been supported by my findings in customer interviews (CI 4,5,6). However, even though this may be reason for a consumer to go to movie theaters less, is not reason enough to cut them out entirely. The exclusivity of a feature film that can only be viewed in theaters is what draws customers in, time and time again (CI 1,4). Given the high distribution costs of the actual films and the high profit margin of concessions, there is not much price elasticity in either of the prices. From year to year, consumers can see a very slight increase in the prices of each with little to no fluctuation (Article #2). AMC theaters, specifically, have catered to high ticket price by offering a discount for college students on Tuesday nights, rewards within the Stubbs loyalty program, and a discount ticket referred to a “matinee” for showings in the afternoon (web #2). If price was decreased by 20% in both ticket and concessions, the theaters would not be able to withstand the cost to house most feature films and the concession profit margin would decrease proportionally. However, in some case where the prices could reach this point and still be operational, ticket and concession sale volume would greatly increase.

Price Strengths- The higher dollar ticket and concessions amount makes it possible to view the exclusive feature films in the latest audio/visual technology. Discount matinee and college student rates on tickets (article #3, web #1,2).

Price Weaknesses- high price of tickets tend to draw people away from seeing a film at AMC and considering a direct competitor (Regal) or indirect competitor (Netflix, Redbox). High price of concessions can lead to patrons “sneaking” their own snack and beverages in the theaters that were purchased off-site, for a much cheaper rate (article #5).

Place

Place Objective:

To place AMC Theater locations in areas that are easily accessible to all potential customers, exposed to foot traffic from nearby shopping centers and restaurants and within close proximity to residential areas.

Place Strategy:

The AMC place strategy typically finds its niche within urban lifestyle centers. Most of the time, an AMC movie theater location is not found by itself in a secluded area but in thriving center of establishments for shopping and service. The outdoor mall is great example of this, because in my own hometown (and other areas) I have witnessed theaters make the transition from being present within a traditional indoor mall (hoping to tap into the foot traffic of the shopping mall) to an outdoor shopping plaza (Article #13). A great example of an AMC theater

located in a shopping plaza is at the Easton Town Center in the greater Columbus, Ohio area. The prevalence of movie theaters appearing in outdoor shopping establishments have been a benefit to the industry (or business) because it makes the product more accessible and convenient to the consumer (CI 2, 3).

Place Strengths- By making their locations exposed to foot traffic of any kind, they increase the chance of individuals buying a ticket even if it was not part of their plan. By placing their theaters in areas that are within close proximity to residential areas, people living in these areas are more likely to choose the neighborhood movie theater due to the convenience factor (CI 3).

Place Weakness- Theater can be dependent on the popularity, traffic and/or crowds of nearby shopping plazas, lifestyle centers or shopping malls. If the shopping mall in the vicinity is in poor shape or run down, this can draw crowds away from the area and into places with better shopping and eateries (CI 6). The stores and restaurants that the movie theater shares the vicinity with can be a supplement or liability.

Promotion

Promotion Objectives:

AMC displays itself as a premier cinema and prides themselves as being “the largest movie exhibition company in the world.” They also strive to better distinguish their brand in following a recent acquisition of Carmike Theaters (web #7, article #6).

Promotion Strategy:

Prevalence in location is one of the biggest leverage points that AMC has in terms of promotion. With more than 1,000 theaters across the world, totaling 11,000 screens, the AMC brand is coming to a firm, mature establishment (web #7). AMC has a unique tactic in forming an impression on the patrons by flashing the ‘AMC’ logo, along with animation, right before the beginning of the movie trailer sequence. This visual indirectly goes to remind the viewer of the theater that they chose in viewing their selected feature film. The AMC logo is a very modern, minimalistic logo that is appealing to the eye. The logo features an energizing red colored theme that does not fail in grabbing the attention of anyone who comes in contact with any form of the logo. It boasts a massive render of this logo above the entry way on all of the AMC locations (Web #2).

Promo Strengths- AMC features an iconic logo on all products, merchandise and promotions. For certain showings of select films, AMC offers a collectible AMC movie stub for promotional and nostalgic purposes (web #2). The AMC brand boasts massive prevalence all across the world.

Promo Weaknesses- AMC runs little to no television commercials on major programming stations. In dealing with the name and brand of certain movie theaters, there has been confusion between Carmike theaters and AMC theaters due to the recent acquisition of Carmike theaters since all Carmike theaters were rebranded to AMC theaters (article #7).

