

AMC Challenges

- Upcoming Technology**
- Imminent mass-arrival of Google Glass opens controversy and worry amongst movie theaters.
- Evolution of the Theater experience.
- Development of interactive technology in media poses new threats to all movie theaters across the board.



AMC Challenges

- Online Subscription Companies**
- Companies such as Hulu, Netflix, Amazon prime, iTunes, and more take advantage of this by collecting an immense scope of available on-demand products.
- High resolution television and on-demand shows are also making paying to home the movie theater option.



AMC Challenges and Opportunities Analysis

- Home Cinema**
- Low ticket
- High entrance cost
- Home technology**
- Upgrading movie theaters to bring in more customers
- Make theaters more comfortable for all consumers to leave theaters
- The most advantage to having more screens and theaters
- Utilizing internet marketing (connecting company on social media and use the web) better than the competitors

AMC Opportunities

- Reduce the number of seats to result in a more luxurious theater experience, less attendees, and higher ticket price.
- Constantly looking for opportunities and ways to push the limits creatively and economically.
- Considering a weekly discount ticket night.
- 4D experience movie theaters.
- Considering putting in a bar.

AMC Role in Theater Industry

When a major studio such as Warner Bros. releases a movie, it is not the only company that has a stake in the movie. AMC, AMC Theaters, and Regal Cinemas are all part of the same distribution chain. AMC Theaters is a major player in the theater industry, and its role is to provide a platform for the distribution of movies to the general public. AMC Theaters is a major player in the theater industry, and its role is to provide a platform for the distribution of movies to the general public.

AMC Challenges

- Piracy**
- Most combated opponent of the film industry.
- With the advent of the Internet, new technology allows for a smoother and less-noticeable distribution process of pirated content.
- It discourages customers from going to theaters.



AMC Challenges

- Other Opponents of AMC Theatre**
- Other theater chains such as Regal Entertainment Group, Cineplex Theaters, Carmike Theaters, Cineplex Theaters, and more.
- Regal Entertainment Group has a starting 1,238 movie screens at 574 sites.
- AMC Entertainment Inc. has 4,569 movie screens at 344 sites by comparison.



The End
Any Questions?



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History of AMC Theater

Early Beginnings were not restricted by limits to ownership of land. The business was controlled until the 1920s by a few families. In 1929, the first AMC Theater was opened in Boston. By 1930, the company had expanded to 100 theaters in 15 states. In 1935, the company had 200 theaters in 25 states. In 1940, the company had 300 theaters in 30 states. In 1950, the company had 400 theaters in 40 states. In 1960, the company had 500 theaters in 50 states. In 1970, the company had 600 theaters in 60 states. In 1980, the company had 700 theaters in 70 states. In 1990, the company had 800 theaters in 80 states. In 2000, the company had 900 theaters in 90 states. In 2010, the company had 1,000 theaters in 100 states.

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AMC Business Strategies

- Mission** is to provide the guest with the best possible value in terms of value, movie experience.
- Theaters range from standard stadium seating to IMAX and Real 3D.
- Competitors**
- Regal Entertainment Group, Cineplex Theaters, and Vue.
- Financial**
- Ticket money they get with the cost is 50%.
- Overhead food and drink.
- Marketing Strategy**
- Designed to satisfy its current consumer base, while actively pursuing an expansion of customers in diverse demographic segments.

AMC Business Strategies: Markets

- Current Markets**
- Continue to grow by providing the most high-value consumer value and product at each of its venues and on-line.
- New Markets**
- Expand into other metropolitan areas throughout the U.S. and Canada as well as available foreign countries through digital distribution.
- Price Strategy**
- Annual targets are \$1.4B, \$1.6B, \$1.8B and \$2.0B.
- Revenue is broken down into:
- Three primary lines in the AMC Theaters and more.
- Other ancillary revenue lines that will be used to increase value to the consumer.
- These lines include: concession, marketing, advertising and other ancillary revenue.
- These lines will be used to increase value to the consumer, while actively pursuing an expansion of customers in diverse demographic segments.

AMC Business Strategies: Product Differentiation

- Products have a uniqueness that can only be identified as AMC original.
- AMC has a special reward program called MovieWatcher.
- Which rewards frequent visitors with discounts on concessions, and free movie passes.
- Also AMC has new innovations like the Regalizer, Internet style seating and digital projects.

Price Strategies

- Fixed pricing for admission**
- Adults: \$10.50
- Child: \$7.50
- Seniors: \$9.50
- Student, Military, Group discounts.
- Food pricing is for the company while tickets pricing is split with the production company



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History of AMC Theater

- **Early Beginnings:** AMC was incorporated by Stanley H. Durwood in 1968. The business was originally started by Stanley's father in the 1920's.
- **1960's:** In 1963, Durwood builds the first multi-screen theater. Then in 1968, he incorporated the business as American Multi-Cinema Inc. (the name was shortened in 1983 to AMC).
- **AMC Expands:** During the 1970's and especially the 1980's AMC continued to expand at a rapid rate. Rapid growth is attributed to Durwood's penchant for efficiency.
- **Birth of the Megaplex:** In 1995, the first megaplex is built in Dallas, Texas.
- **AMC Acquisitions:** AMC acquires General Cinema Corp. in 2004. A \$2 billion buyout, AMC is taken private. In 2006, AMC acquires Loews Cineplex Entertainment.

History of AMC Theater

March 26, 2009: AMC Entertainment announced that it will equip 1,500 of its screens with Real D projectors.

March 28, 2009: AMC announced that it closed on \$315 million deal with Sony to replace all of its movie projectors with digital cinema.

April 2012: AMC reached settlement with state of Illinois after complaints from a disability rights organization, accusing the company of providing closed captioning or audio description systems at some of its locations. AMC pledged to equip all of its theaters in the state with captioning and description services by 2014.

May 21, 2012: Dalian Wanda Group and AMC announced a \$2.6 billion deal for Wanda Group to acquire AMC's 5,048 screens in 347 theaters in the U.S. and Canada.

September 4, 2012: AMC and Dalian Wanda Group announced closure of the deal. Dalian Wanda Group is the world's largest cinema chain.

July 2012: AMC sold 6 out of its 8 Canadian theaters to Cineplex Entertainment and 2 to Empire Theaters.

