



*Pricing Strategy for Cine – City  
~ a theater of dreams*

*A project of*



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# ***Pricing Objectives – Cine City***

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# *Market Competitors and their strategies*

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## **Atlanta's Alliance Theatre**

- **Demand Base Pricing**
- Adjust the price of show according to the demand patterns

## **La Jolla Playhouse**

- **Product-Form Pricing**
- Price of the ticket based on the production's attractiveness to the market place

## **Center Theatre Group**

- **Three Strategies for each Theatre**
- Low, standard and Premium price for each theatre based on cinema seats, location and production

## **Actors Theatre of Louisville**

- **Meeting Consumer Behaviour**
- Adjust the price according to the customer behaviour

# *Market Competitors and their strategies*

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## **Berkeley Rep**

- **Maximizing Attendance**
- Target to maximize audience attendance at show by offering heavy discounts

## **Stratford Festival**

- **Predictive Modelling and Yield Management**
- Encourage early purchases and maximizing revenue on later day purchase by charging premium

## **New York's Signature Theatre**

- **Pricing for Access**
- Single price for every performance to remove economic barriers and increase the non-traditional audience

# SWOT Analysis

-Most advanced, 'lavish' and 'grand' theater.

-Combine with commercial center to attract more customers.



-New in the market

- Does not have any previous customer base.



-New competitor with similar grandeur will not enter the market for the next 3 years.

-Market data of rivals along with their pricing strategy are already available.

