

# Pricing Strategies

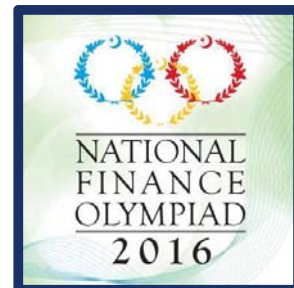
**For the Board of Directors of Cine-City**

Presented by:

Muhammad Kashif

Yasir Yamin

Sabir Zubair





- **Generate Revenue**
- **Turnout**
- **Audience Diversity**





## Industry Analysis

The dynamics of the art industry is different from other industries. The business consists of various different factors not only limited to price. Certain audience would love to pay 'as much as possible' for an awesome performance subject to the availability of their leisure time.

Objectives



Industry Analysis



Pricing Strategies

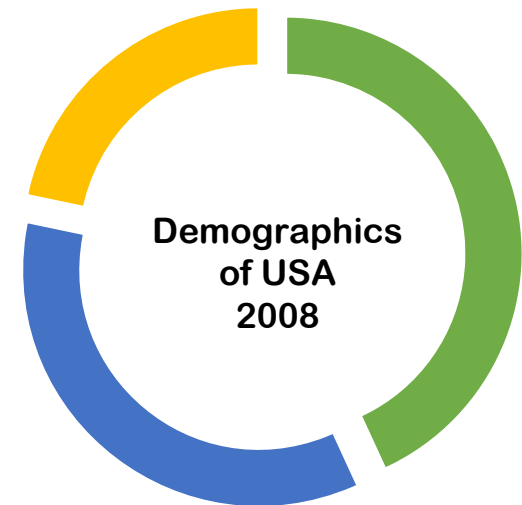


Conclusion

The prices for the performances vary significantly, each theater has multiple segments available for its audience.

Few have used the annual subscription pricing model which seems to be on the declining trend in the region, while few have offered rush pricing which is discouraging loyalty of long associated audience.

Some theaters are offering group discounts in order to fill the seats and maximization of revenue according to the **demographics**. Scaled house pricing model have also been experimented by existing players.



■ Age 15 to 39    ■ Age 40 to 59  
■ Age 60 and above

*\*Research report 2008  
Source:  
<https://www.census.gov/>*





## Pricing Strategies

**“The moment you make a mistake in pricing, you're eating into your reputation or your profits.” Katharine Paine**

Objectives



Industry Analysis



Pricing Strategies



Conclusion

## Market Penetration

- Prices are set low to cater mass audience.
- Predatory pricing may surprise competitors.
- Substantial economies of scale.
- Not viable in long-term.

