

Welcome to our Webinar



What can cinemas learn from other industries – Pricing best practices

-Looking over the rim of your popcorn box-

Tuesday, July 16, 2019
3.30 - 4.30 pm

Hosts:



SMART PRICER

The hosts of today's webinar



**Patrick von
Sychowski**

Cinema Guru



Patrick spent the past two decades writing and consulting about and for the cinema industry. He is fascinated by what keeps cinema going after 120+ years.

Patrick is Editor and Co-Founder of CelluloidJunkie.com



Gergana Ivanova

*Senior Business
Development*



Gerry is an experienced Business Development Specialist with a passion of working in revenue consulting for cinemas.

She helps exhibitors worldwide to grow their ticketing revenue and drive their online sales while keeping attendance in the cinemas stable or slightly higher.

Agenda



- 1) Introduction into the world of price differentiation
- 2) Best practices in ticket sales around the world
- 3) Live: YOUR Questions to Celluloid Junkie and Smart Pricer

An aerial photograph of Barcelona, Spain, taken at dusk. The city's dense urban landscape is visible, with the Sagrada Família church prominently featured on the right side. In the background, the Serra de Collserola mountains are silhouetted against a soft, pinkish-purple sky. The overall scene is bathed in the warm, low light of the setting sun.

CineEurope
2019

BARCELONA



...this is how we went to
Barcelona

Introduction into the world of price differentiation



Gergana

200 EUR



Patrick

300 EUR

Why do two people on the same route pay a different price?

Segmentation

How do airlines segment their customers and what impact does it have?

