

Cine-City Theater

Pricing Strategy

Presented by:
Grant Thornton Team



- * Current Market Pattern
- * Objectives of Pricing Strategy
- * Pricing Strategy
- * Pricing Adjustment
- * Future Plans



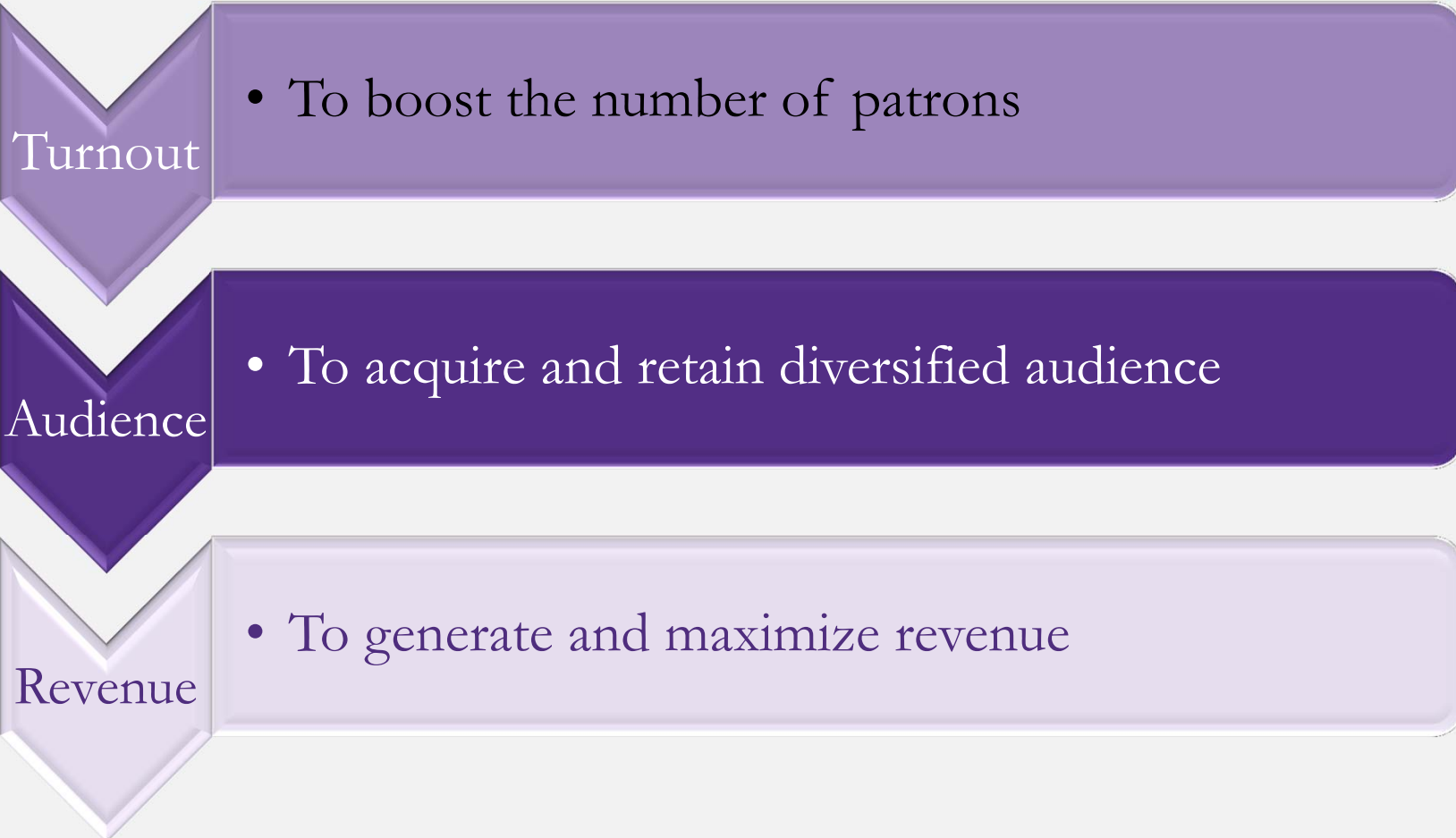
Current market pattern

COMPETITOR	PRICING STRATEGY	STRENGTH	WEAKNESS
Atlanta's Alliance Theatre	Demand-Based Pricing	<ul style="list-style-type: none"> • Focus on blockbusters • Flexible demand-based price 	<ul style="list-style-type: none"> • Lack of new shows • Complex price structure
La Jolla Playhouse	Product-Form Pricing	<ul style="list-style-type: none"> • Popular performances • Maximize revenue and maximize audience 	<ul style="list-style-type: none"> • Complex price structure
Center Theatre Group of Los Angeles	Three Strategies	<ul style="list-style-type: none"> • Variety of shows • Price discrimination (Seating) 	<ul style="list-style-type: none"> • Lack of demand-based pricing
Actors Theatre of Louisville	Meeting Consumer Behavior	<ul style="list-style-type: none"> • Adjust prices according to consumer behavior • Accessibility to all audience 	<ul style="list-style-type: none"> • Complex price structure

Current market pattern (continued)

