



# Implementing Dynamic Pricing at Cinema Park Formula Kino

## Case study

SMART PRICER

Berlin, 2018

## Cinema Park Formula Kino approached us with their questions

How can we increase our ticket revenues?



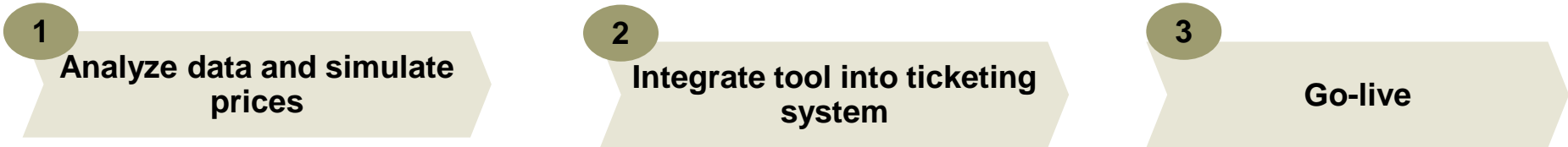
What can we do to push online sales?

How to stimulate demand?

# The project was structured into three main phases

For Cinema Park Formula Kino we followed three steps to implement our price optimization solution at their sites in Russia

## Three steps



**B** First we apply Smart Pricer's Analytix Tool™ to your historic data

**Key facts Smart Pricer Analytix Tool™**

- Automatically analyses the historic data of all of your cinemas
- Developed using data of 10+ leading exhibitors
- Provides complete transparency on demand structure for all theaters

Exemplary analysis	Application
Price-demand score	Identify over- vs. underpriced shows
Attendance vs. price	Optimize peak vs. off-peak pricing
Movie lifecycle vs. price	Optimize movie life cycle pricing
Presales pattern	Benchmark pre-sales performance
3D screen heatmaps	Optimize screen layouts and price category size

© 2018 Smart Pricer GmbH – Confidential 15

**B** With your ticketing system we build a two-way interface for automated price updates – either only online OR also for box-office

© 2018 Smart Pricer GmbH – Confidential 17

**B** Thereafter we adjust your communication – either online only or also at the box-office

**Online communication on the website**

Introduction of new ticket types: Light | Comfort | Standard

Buy early and save up to 20%!