1) Statically by product



VS



2) Dynamically by booking behavior



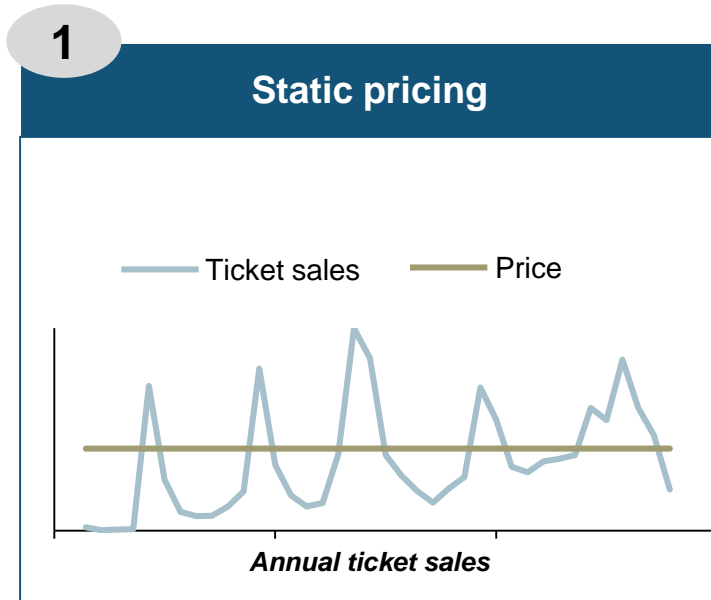
VS



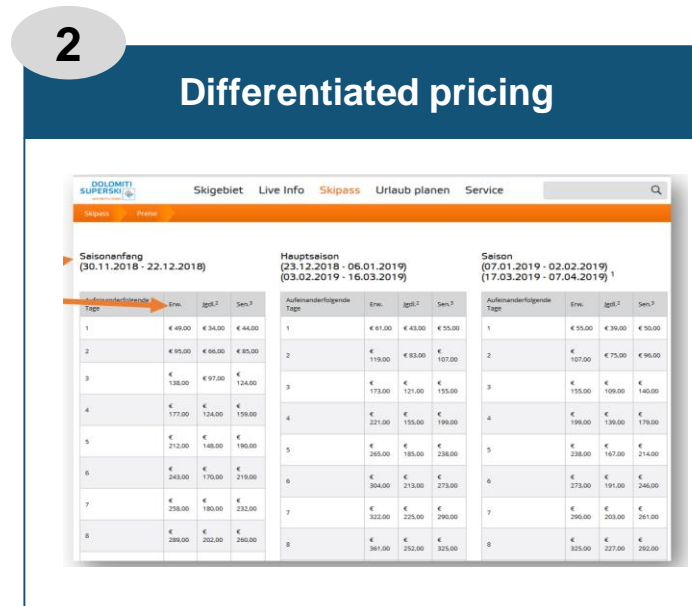
- Early booking
- Low demand flight

- Late booking
- High demand flight

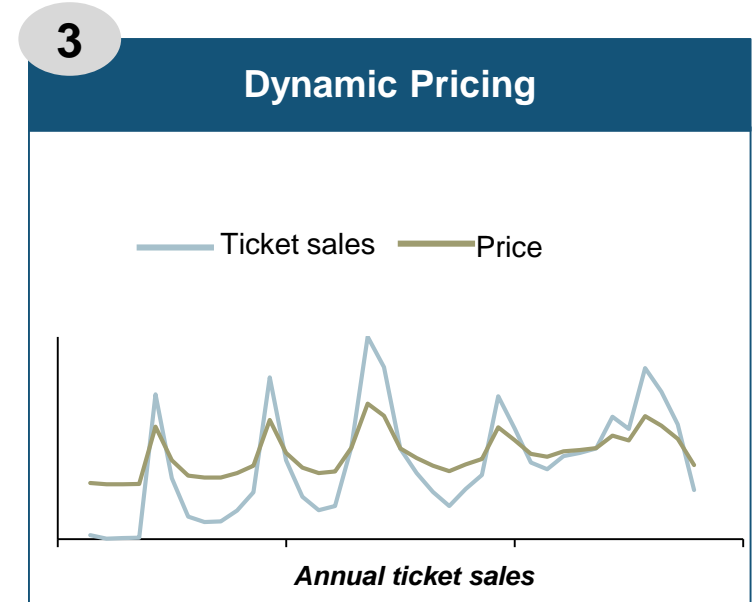
Before we talk about demand-based pricing though, what are the other options to price?



None



Once per year




Min once per day


Level of data needed

Why would you differentiate prices?


1 Static pricing = Autopilot




2 Differentiated pricing



Increased attendance




+2% - 4% Revenue




Increased online share


3 Dynamic Pricing



+5% - 15% Off-peak attendance



+5% - 10% Revenue



+5% - 10% Online share

1 At the Zoo Berlin there is one price per age category



TICKETS	ZOO
Adults	15,50 €
Children 4 up to 15 years	8,00 €
Concession* Students, apprentices, ALG I + II recipients, berlinpass, the severely disabled	10,50 €

Source: <https://www.zoo-berlin.de/en>

2 Best Practice of transparent communication: The Indianapolis Zoo provides variable pricing options for their visitors based on day

PLAN YOUR VISIT | EVENTS & GROUPS | CONSERVATION & EDUCATION | SUPPORT THE ZOO | NEWS & BLOGS | CONTACT US

PLAN YOUR VISIT

All Prices Subject to Change Until You Lock Your Price In By Buying Online!

March 2019

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1 Adult - \$12.95 Child - \$9.95	2 Adult - \$14.45 Child - \$10.95
3 Adult - \$13.45 Child - \$10.20	4 Zoo Closed	5 Zoo Closed	6 Adult - \$11.95 Child - \$9.20	7 Adult - \$11.95 Child - \$9.20	8 Adult - \$12.45 Child - \$9.45	9 Adult - \$14.20 Child - \$10.70
10 Adult - \$13.20 Child - \$9.95	11 Zoo Closed	12 Zoo Closed	13 Adult - \$12.45 Child - \$9.45	14 Adult - \$12.20 Child - \$9.20	15 Adult - \$12.70 Child - \$9.70	16 Adult - \$13.95 Child - \$10.70
17 Adult - \$12.95 Child - \$9.95	18 Adult - \$13.20 Child - \$9.95	19 Adult - \$13.45 Child - \$10.20	20 Adult - \$13.45 Child - \$10.20	21 Adult - \$13.20 Child - \$9.95	22 Adult - \$14.95 Child - \$11.45	23 Adult - \$14.20 Child - \$10.70
24 Zoo Closed	25 Zoo Closed	26 Adult - \$13.20 Child - \$9.95	27 Adult - \$13.45 Child - \$10.20	28 Adult - \$13.70 Child - \$10.45	29 Adult - \$13.45 Child - \$10.20	30 Adult - \$14.45 Child - \$10.95
31 Zoo Closed						

NEW WAYS TO SAVE

- Advanced tickets always cost less.
- Ticket prices will be higher at the gate.