COMPETITOR	PRICING STRATEGY	STRENGTH	WEAKNESS
Berkeley Rep	Multi-priced Structure	<ul style="list-style-type: none"> • Yearly Value of Consumer • Segmentation – Theater location, Seating and age 	<ul style="list-style-type: none"> • Lack of demand -based pricing
Stratford Festival	Predictive Modeling and Yield Management	<ul style="list-style-type: none"> • Focuses on established masterpieces • Price discrimination – Seating, type of show and Early booking 	<ul style="list-style-type: none"> • Lack of new shows • Complex structure
New York's Signature Theatre	Pricing for Access	<ul style="list-style-type: none"> • Past writing and new plays • Focuses on high quality off-Broadway • Access diversified audience. 	<ul style="list-style-type: none"> • Lack of price discrimination

Objectives of pricing strategy



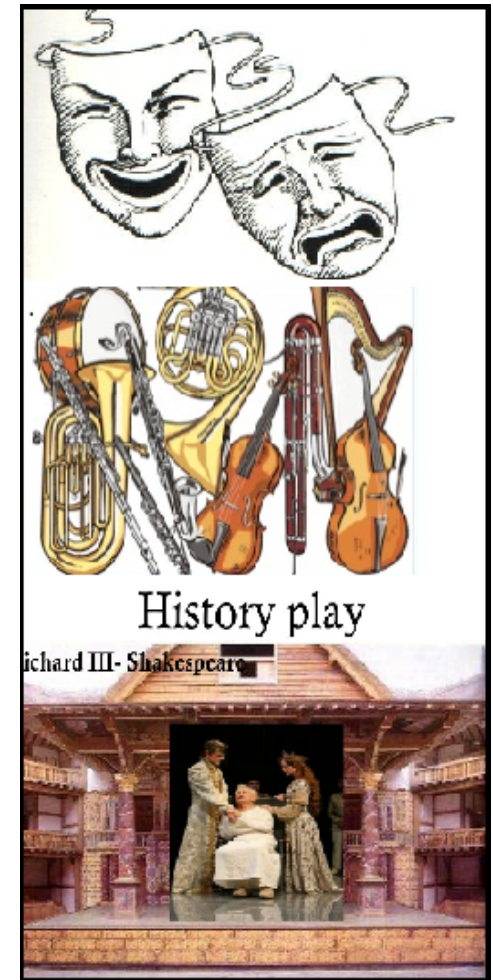
1. **Creating awareness:** Offering first 2 shows free-of-cost
2. **Market penetration:** Subsequent shows on the basis of following discounts:
 - ✓ Group discounts (30% on group of 10 people)
 - ✓ Age discount (40% on children up to 10 years and senior citizens above 50 years)
 - ✓ Student discount (20%)
 - ✓ Early booking discounts (considering market demand)

3. Price discrimination: Setting different prices on the basis of following:

- ✓ **Product – form**
- ✓ **Seating**
- ✓ **Show-Time**

Product-form: Cine-city offers three types of plays to attract diversified audience:

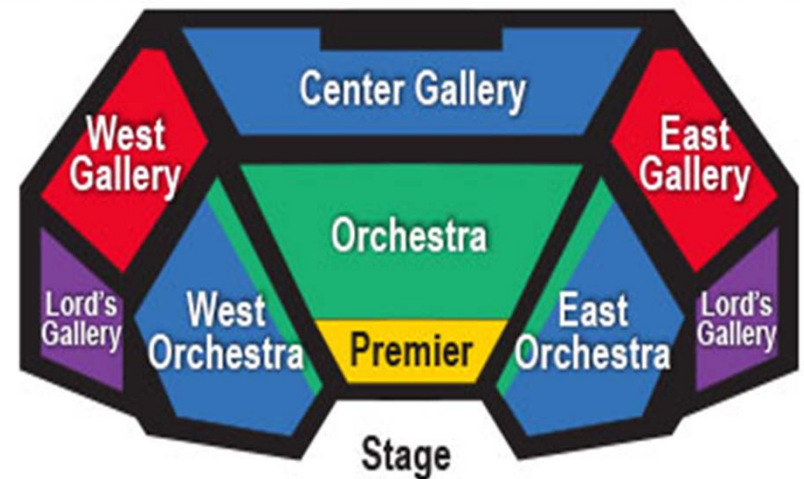
- ✓ **Comedy**
 - ✓ **Musical**
 - ✓ **Historical**
- **Initially, comedy shows are charged premium prices**



Seating:

➤ Price discrimination in the following order:

- ✓ Premier
- ✓ Orchestra
- ✓ Side Orchestra
- ✓ Center Gallery
- ✓ Side Gallery
- ✓ Lord's Gallery



Show Time:

- ✓ **Weekends**

- ✓ **Evening:** High price

- ✓ **Day:** High price

- ✓ **Weekdays**

- ✓ **Night:** Medium price

- ✓ **Day:** Low price

- **Demand – based adjustment**
 - ✓ **Adjust prices of shows according to demand**
 - ✓ **Offering ad-hoc discounts considering demand:**
 - **Buy 2 get 1 free**
 - **Referral points 20 for each customer (100 points = 1 free ticket)**
 - **Particular Debit/Credit card discounts**
 - **Corporate / Family fare discounts**

➤ Maximize Revenue:

- Setting standard prices and reducing number of discounts;
- Late-booking premium
- Analysis of consumer behavior
 - Seating
 - Product-form
 - Show-Time

Questions?

Thank you

