

**Case Title:** The Movie Exhibition Industry 2017

**Unique ID:** MHE-FTR-057-1259927628

**Abstract:** The current health of the movie exhibition industry is unclear. Domestic revenues and attendance appear to have peaked and the industry teeters on the cusp of maturity. Movie watchers are finding alternatives to going to the theater, including watching movies in the comfort of their own home on their own equipment. Digital distribution and the Internet have also increased the channels that consumers can use to access movies. The current generation of home theater technology rivals that in theaters and the next generation may exceed it. Worse, content providers are increasingly focused on growing the international market. Signs point toward consolidation in the industry. Exhibitors' three revenue streams (box office receipts, concessions, and advertising) are detailed along with the profitability and manageability each provides. Exhibitor initiatives in each area to draw viewers to the theater and improve profitability are presented. What should the major domestic exhibitors do to keep people coming to the theaters? Is the movie theater an outdated concept? Is there a way to update the experience? The case is well suited to serve as a course opener due to students' familiarity with movie theaters but limited understanding of the revenue streams, profitability, and threatening external environment. Data in the instructor's note allows for basic trend analysis and forecasting of prices using Excel.

**Concepts:** External Analysis, Industry Structural Analysis (5-Forces), Industry Life Cycle, Internal Analysis, Value Chain, Business Strategy, Value Proposition, International Strategy, Strategy Formulation, Strategic Actions, Strategic Initiatives, Strategic Alternatives, Strategy Implementation, Data Analysis

**Context:**

- Protagonist: Movie Exhibition Industry
- Country: USA
- Sector: Entertainment
- Company Employee Count: N/A
- Company Revenue: N/A
- Ticker Symbol: N/A
- Event Year Begin: 2000
- Event Year End: 2017

**Teaching Note:** Available