



## Prism

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The problem is two sided. On one side, an estimated 700 million cinema tickets go unsold each year – 80% of the full capacity of cinemas across the UK. That is a hugely inefficient market. On the other hand, consumers find cinema tickets prohibitively expensive.

Our survey of over 1,600 people showed 35% of people that don't go to the cinema would go more if it was cheaper. Of the people that do visit the cinema, 55% said they would go more if prices were cheaper. There are other pain points too. Top problems included online booking and queueing for tickets and food. For example, having to check multiple sites for the optimal show time. 75% of people in our survey choose from two or more cinemas, yet there's no easy way to see film times across different cinemas. As well as only selling 20-30% of total capacity cinemas are facing other problems too. With the increased use of streaming sites at home, cinemas are under pressure to fill seats and innovate.

With 22% of revenues coming from concessions and advertising, low occupancy means missed revenues. These pressures combined, make it a perfect time to disrupt the industry.

Admissions in the UK cinema sector have recently plateaued at about 170million admissions per year. Per capita attendance is around 2.6 here in the UK, versus around 5.5 in the US – which shows there is an opportunity to get more people going to the cinema.

Cinemas are under greater pressure with more people staying at home to stream content online and use of illegal content is also increasing. Although the majority of the revenue comes from the box office, specifically top 20 films, a large chunk also comes from food and beverages (which have a high margin) and advertising sales. Both of these are highly dependent on footfall into the cinema. Advertising packages are sold on the basis of 'bums in seats' so low occupancy is limiting the potential of advertising sales.

In the UK there is a limited amount of innovation and third-party intermediaries but in the US there are some big players such as Fandango, Atom and Moviepass. While they are competitors that could enter the UK market, they also show there is an appetite for innovation to encourage people into the cinema.

My solution is a website that allows cinemas to dynamically discount tickets and allows users to compare listings across cinemas and find cheap deals. On the front end, users will be able to search by film, location or price and then buy tickets in a hassle-free way. It will also be rich in content for example reviews, interviews and stories about the cinema industry, which will help grow traffic organically.



The algorithm will be worked on in collaboration with cinemas and will be impacted by popularity of film, demand and time since release. It will allow cinemas to shift 'distressed stock' and drive more footfall into cinemas – a key strategic priority for them.

Further down the line, the site will allow people to buy concessions in advance so they can avoid lengthy queues and will allow users to book dinners before or after films, leveraging the social experience that cinema going is.