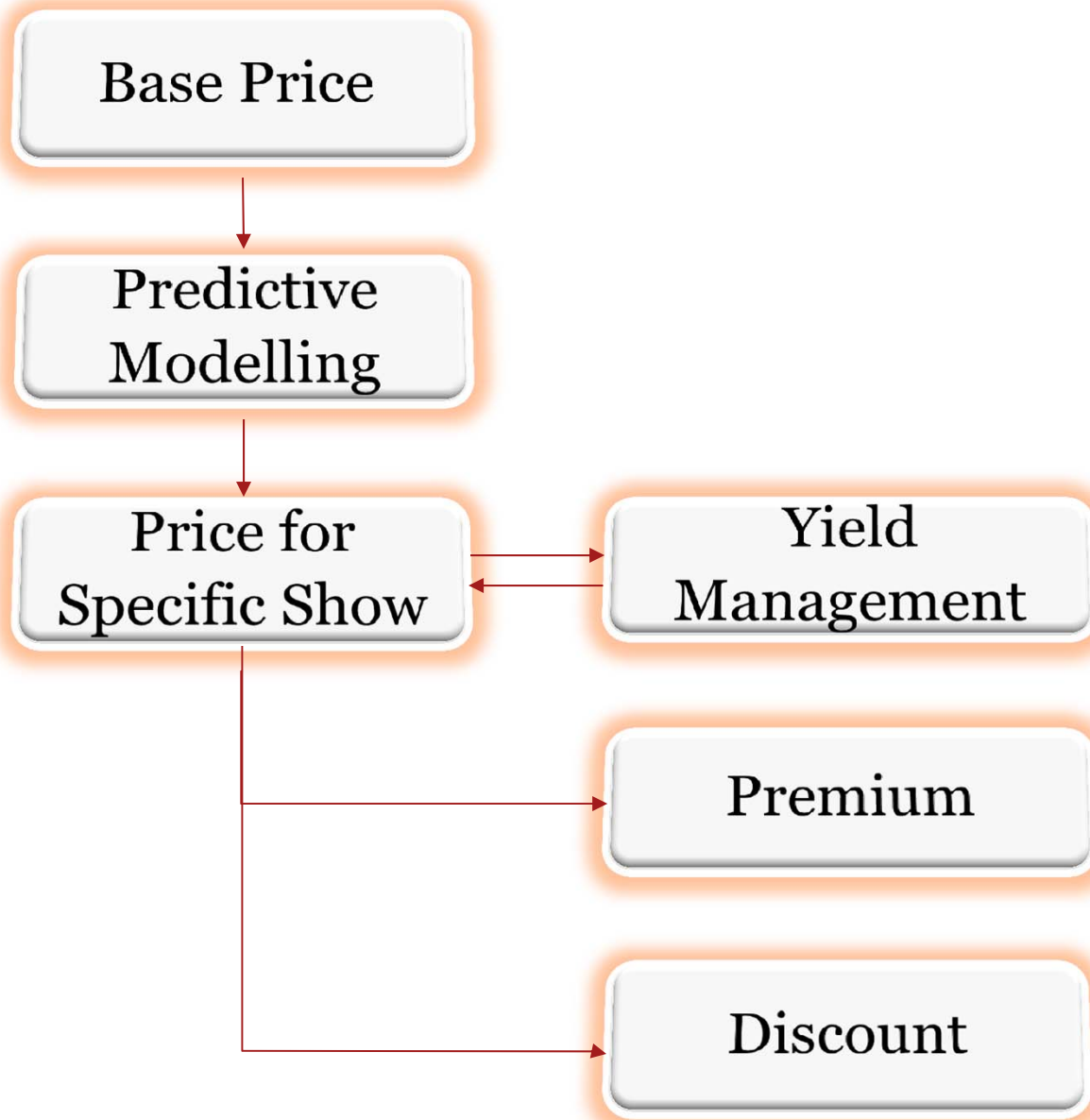


-Non penetration and capitalization on our strengths in timely manner would let others to trap the market share.

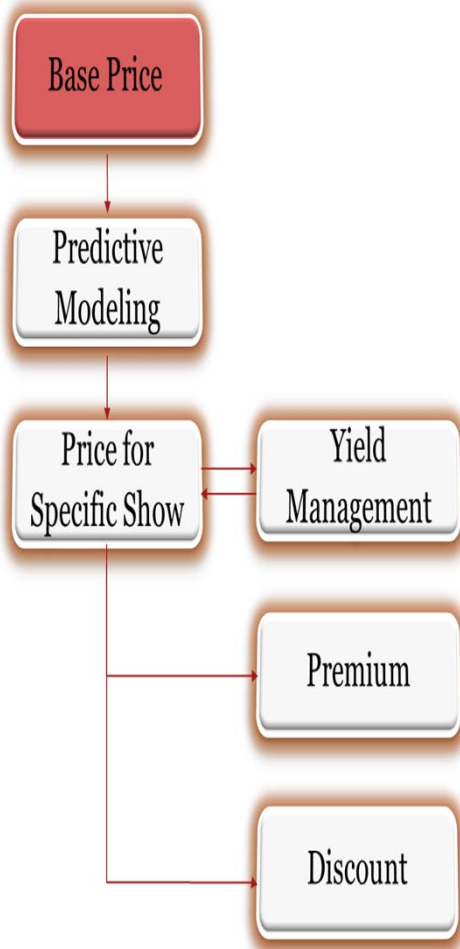


# ***Pricing Strategy to capture and capitalize on market share***

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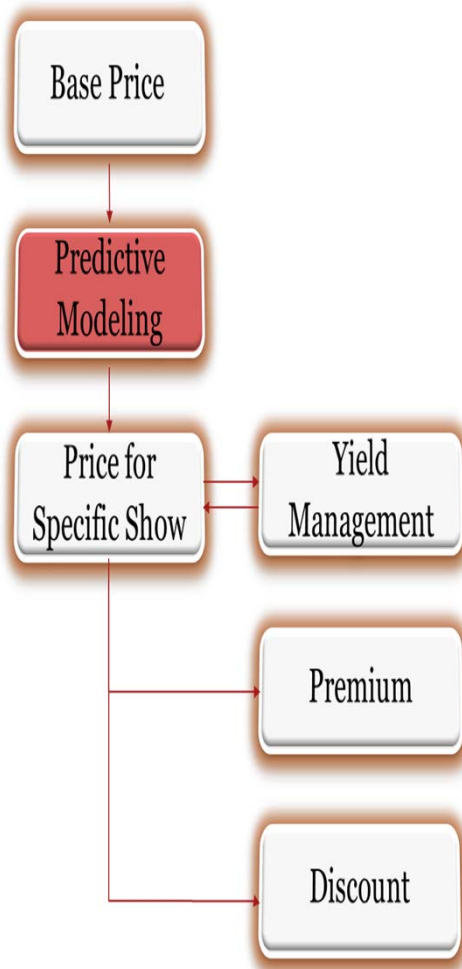
# ***Pricing Strategy to capture and capitalize on market share***