## Price Discrimination

## Target Pricing

Objectives



Industry Analysis



Pricing Strategies



Conclusion





Objectives



Industry Analysis



Pricing Strategies



Conclusion

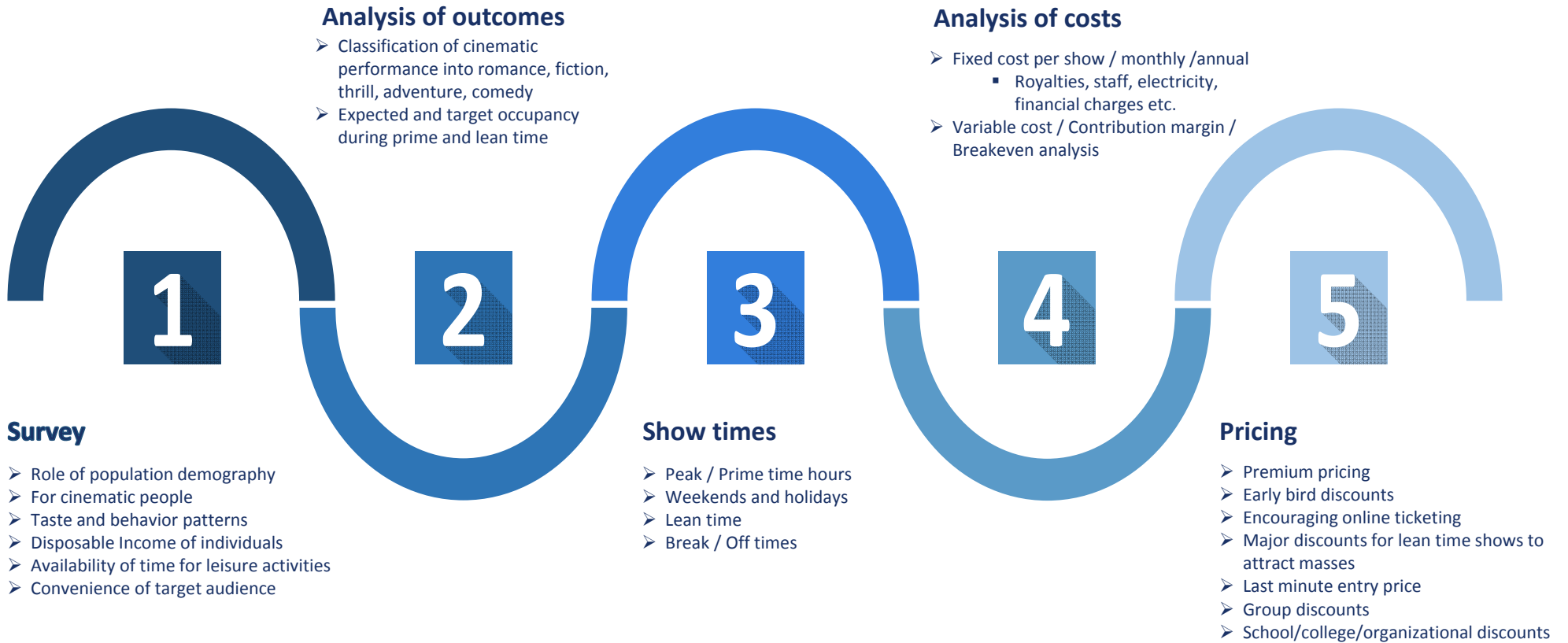


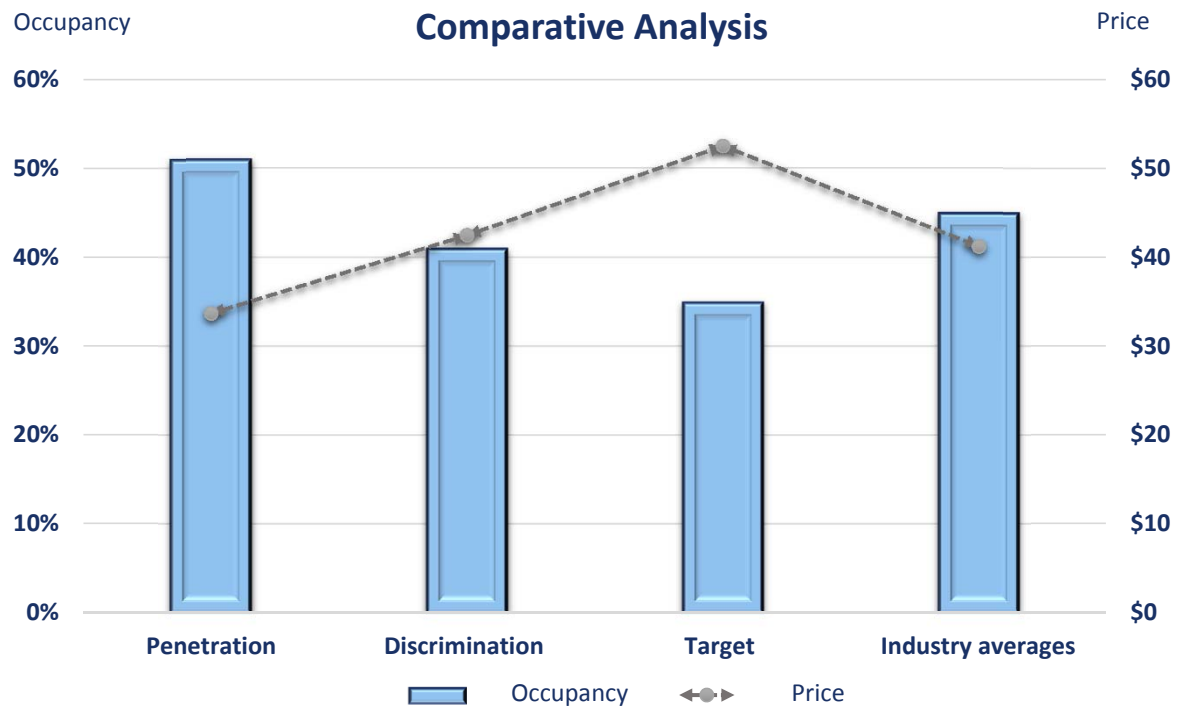


The optimum outcome can only be derived by applying the right mix of pricing strategy(ies) to achieve the objectives of the company.

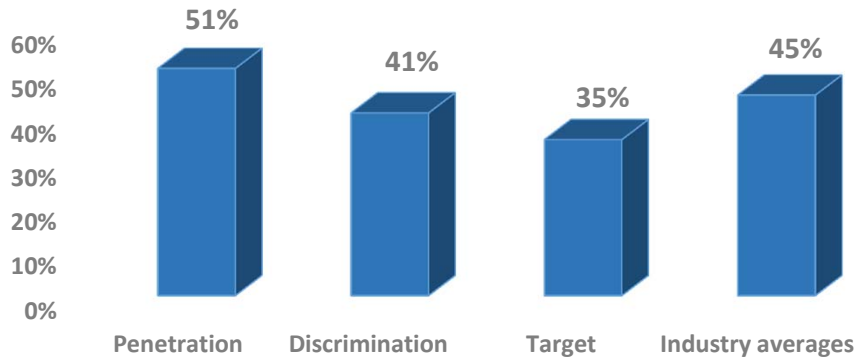








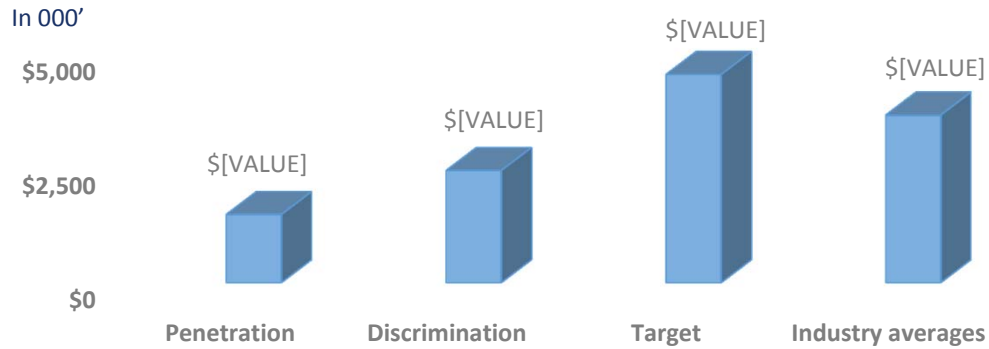
Seat Occupancy



Ticket Price



Profitability



The outcome of the analysis is based on the research information provided by the Chairman of BOD of existing competitors. It shows that different theaters have used different techniques to maximize their revenues.

The audience nowadays are particular about art variety and at the same time are technologically advanced to compare prices through online forums. The Board of Cine-city must be mindful of such factors when deciding price levels.

Considering the above facts, it is pertinent to highlight that a single pricing strategy won't help in getting the maximum revenue to the business.