Website

Website Objectives:

The AMC Theatre website serves many purposes in a seamless, integrated manner. Primarily, it acts as a resource of information that the returning customer or potential customer might gain information on the theater and promotions to enhance their theatrical experience in the future.

Website Strategy:

The AMC Theatre website boasts a truly beautiful site that is of the highest quality you can find on the internet. When you first enter the website you are greeted by big, eye catching images with bold text to match. This elegant website answers any questions from “what new films can I expect to come to an AMC theater?” to “what snacks are available at the concessions stand at my local AMC?” All in all, I was truly impressed with how well the website looked, was laid out, and the expanse of information that it contained (web #2).

Website Strengths- The website is extremely effective in illustrating to the customer all of the features, amenities and benefits are to be had and enjoyed at an AMC theater. The website also integrates seamlessly with a visitor of the site that has a loyalty “Stubbs” account. Website visitors who are members of the loyalty program can view the points and rewards that have accumulated, as well as other pertinent information regarding the loyalty program (web #2).

Website Weaknesses- Although the website can easily show you the theater locations in your area, it does not give you the ability to contact the theater directly. It does not offer a phone number, nor email or contact information of the branch manager/operator. This was an issue that I personally experienced in trying to contact personnel in hopes to interview and gain information for my project, first hand (web #2).

Time Out

SWOT Analysis

Strengths:

- I have a greater understanding of the industry and where my product might fit its niche.
- I have made observations of the weaknesses and shortcomings of the competitors of my product.
- I know the location in which my product will be the most successful.
- I have made observations concerning past trends and current trends that help me forecast trends to come.
- I have pinpointed the specific areas in which my product will have an edge over the competition.

Weaknesses:

- I have no current clientele base.
- I do not have any personal experience in starting a business venture of this size and magnitude.
- Achieving the rights to screen certain “big” commercial films will be challenging for a theater chain of a small size.
- The industry in which my business will exist is a very competitive market.
- The main competitors of my business are well established with locations all across the world.

Opportunities:

- I can change the way the consumer thinks about movie theaters.
- I can bring innovation to the core and essence of the traditional theatrical experience.
- I can build a filmmaker/film enthusiast community around the area of any of my theater locations.
- I can inspire the consumer to come up with inventive ideas for how my product is used and enjoyed.

Threats:

- The public does not make the distinction between my product and the established product of the large theater corporations.
- Technological or structural difficulties or failure.
- Individuals having a poor experience with my product and steering others away through word of mouth.
- Hiring ineffective staff that do not leave a positive impact of customer service on the patrons.

Internal Marketing Strategy

System of Quality/Consistency

Concern #1: A technological malfunction occurs within a component of the theater and the viewers cannot view their content.

Solution #1:

I will reserve a 2 hour block every month for checkup on hardware to make sure everything is in operating condition. If an issue is found, a repair or replacement will immediately ensue. If after this prevention effort still yields a regrettable situation in that patrons are stuck with a faulty room, there will be an immediate claim of an empty room (if available) where they can relocate and resume their session without missing a beat. On top of this, a voucher will be emailed to them granting them a free showing in the future for the entire party.

Concern #2: Website and/or Mobile app malfunctions

Solution #2:

Because my product will rely so heavily on the customer using the website and mobile app, I will have a web and mobile development team at the company headquarters (main office) whose sole objective is to develop cutting edge and intuitive softwares and web pages. This is a stark comparison to most corporations who have websites and/or mobile apps, because these brands simply outsource the development to a group that has no affiliation to the company. These contracted development groups can be extremely pricey and many times they do not offer clients support for the program in the event of malfunction, bugs or glitches.

Employee/Training Concerns

Concern #1: Employee is unable to troubleshoot an issue with a customer due to unfamiliarity with the components of the viewing room(s).

Solution #1: Upon hire, employees will receive an inservice from the manager where they are walked through each and every piece of audio/visual hardware within the viewing room. Along with the inservice, they will be able to simulate common problems and practice solving the issue. To supplement this learning, all employees will get access to a limited number of viewing sessions, in a 7 day period, for free. This added employee perk will create a sense of pride and ownership within the employees while getting them familiar with the technology. Also, this perk offers them an inside look at the perspective of the consumer. With this insight, they can better cater to the needs of the patrons.

Concern #2: Employee incorrectly prepares a menu item for patron. Patron receives a different item/wrong item.