PROJECTED ATTENDANCE
December 1, 2017

CURRENT PRICES FOR Friday, December 1, 2017

Standard Admission Package	Member	FREE	Qty.
Admission to zoo, aquarium	Adult	\$12.95	<input type="checkbox"/>

Transparency: Color coding to differentiate cheaper from more expensive tickets

Choice: Customers choose the best product for them

2 Best Practice of online booking: Heineken Experience Amsterdam



HEINEKEN EXPERIENCE

HEINEKEN® TOUR VIP TOUR ROCK THE CITY

AMSTERDAM'S BEST KEPT SECRETS

HEINEKEN® TOUR € 18 ~~€ 21~~

INCLUDING FREE CITY MAP

- Get a €3 discount on an adult ticket when booking online
- Book a time slot that suits you best
- Self-guided tour (± 1.5 hours)
- 2 perfectly chilled beers at the Best 'Dam Bar
- Free city map with Amsterdam's best hidden gems

BOOK HEINEKEN TOUR

Transparent communication of the rules: “Get a €3 discount when booking online”

2 Best Practice of advanced online booking: Madame Tussauds offers 20% discount if you pre-book online

WEEKDAY SAVER TICKET		ONLINE SAVER TICKET		MADAME TUSSAUDS + THE AMSTERDAM DUNGEON		BIG TICKET	
Online From:	Walkup From:	Online From:	Walkup From:	Online From:	Walkup From:	Online From:	Walkup From:
€19	€24.50	€19.50	€24.50	€29.50	€48.50	€44	€63.50
Adult (16+)	Adult (16+)	Adult (16+)	Adult (16+)	Adult (16+)	Adult (16+)	Adult (16+)	Adult (16+)

Product combos

Incentivized online pre-sales

2 Best Practice of online bookings: Cineplex Germany offers 10% discount for online bookings



Pricing card from Cineplex Mannheim

	Kinokasse Automat	Internet
Erwachsener	10,90 €*	9,90 €*
TicketPlus mit kleinem Snack und Getränk 0,5 l	17,50 €**	17,50 €**
Jugendlicher unter 18 Jahren vor 19 Uhr	7,90 €	7,90 €
Kind unter 12 Jahren	5,90 €**	5,40 €**
Eltern Großeltern Geschwister vor 19 Uhr als Begleitung des Kindes	5,90 €**	5,40 €**
Schüler Student	mittwochs 6,90 €	mittwochs 6,40 €

- Online discount for ticket purchases (0,50 € - 1,00 €)
- Increase of online ticket share:
 - Reduce operational cost for call centers and box-office sales
 - Allow cinemas to understand the moviegoers behavior

2 Best Practice of bundling products: Village cinemas Australia incentivizes concession pre-booking



2 OF 4 STEPS
Select your seats

SCREEN

A		5	6	7	8	9	10	11	12	13	14							
B	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
C	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
D	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
E	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
F	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
G	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
H	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
J	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
K	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
L	1	2	3	4	5	♿	♿	9	10	11	12	13	14	15	16	17	18	
M	1	2	3											16	17	18		

Available
 Unavailable
 Your Seat(s)
 Wheelchair Seat
 Carer's seat

Choose Treats
Save money by buying food and drink packages online

Proceed to payment

The booking flow includes pre-booking of concessions

3 OF 4 STEPS
Add Treats

Select a food and drink package and save!

1x Our Combo
Includes 1 Large Popcorn & 2 Large Drinks
\$19.50

Super Combo
Includes 1 Large Popcorn, 1 Large Drink, 1 Ice Cream & 1 Hot Food Item
\$26.00

Positive message to pre-book and save

2 Best Practice of peak vs. off-peak pricing: Empire State Building US



Different price depending on the historical demand on the particular day

1. Select the day of your visit

December 2019 ▼

MO	TU	WE	TH	FR	SA	SU
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Value \$36 Regular \$40

2. Add tickets to your cart

	Price	Quantity	Total
Adult	\$36	- 0 +	--
Senior (62+)	\$35	- 0 +	--
Child (6-12) Kids under 6 free.	\$31	- 0 +	--

1. Select the day of your visit

December 2019 ▼

MO	TU	WE	TH	FR	SA	SU
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Value \$36 Regular \$40