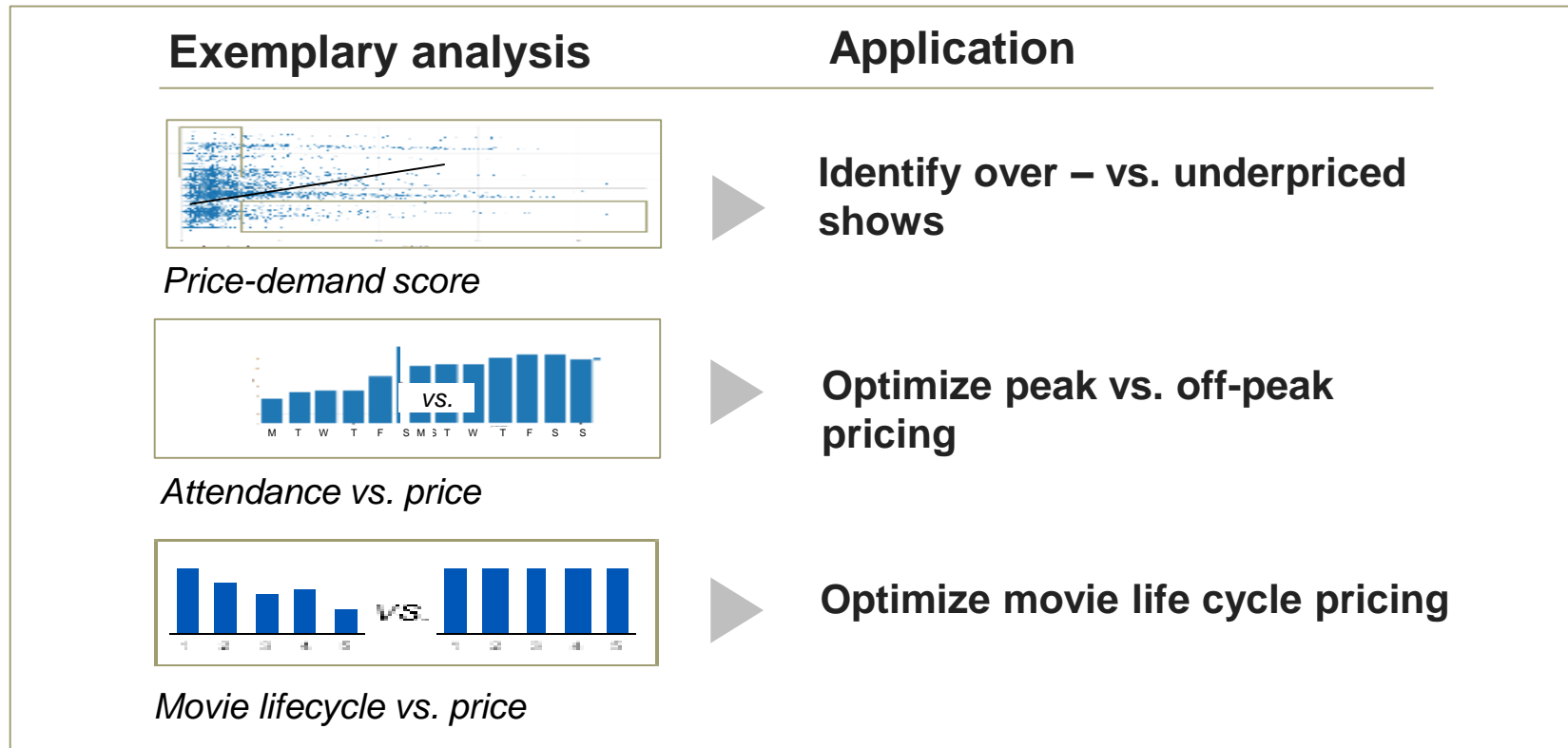
**Box office screens**

Color coding to indicate low, medium and high demand shows

**Offline posters at the cinema**

© 2018 Smart Pricer GmbH – Confidential 18

# Step 1: Data Analysis - Having run analysis for 10+ globally leading exhibitors we developed an optimization toolkit to improve cinema pricing performance



# The new Pricing Strategy reflects the real time demand for each show



**Low demand show**

- "The Conjuring 2"
- Sun: June 19<sup>th</sup>, 2016
- 18:00
- 29 visitors

**Price changes depend on:**

1. SP demand prediction
2. Actual bookings
3. Time to show

**Tickets sold**

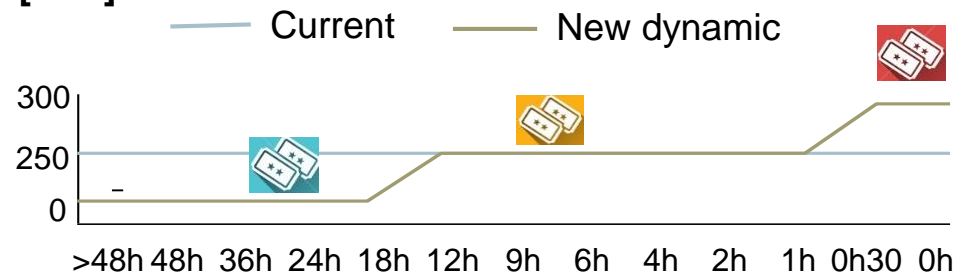


**Current revenue: 5,0 kRUB**

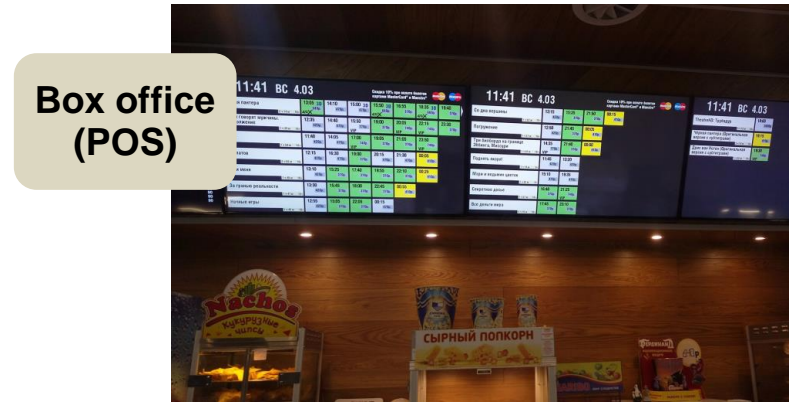
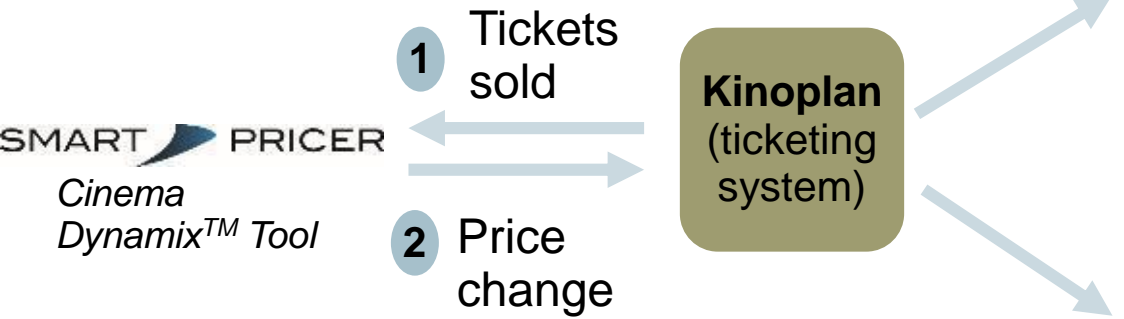
**New revenue: 5,3 kRUB**