Solution #2: Employees will undergo a training inservice with a manager that gets them extremely familiar with the menu and different variations of items. I acknowledge the fact that beginners are more prone to make mistakes, so within two weeks of employment the beginning employees will have a designated supervisor that watches their every move. If the supervisor feels that the beginner is effective and proficient in their duties *before* the two week period has commenced, it is within their authority to let them work freely without the need for tight supervision.

Competitive Advantages

Problem #1: Many customers have expressed that they would visit movie theaters more often, but the tickets are too expensive. (CI: 4, 5, 6) (article #8).

Solution #1:

The ticket price has been an issue with movie theaters for years and has been a constant note of dissatisfaction in consumers. There are a few things I can do to aid this problem. First off, my pricing mode is separate than that of a standard, per person ticket. My rate is for the room during the length of the session for a flat rate. This price encourages to bring a couple of extra friends in order to lessen the price, per person. Also, I will offer a group rate discount for parties of a certain size. This encourages to draw more people through the establishment doors. Since attendance volume will likely be less busy during daytime hours, the room rate will be discounted for sessions that do not fall in the primetime slot.

Problem #2: Some customers explained to me that the areas surrounding the theater make them feel unsafe when walking to their vehicle. (CI: 5).

Solution #2:

Customer safety and security is an utmost concern for my business, so my solution will be three-fold. First, extensive research will be done on any area where a location of mine might be developed. This information will include crime data that will be relevant to the next step of action. A small security team will be contracted to peruse the outer areas of the establishment such as the parking lot and close by areas where my customers might be walking when coming and going. Note: a security team will not be necessary if the theater resides within a lifestyle center that has pre-existing security personnel. Finally, state of the art security cameras will be

installed in the viewing rooms, hallways, lobby/common area and outside the structure all for customer safety and compliance.

Problem #3: Some customers shared with me that there is theater that is close to their residence, but make an attempt to go elsewhere because it is “run down” “unkempt” and “dirty.” (CI: 6,7).

Solution #3:

This particular problem is a real shame and disgrace to the brand of movie theaters. For a customer to go out of their way to avoid the most nearby theater due to dirtiness and unkemptness is just unacceptable. To ensure that this is never the case with my theaters, cleanliness of all facilities will be an utmost priority. All custodial duties will be shared among the whole staff, making it a team effort to keep our theaters immaculate. An online based log of duties with an accompanying schedule that indicates which staff member is to do what task at what time.

Product #3

CinemaNOW

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CinemaNOW

Primary Target Market Analysis

1. Primary Geographic

In the early stages of CinemaNOW, I will place locations in very urban areas with dense populations to match. Example: Manhattan, New York City. People in this area typically do not have much a whole of space in their apartment due to the vast population density.

Why: I placed Geographic in the #1 slot because the location for my theaters are crucial, especially at the earlier phases when the masses are not familiar with my product. Individuals in this area are used to seeking entertainment *away* from their homes and out in the city. When they want to consume entertainment with their friends their small living rooms are not even in consideration, thus, the use of my product is partly stemmed from necessity before interest and loyalty is fostered within the consumer.

2. Primary Demographic

The primary demographic consists of college aged individuals and those in their mid-to late 20s. CinemaNOW strives to appeal to any possible consumer who is looking for a new-age mode of theatrical entertainment.

Why: I placed demographic in the #2 slot because I understand that when new ideas come into the market, it starts with the younger generation and disperses from there. I believe that if I can market towards the college age/20s and get this demographic ranting and raving, a wide audience of potential customers are bound to eventually come my way.

3. Primary Benefits

The benefits are numerous and attractive. Customers have a say in what they want to watch, when they want to watch and who they want to watch it with. A personal cinematic

experience brings a new element of intimacy that will make the current format seem outdated and disconnected, by comparison.

Why: I placed benefits in the #3 slot not because I feel that it's less important than the previous two, but I find the first three rankings *really* close in weight of importance. If the audience is first drawn in by necessity and then exposed to the great benefits, they are sure to walk away with a positive experience and ready to book their next visit.

4. Primary Psychographic

The primary psychographic consists of interests in film, pop culture and entertainment in general. Film buffs, aspiring filmmakers and film critics will definitely find my theaters a unique novelty and I project this group will make up the early stage of the loyal customer base.

Why: Psychographic is placed in the #4 ranking because it simply is not nearly as crucial as the other factors. Even though it is important to pinpoint where the original loyalty might arise from, it is not at all my goal to cater only to this niche of a crowd. The longterm primary psychographic will take a shift from “film buff” to anyone interested in entertainment in general. Obviously the latter target is a wide and vague one, but my aim is to never minimize my audience while staying true to the core values, beliefs and mission of the business.