- Average ticket price that will be determined at the beginning of the year considering following:
  - Total Budgeted Cost;
  - Required Rate of Return; and
  - Expected Occupancy Rate.
  
- Base Prices will be determined for both Subscription and Single Ticket.



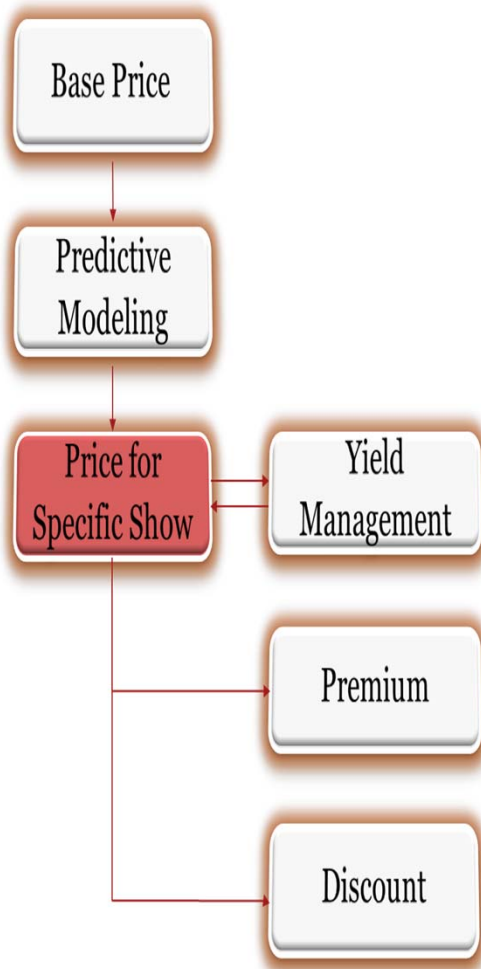
# ***Pricing Strategy to capture and capitalize on market share***



- Analysis of past patterns to predict what will happen in the future with great accuracy.
- Base prices will be adjusted considering following factors;
  - > Shows attractiveness;
  - > Occupancy Rate; and
  - > Price Customers willing to pay.
- *It is also useful to build customer profile, customer segmentation and prediction of customer demand.*

# ***Pricing Strategy to capture and capitalize on market share***

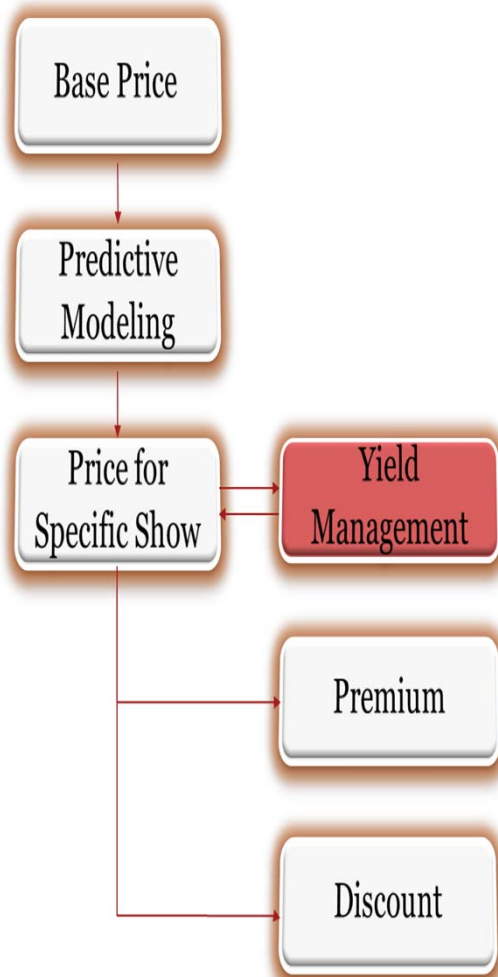
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Price would be different for:

- Single ticket / subscription; and
- Seat Type / Location –
  - Gold,
  - Silver and
  - platinum.

# ***Pricing Strategy to capture and capitalize on market share***



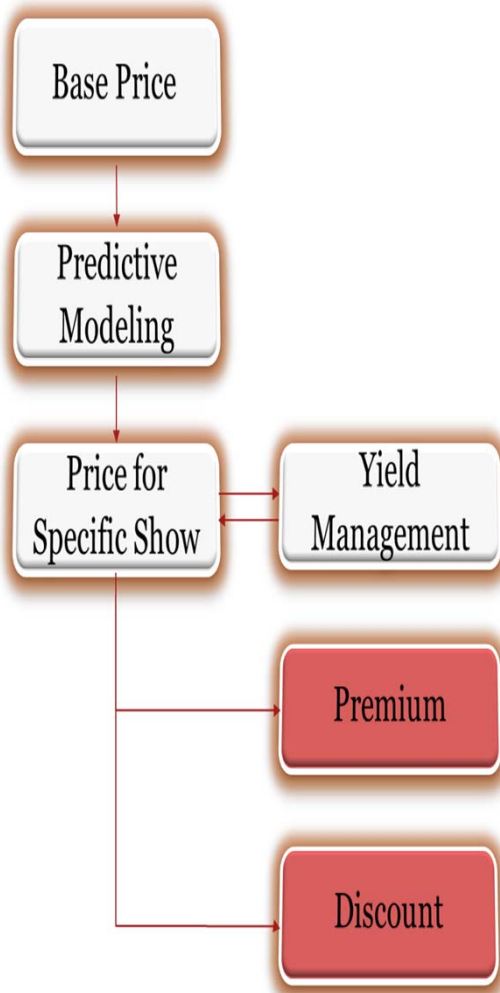
Analyse the audience behaviour so as to attain the objectives within available resources.

Apply yield management to revise the ticket price based on:

- Feedback from audience and sales staff.
- Audience preference for;
  - Seat Location / Type
  - Day (Weekday / Weekend)
  - Show time (Matinee / Evening)

*It will be a continuing Activity for each show based on which price of each show 's category will be revised*

# ***Pricing Strategy to capture and capitalize on market share***



## **Premium**

- People watch movie after work or school. The demand then is higher, so adopt the higher price.
- Seats as Front rows and rolling seats would be paid premium in the form of high price.
- High demand shows – (proven product / writer always have high demand).
- Tickets on shows whose date is approaching

## **Discount**

- Watch the show in the morning is less demanded, so adopt the lower price.
- Online subscriber at [cinacity.com](http://cinacity.com) can also avail discount
- Rush Line - to fill the vacant seats for low demand shows
- Seniors, students, and members of the military
- Early birds
- Alliance with Banks and Cellular Services



## *Conclusion*

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*“customers are always willing to pay premium price for premium product therefore in order to trap market share we need to focus on quality of production”*

## *Way forward*

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*We seek guidance of the Board and submit for the Boards Approval. Based on which Management will mark down the prices for shows accordingly.*

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**Vote of Thanks to the  
Chairman and the Board  
Members**