Exhibit A  
Market Penetration

Type of Shows	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Festivals / Holidays
Morning Matinee	50%	50%	25%	25%	25%	25%	25%	60%
Classic Afternoon	60%	60%	20%	20%	20%	20%	20%	65%
Exciting evenings	90%	90%	55%	55%	55%	55%	90%	90%
Premier nights	100%	80%	65%	65%	65%	65%	100%	100%

Weeks excluding Holidays and Festivals	A	46
Holiday and Festival weeks	B	6
Seating Capacity - Total	C	2,400
No. of Shows per day	D	4
No. of Theaters / Cinema	E	4
Seating Capacity per Theater / Cinema	F = C/E	600
Annual Seating Capacity	G = C*D*365	3,504,000

Type of Shows	Occupany Percent ages - Weighted Average			Seat s occupancy		
	Weeks exluding Festivals / Holidays	Festivals / Holidays	Total	Weeks exluding Festivals / Holidays	Festivals / Holidays	Total
Morning Matinee	28%	7%	35%	219,738	60,480	280,218
Classic Afternoon	28%	8%	35%	214,855	65,520	280,375
Exciting evenings	62%	10%	72%	478,542	90,720	569,262
Premier nights	68%	12%	80%	527,372	100,800	628,172
				<b>1,440,507</b>	<b>317,520</b>	<b>1,758,027</b>
				42%	9%	51%

Exhibit A  
Price Discrimination

Type of Shows	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Festivals / Holidays
Morning Matinee	45%	45%	20%	20%	20%	20%	20%	50%
Classic Afternoon	50%	50%	15%	15%	15%	15%	20%	55%
Exciting evenings	75%	75%	45%	45%	45%	45%	80%	80%
Premier nights	80%	70%	45%	45%	45%	45%	80%	80%

Weeks excluding Holidays and Festivals	A	46
Holiday and Festival weeks	B	6
Seating Capacity - Total	C	2,400
No. of Shows per day	D	4
No. of Theaters / Cinema	E	4
Seating Capacity per Theater / Cinema	F = C/E	600
Annual Seating Capacity	G = C*D*365	3,504,000

Type of Shows	Occupany Percent ages - Weighted Average			Seat s occupancy		
	Weeks exluding Festivals / Holidays	Festivals / Holidays	Total	Weeks exluding Festivals / Holidays	Festivals / Holidays	Total
Morning Matinee	24%	6%	30%	185,557	50,400	235,957
Classic Afternoon	23%	6%	29%	175,791	55,440	231,231
Exciting evenings	52%	9%	61%	400,412	80,640	481,052
Premier nights	52%	9%	61%	400,412	80,640	481,052
				<b>1,162,172</b>	<b>267,120</b>	<b>1,429,292</b>
				<b>33%</b>	<b>8%</b>	<b>41%</b>



Exhibit A  
Target Pricing

Type of Shows	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Festivals / Holidays
Morning Matinee	30%	30%	15%	15%	15%	15%	15%	35%
Classic Afternoon	40%	40%	15%	15%	15%	15%	20%	35%
Exciting evenings	65%	65%	35%	35%	35%	35%	70%	70%
Premier nights	70%	65%	40%	40%	40%	40%	75%	70%

Weeks excluding Holidays and Festivals	A	46
Holiday and Festival weeks	B	6
Seating Capacity - Total	C	2,400
No. of Shows per day	D	4
No. of Theaters / Cinema	E	4
Seating Capacity per Theater / Cinema	F = C/E	600
Annual Seating Capacity	G = C*D*365	3,504,000

Type of Shows	Occupany Percent ages - Weighted Average			Seats occupancy		
	Weeks exluding Festivals / Holidays	Festivals / Holidays	Total	Weeks exluding Festivals / Holidays	Festivals / Holidays	Total
Morning Matinee	17%	4%	21%	131,843	35,280	167,123
Classic Afternoon	20%	4%	24%	156,258	35,280	191,538
Exciting evenings	43%	8%	51%	332,049	70,560	402,609
Premier nights	47%	8%	55%	361,348	70,560	431,908
				<b>981,498</b>	<b>211,680</b>	<b>1,193,178</b>
				<b>29%</b>	<b>6%</b>	<b>35%</b>

# Thank You