Product

Product Objective:

CinemaNOW offers an intimate, state of the art cinematic experience built around convenience and innovation.

Product Strategy:

In an industry where giant movie theater corporations operate on a model that has not seen substantial developments and improvements in many decades, CinemaNOW encourages moviegoers to rethink ‘going to the movies.’

CinemaNOW strives to create the perfect marriage between the nostalgic, magical experience of going to the movies, and the convenience and comfort of watching a film in your own home. CinemaNOW does this by offering personal cinema viewing rooms in four different variations of sizes. Customers simply access the website or mobile app to book a viewing room of desired size and occupancy.

One particular focus of CinemaNOW is the artfulness of the venue, itself. We want to replicate the inspiring and thought provoking qualities found in our favorite movies, and harbor those qualities within the design and beauty of each and everyone of our personal cinemas.

Why: After decades of little to innovation to be had in the movie theater industry, it is time for our cinematic entertainment venues to reflect the values and preferences of our moviegoing culture.

Price

Pricing Analysis:

Room Size	2 Person	4 Person	8 Person	12 Person	16 Person
Income per use (AVG)	\$20.00	\$35.00	\$70.00	\$105.00	\$140.00
Concessions (AVG)	\$8.00	\$16.00	\$32.00	\$48.00	\$64.00

Pricing Objective:

CinemaNOW's per-person pricing averages around \$8.75, placing me \$1 under the average ticket cost of major theater chains, such as AMC and Regal.

Pricing Strategy:

The pricing is set to where it is affordable and slightly cheaper than the prices of major theater movie tickets. It is optimized to a point where I can keep comfortable profit margins off tickets and excellent margins off of concessions (article #12).

Why: Placing the price at the best value is so important because one of our main goals is to draw business away from the current, major movie theaters. If price difference is as small as \$1, I believe that is enough reason for newcomers to give CinemaNOW a go.

Place

Place Objective:

The original CinemaNOW location goal is to be in Manhattan, New York City. Specific location must consist of heavy foot traffic, preferably surrounded by stores and restaurants.

Place Strategy:

The goal in launching out of Manhattan is to create an interest and buzz out of necessity. The vast majority of individuals living in an apartment that is simply not enough space to enjoy cinematic entertainment with friends and family. The people of the area will be attracted to my product because it has the content, it has the technology, it has the food & drink and most of all, it has the *space*. Foot traffic in an area of shopping and eating is key, because that ensures that type of foot traffic in the area consists of individuals looking to *do something*. Not people in a rush trying to fight NYC foot traffic to get to work on time.

Why: The original location for CinemaNOW is crucial because it will dictate whether the business will ultimately succeed or fail. New York City also offers a tourist element where individuals will be visiting New York City from an area that does not have a CinemaNOW location. When tourists visit the theater because it is unlike anything they have at home, it will be familiarizing them with the product and the brand for when it makes it's way to their area. If buzz and interest is fostered out of the necessity of New Yorkers and a novelty interest in tourists, it will transcend the area and make it's way to every major city in the nation.

Promotion

Promotion Objective:

To spread brand awareness in the most effective way possible.

Promotion Strategy:

To be a prevalent force in social media, television advertisement, YouTube advertisements and so much more.

Awareness:

The CinemaNOW marketing strategy in finding a prime balance between major advertisement prevalence and financial conservatism. Starting off, the prevalence in advertisement will include the creation and use of social media accounts, YouTube ads that are strictly exposed to users within the New York City area, billboards/posters placed throughout areas where NYC pedestrians are flowing (subway, bus stops, shopping areas, digital mall display ads, etc.), and eventually television commercials. With the main objective upon opening is simply trying to get people to *try* CinemaNOW, my team and I will take to the streets of NYC and handout business card-like promo handouts that is good for one **free** viewing session. Acknowledging the fact that people don't really like having to hold on and keep track of tangible handouts similar to coupons, the handout will feature a QR code and url link that users can either scan the code or type the link into their browser to obtain the digital voucher.

Trial:

With the promotion stirring up some foot traffic in the theater, every patron will be prompted to take a survey on the things they both liked and disliked about the experience. This customer feedback is priceless because it helps me indicate the things we did right, and also things that are going to keep people from coming back. Exclusivity deals with local NYC filmmakers will be made to where my theater will be the only venue, mode and platform can view their movie for a period of time. This is an effective and low cost way to tap into the independent, film-loving community and have them introduced and familiarized with this new, innovative take on movie theaters.