2. Add tickets to your cart

	Price	Quantity	Total
Adult	\$40	- 0 +	--
Senior (62+)	\$38	- 0 +	--
Child (6-12) Kids under 6 free.	\$34	- 0 +	--

2 Best Practice of differentiated pricing: Cinemaxx Germany Wuerzburg



PREISE

	Mo	Di	Mi	Do	Fr	Sa	So
				An und vor Feiertagen			
Erwachsene	7,40 €			8,90 €			
Schüler / Studenten	6,40 €			7,90 €			
Kinder unter 12 Jahren	4,90 €			6,40 €			
Familientag sonntags/feiertags	Familienmitglieder in Begleitung eines Kindes unter 12 Jahren zahlen nur den Kinderpreis!						
Zuschläge gelten in 2D und 3D	ggfs. Filmzuschlag			Loge			
	0,50 € - 2,50 €			1,50 €			
	VIP-Sitz			Onlinevorverkaufsgebühr			
	3,20 €			0,50 €			

Peak vs. off-peak pricing

Format differentiation

Seat location differentiation

Seat type differentiation

Source: <https://classic.cinemaxx.de/wuerzburg/kinoinfo/>

Demand-based Pricing has spread from airlines to many other industries...

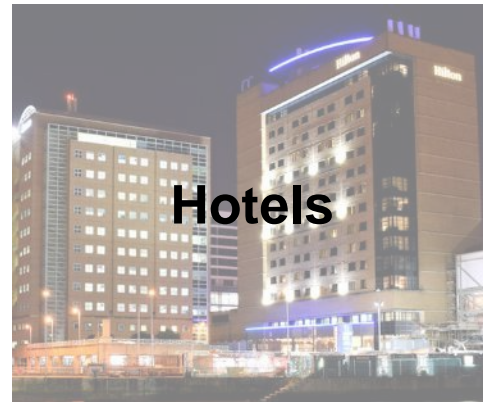
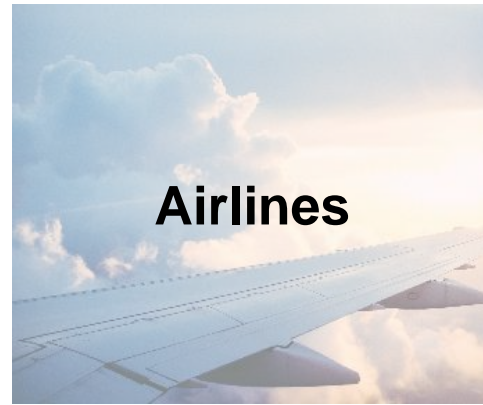
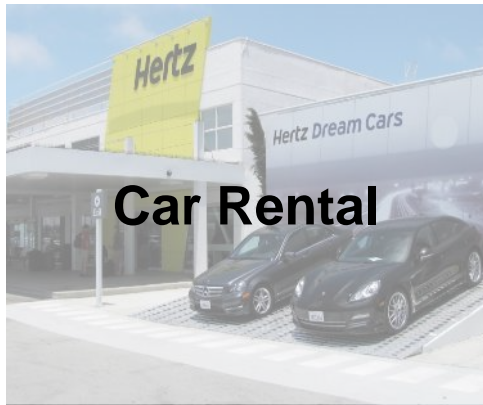
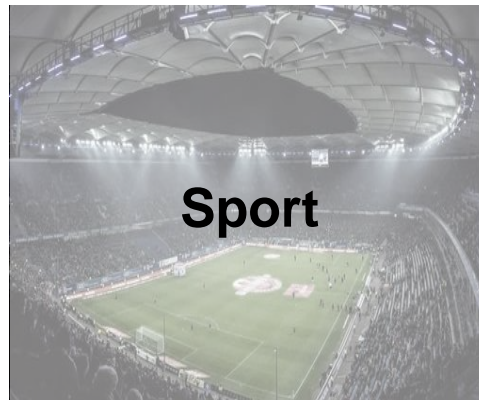


Image source: <https://pxhere.com/en/photo/619178>

...get more common in many traditional industries



3 Why change pricing?



1970



2019

3

Best Practice of automated pricing: Ski region Engadin St. Moritz using dynamic pricing

Snow-Deal

WER FRÜH BUCHT, PROFITIERT.
BOOK EARLY AND BENEFIT.
CHI PRENOTA IN ANTICIPO, APPROFITTA.

www.snow-deal.ch

Mein Skitag: 14. Dez.
Mein Preis: CHF 47.-
Preisvorteil: CHF 35.-

VERKAUFSSTART:
1.9.18

Buy

The graphic features a smartphone displaying the Snow-Deal app interface with a 'Buy' button and a circular badge indicating the start of the sale on 1.9.18. The background is a snowy mountain landscape.