**+ 5%**

**Prices [kRP]**



# Step 2: Integration - We built an interface with the ticketing system for automated price updates – online and box office





# Customer Communication - Efficient customer communication is key for successful introduction

## Online communication on the website

Buy early and save up to 20%!

**ПОКУПАЙТЕ РАНЬШЕ – ПЛАТИТЕ МЕНЬШЕ!**

При старте продаж экономия на билеты до 20%. Ближе к началу сеанса цена может возрасти до стандартной. Подробности на сайте.парк.ки.

Movie	Time	Price	Discount
Пассажир	10:25	170p	20%
	12:40	180p	20%
	14:55	270p	20%
	19:30	360p	20%
	21:45	330p	20%
	00:00	330p	20%
	00:00	330p	20%
Лёд	11:20	170p	20%
	14:05	270p	20%
О чем говорят мужчины. Продолжение	10:45	170p	20%
	20:05	360p	20%
	22:10	330p	20%
	00:15	330p	20%
Ограбление в ураган	11:50	170p	20%

- Three new ticket types introduced:
1. Super-Saver (-20%)
  2. Saver (-10%)
  3. Regular (+8%)

## Box office screens

Color coding to indicate low, medium and high demand shows

## Offline posters at the cinema

**ПОКУПАЙТЕ РАНЬШЕ – ПЛАТИТЕ МЕНЬШЕ!**

КОМФОРТ-ЦЕНА      СТАНДАРТ-ЦЕНА

ЛАЙТ-ЦЕНА

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

## Step 3: go-Live - The results of our dynamic pricing solution for Cinema Park Formula Kino were very positive



- **ATP:** increased +5%



- **Online Share:** more than + 5 Pp improved



- **Attendance:** load factors remain constant



- **Customer reaction:** Well received



- **Employee acceptance:** Good acceptance and feedback





## How We Can Help You Achieve Your Goals

### Pricing Analysis and Scoping

- Analysis of demand and price structure with cinema Analytix Tool
- Simulation of prices and revenue impact
- Scoping of interfaces with ticketing system and website provider



**Christian Kluge**

Founder and CEO

christian.kluge@smart-pricer.com

### Development of Interface & Communication

- Calibrate Cinema Dynamix Tool based on historic data
- Develop and test interfaces to ensure ease of use for online and box-office customers
- Share best practices for online and offline price communication

### Launch of Real-Time Dynamic Pricing

- Automatic price updates with Dynamix Tool
- Continuous support
- Access to customized web-tool to change price settings and real-time reporting (if desired)



**Franz Blechschmidt**

Founder and Managing Director

franz.blechschmidt@smart-pricer.com

## Disclaimer

This presentation has been prepared by Smart Pricer GmbH. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. The presentation shall only be used for informational purposes and does not form any contractual basis.

None of Smart Pricer GmbH or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation. Certain financial and statistical information in this presentation has been subject to rounding off adjustments and to currency conversion adjustments. Accordingly, the sum of certain data may not conform to the expressed total.

Certain statements in this presentation constitute forward-looking statements. Any statement in this presentation that is not a statement of historical fact, without limitation, is a forward-looking statement. Such forward looking statements are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this presentation. As a result, you are cautioned not to place any reliance on such forward-looking statements. The forward-looking statements reflect knowledge and information available at the date of preparation of this presentation and the Company undertakes no obligation to update its view of such risks and uncertainties or to update the forward-looking statements contained herein. Nothing in this presentation should be construed as a profit forecast.  
Not for distribution or release, directly or indirectly, to any third party other than the direct recipient.