Repeat:

Although the free session voucher promotion cannot go on for too long, there are different ways to find unexposed consumers and get them familiar. The theater will choose a film every week that will be coined the “Curator’s Pick” that might be an old classic, an independently local film or a never seen before feature. If the customer decides to view the “CP” during their viewing session, the rate for the room will be discounted. To cater to those who attend CinemaNOW on regular basis, a subscription based payment model will be offered for a monthly flat rate that gives them access to x amount of viewing sessions per month. For those who do not want to commit to a subscription, the previously stated flat rate pricing model for the room and session will apply.

Why:

The manner in which you display your product and brand to the world is exactly the way that you will be perceived by it. CinemaNOW offers an experience that the masses can enjoy. Because of this, the audience that is comprised of potential customers cannot be minimized in any way.

Website

Website Objective:

CinemaNOW’s website will be an elegantly displayed database where users can find information on, and learn about virtually anything related to the theater.

Website Strategy:

The website will feature high resolution images and graphics that showcase both the films available to enjoy and the theaters, themselves, so that the website visitor can get a feel for what it will be like to visit CinemaNOW. Most importantly the website will feature a tool where

users can check viewing room availability for a certain time on a certain day. From there, users will book the room for the selected time slot and will enter pertinent information such as name, email, phone and other fields that will better the experience for the patron. For those that create an account with CinemaNOW, this process will be quicker than ever *and* the transaction will count towards the customer loyalty program. The website will also feature links to the social media accounts, so that customers can stay up to date while using their favorite social media platform. Finally, there will be a section where Frequently Asked Questions (and answers) can be viewed to better inform and prepare those that are new to CinemaNOW.

Why: In an age where an online presence can virtually dictate the existence and success of a business, a website that represents your product and brand *well* is priceless. For some people, the website just might be the only encounter that a potential customer has with my business. This is all the more reason to use the website as an effective vessel that sparks interest and gives the customer a reason to give my product a shot!

List of Works Consulted

Websites

- 1) regmovies.com - 7/5/17

Official website of Regal Cinemas, major American movie theater chain. Database of information of product and marketing traits, exclusive to the Regal brand. Regal Cinemas is a major player in the movie theater industry.

- 2) amctheatres.com - 7/5/17

Official website of the largest movie theater chain in the world, AMC Theatres.

- 3) hulu.com - 7/5/17

Major American streaming service for film and television. Hulu is a major competitor to the movie industry, itself. Hulu is not considered a movie theater or film venue, but the media and stream-able content that it offers (and other similar platforms) are very significant movie theater competition.

- 4) netflix.com - 7/5/17

Single largest subscription based media streaming platform in the United States. Is major player in the movie streaming industry, which is a secondary competitor to my product.

- 5) thevoid.com - 7/5/17

A new age entertainment venue that specializes in Virtual Reality technology.

- 6) http://www.mpa.org/wp-content/uploads/2017/03/MPAA-Theatrical-Market-Statistics-2016_Final.pdf - 7/29/17

Theatrical Market statistics realized by the MPAA that illustrate attendance and box office figures across all theaters in North America. This is relevant because those figures are important in my research to understand the movie theater market.

- 7) http://amc-theatres-res.cloudinary.com/image/upload/v1495221249/amc-cdn/general/img/pdf/AMC%20Fact%20Sheet_2017%20Q1.pdf - 7/29/17

A fact sheet released by AMC Theatres that indicated certain statistics relating to how many theaters and screens that AMC has over the world. This was relevant to my research in determining the global prevalence of AMC Theatres.

- 8) fandango.com - 7/30/17

The first major third party online ticketing company. Fandango was revolutionary in forming the mobile ticketing feature that we use today.

9) facebook.com/amctheatres/ - 7/30/17

The official Facebook page for AMC theatres. This was a relevant source in proving the presence of movie theaters on social media platforms.

Articles

1) <https://www.ibisworld.com/industry-trends/market-research-reports/information/motion-picture-sound-recording-industries/movie-theaters.html> - 7/5/17

This article provides information regarding market research within the movie theater industry.