Find your best deal

MON	TUE	WED	THU	FRI	SAT	SUN
			^			
9 DEC	10 DEC	11 DEC	12 DEC	13 DEC	14 DEC	15 DEC
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Snow Deal CHF 45.00	Snow Deal CHF 45.00	Snow Deal CHF 45.00	Snow Deal CHF 45.00	Snow Deal CHF 45.00	Snow Deal CHF 52.00	Snow Deal CHF 59.00
16 DEC	17 DEC	18 DEC	19 DEC	20 DEC	21 DEC	22 DEC
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Snow Deal CHF 59.00	Snow Deal CHF 52.00	Snow Deal CHF 45.00	Snow Deal CHF 45.00	Snow Deal CHF 52.00	Snow Deal CHF 52.00	Snow Deal CHF 59.00
23 DEC	24 DEC	25 DEC	26 DEC	27 DEC	28 DEC	29 DEC
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Snow Deal CHF 59.00	Snow Deal CHF 59.00	Snow Deal CHF 66.00	Snow Deal CHF 72.00	Snow Deal CHF 72.00	Snow Deal CHF 72.00	Snow Deal CHF 72.00

Snow Deal = 30 % Early Booking Discount

Daypass Price for all people

3 Advance in pricing in three steps



Roman Linin,
CEO Cinemapark &
Formula Kinos



“By examining our current pricing scheme in combination with data analytics, Smart Pricer delivered enlightening insights to applicable pricing improvements”

Three steps to get started

1

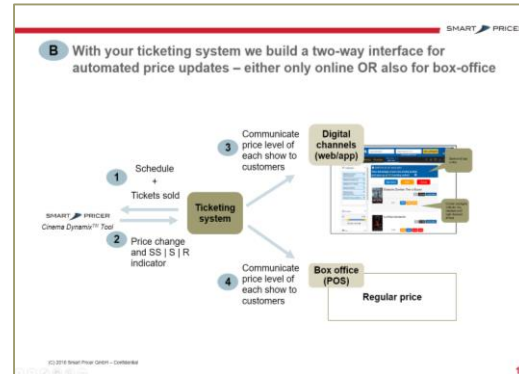
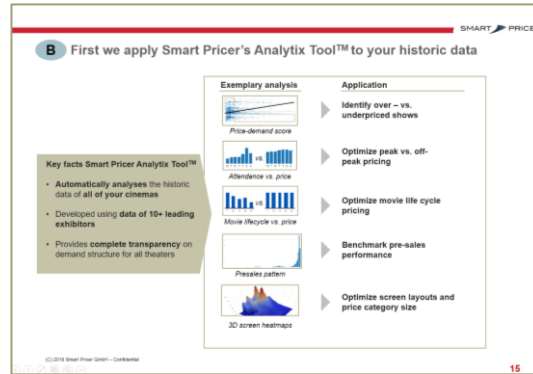
360° Analysis and revenue simulation

2

Define pricing strategy and set a target

3

Installation of software and efficient communication



3 Efficient customer communication is key for successful price changes

Online communication on the website

ПОКУПАЙ БИЛЕТЫ БЕЗ КОМИССИИ НА САЙТЕ И В КАССЕ

ПОКУПАЙТЕ РАНЬШЕ – ПЛАТИТЕ МЕНЬШЕ!