2) <http://www.the-numbers.com/market/> - 7/5/17

3) <https://www.digitaltrends.com/photography/4k-is-already-playing-at-a-theater-near-you-but-you-probably-didnt-even-notice/> - 7/7/17

4) <https://www.theverge.com/2016/5/20/11719284/imax-vr-movie-theaters> - 7/7/17

5) <http://www.cnn.com/2016/09/15/netflix-and-kill-is-streaming-hurting-movie-theaters.html> - 7/15/17

6) <https://www.nytimes.com/interactive/2016/03/07/business/media/amc-biggest-movie-theater-chain.html> - 7/17/17

7) <http://fortune.com/2016/12/26/amc-carmike-cinemas> - 7/17/17

8) <http://www.hollywoodreporter.com/news/movie-ticket-prices-hit-record-high-first-quarter-996254> - 7/19/17

9) <https://www.vipcinemaseating.com/content/uploads/2016/08/North-American-Cinema-Exhibitor-Report-Redwood-Capital.pdf> - 7/19/17

10) <http://investor.amctheatres.com/Cache/1500099369.PDF?O=PDF&T=&Y=&D=&FID=1500099369&iid=4171292> - 7/25/17

11) <http://investor.regmovies.com/~media/Files/R/Regal-Entertainment-Group-IR/documents/annual-reports-and-proxy-stmt/annual-report/annual-report-2016.pdf> - 7/29/17

12) <http://business.time.com/2009/12/07/movie-theaters-make-85-profit-at-concession-stands/> - 7/29/17

13) <https://newrepublic.com/article/121203/american-malls-are-changing-their-look-and-their-tactics> - 7/30/17

Interviews

Customer Interview #1: Roman (AMC)

- Goes to a movie 1-2 times a weekend
- Attends only AMC theaters (majestic and Chattanooga)
- Attends AMC for the Stubbs loyalty program.
- Rates his experiences at AMC as positive.
- Customer service experience positive.
- Viewed "Dunkirk"
- Has witnessed no change in his experience from the AMC acquisition of Carmike theaters.

Customer Interview #2: Steve (AMC)

- AMC employee. Attended AMC Chattanooga 18 on his day off.
- Rates AMC as an employer that treats its employees better than those that he has been employed by in the past.
- Chose the Chattanooga location because of the proximity.
- Attends AMC for the employee discount and the great service.

Customer Interview #3: Will (AMC)

- Attends AMC theaters for the comfortable seats.
- Attends the Chattanooga location because it is the halfway point between his house and that of his friend, who sees every movie with.

Customer Interview #4: Allison

- Usually attends Regal for the reclining leather seats
- Usually does not have a regular theater or preference
- Enjoys seeing movies in the theaters for the "immersive experience"
- Has seen "a few" movies in the past month
- If she ever chooses to not view a film in theaters, it is due to the monetary aspect.

Customer Interview #5: Mariah

- Likes to attend the AMC Chattanooga 18 (east ridge) theater for the high quality seating.
- Was impressed with the customer service at this theater.
- The AMC Chattanooga 18 18 (east ridge) theater is not the closest theater to her house, but the features and quality is worth the drive to her.
- One negative of the theater is that the area/parking lot is "sketchy" at night. She sometimes feels unsafe when walking to her car after a showing, late at night.

Customer Interview #6: Chris

- Take quality, service and features into great account when choose a location of theater.
- Described a particular AMC location as "dirty," and "rundown"

Customer Interview #7: Kelley

- Big fans of the downtown, urban AMC Majestic 12 theater.
- They were especially impressed with the "Ovation Club" that features a full bar and menu to those viewing a film in the particular viewing auditorium.
- One theater they stay away from (even though it is the closest to their residence) is the AMC Classic theater in the Hamilton Place shopping area. They described this theater as "unkempt," "run down," "dirty." If it is up to them, the AMC Classic theater is definitely not their preferred choice.

Professional Interview #1: Ashleigh (AMC)

- AMC employee of 6 months.
- Rates her employee experience as positive. Stated that the company treats her "well" as an employee.
- AMC rates highly compared to all employers she has had in the past.

Professional Interview #2: Raven (Regal)

- Enjoys her job at Regal. Well respected by upper management and coworkers.
- Would rate her employee experience as "very positive" in contrast to her previous job experiences.
- Feels valued at her work.
- Attended a showing at the particular location once before getting a job there
- Receives 2 free movie tickets a day. Half off on concessions
- One negative is that the theater is a smaller one, so some major movies are not shown at the location (ex. Wonder Woman).

Professional Interview #3: Manager Shannon Burks (Regal)

- Worked for Regal for 25+ years. General manager at Regal Hamilton Place 8.
- AMC acquisition of Carmike has not directly effected him or his business directly.
- States that the edge his theater has over the AMC theaters in the area is the "drink bar, leather recliners, concessions, restaurant menu and the best staff out there."