При старте продаж экономия на билеты до 20%. Ближе к началу сеанса цена возрастает до стандартной. Подробности на сайте park.ru

ВРЕМЯ СЕАНС

ЛАНТ-ЦЕНА | КОМФОРТ-ЦЕНА | СТАНДАРТ-ЦЕНА

Фильм	Сеанс	Лант-Цена	Комфорт-Цена	Стандарт-Цена
Пассажир	10:25	170р.	180р.	270р.
	12:40	180р.	270р.	360р.
	14:55	270р.	360р.	330р.
	19:30	360р.	330р.	330р.
	21:45	330р.	330р.	330р.
	00:00	330р.	330р.	330р.
	00:00	330р.	330р.	330р.
Лёд	11:20	170р.	270р.	270р.
	14:05	270р.	270р.	270р.
О чем говорят мужчины. Продолжение	10:45	170р.	360р.	330р.
	20:05	360р.	330р.	330р.
	22:10	330р.	330р.	330р.
	00:15	330р.	330р.	330р.
Ограбление в ураган	11:50	170р.	650р.	330р.
	15:15	650р.	330р.	330р.
	18:40	330р.	330р.	740р.
	21:25	330р.	740р.	740р.
	22:25	740р.	740р.	740р.
	00:35	740р.	740р.	740р.

Introduction of new ticket types: Light | Comfort | Standard

Buy early and save up to 20%!

Box office screens

11:41 BC 4.03

11:41 BC 4.03

11:41 BC 4.03

Color coding to indicate low, medium and high demand shows

Offline posters at the cinema

ПОКУПАЙТЕ РАНЬШЕ – ПЛАТИТЕ МЕНЬШЕ!

КОМФОРТ-ЦЕНА | СТАНДАРТ-ЦЕНА | ЛАНТ-ЦЕНА

ВРЕМЯ СЕАНС

При старте продаж скидка на билеты до 20%. Ближе к началу сеанса цена возрастает до стандартной.

3 Throughout the week prices change in real-time based on demand



Monday



Человек-муравей и Оса

приключения/экшн

возраст: 12+

Смотреть трейлер

Сеансы

10:15 Зал 1 2D 170p. -20%*	11:00 Зал 3 3D 260p. -20%*	11:40 Зал 4 2D 200p. -20%*	12:45 Зал 1 2D 200p. -20%*	13:30 Зал 3 3D 260p. -20%*	14:10 Зал 4 2D 200p. -20%*
15:15 Зал 1 2D 200p. -20%*	16:00 Зал 3 3D 260p. -20%*	16:40 Зал 4 2D 200p. -20%*	17:45 Зал 1 2D 200p. -20%*	18:30 Зал 3 3D 310p. -20%*	19:10 Зал 4 2D 260p. -20%*
20:15 Зал 1 2D 260p. -20%*	21:00 Зал 3 3D 310p. -20%*	21:40 Зал 4 2D 260p. -20%*	22:45 Зал 1 2D 260p. -20%*	23:30 Зал 3 3D 310p. -20%*	

Ant Man and The Wasp
Saturday showing
Second week since release

170p. 2D -20%*	Super Saver
200p. 2D -10%*	Saver
310p. 3D -20%*	Regular

Key take-aways




Image source : Pixabay.com

- 1 **SEGMENTATION = CHOICE**,
differentiate by product and by booking behavior
- 2 **Simulate and base your pricing on DATA**
- 3 **Be TRANSPARENT & ACTIVELY** communicate
new pricing model **INTERNALLY** and to your
CUSTOMER

Ways Smart Pricer could support you to improve your pricing

A

Price Labs Tool

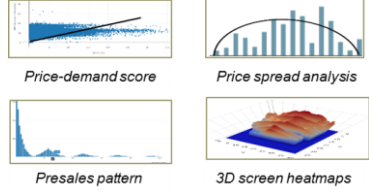


In Progress

- ✓ A self-service price-revenue simulation tool
- ✓ Harmonize your pricing strategy through a simulation of scenarios
- ✓ Model visitor and revenue effects

B

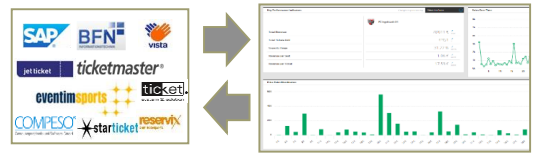
Consulting & Analytics



- ✓ Analytical review of current pricing
- ✓ Actionable recommendations for improvement of the current pricing strategy
- ✓ Customer communication guidelines

C

Dynamic Pricing Software



- ✓ Automatic demand forecast per show
- ✓ Real-time optimization of prices (3 times per day)
- ✓ Ticketing system: API-based

Curious? Now it is your decision

**Contact Patrick to subscribe to
Celluloid Junkie**



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**Contact Gerry for an individual
consultation on Pricing**



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