Big Box Theaters

Big box theaters have their own challenges when it comes to providing a marketable end user experience to moviegoers who might be otherwise compelled to stay home and watch a variety of streaming services, i.e. Netflix, Hulu, Amazon Video.

Many theaters have tried to provide an experience that transcends the movie whether it is a dine-in experience, IMAX, or the less obvious and well known kinetic seats that provide an interactive five dimensional experience to the user (Lee, M.U.O.). The problem with these experiential theaters isn’t the desire to attend, so much as it is the lack of repeat attendance and the willingness to pay for the $15 list price of tickets plus the markup for that experience.

In spite of the popular projections portrayed by popular opinion, box office revenue is projected by PwC to grow to, “US $12.5 billion by 2018, from US $10.8 billion in 2013, at a 3.1 percent CAGR [compared to a total advertising CAGR of 3.7 percent],” (PwC US, PR Newswire). To further support the available and growing market that Cinema Standoff could address, PwC projects mobile video game advertising revenue, “is expected to reach US$1.63 billion in 2018 from US$921 million in 2013, at a CAGR of 12.1 percent,” (PwC US, PR Newswire).

Consumers are hungry for interactive theater experiences and interactive gameplay on larger screens. "The most coveted movie audience for years was the 18- to 24-year-old male, and now it's getting harder to get them in the movie theater because they're much more into gaming," says theater analyst Paul Dergarabedian (PwC US, PR Newswire). The unique aspect of Cinema Standoff is it will not only be able to capitalize on the growing revenue of video game advertisements, but also the increase in box office revenue, both of which combined are expected to grow at a rate of 15.2% by 2018 (PwC US, PR Newswire).

Statistics provided by PwC US 2014:

* Video games advertising revenue will continue to grow at an impressive pace, which surpassed total PC games revenue in 2012, is expected to reach US$1.63 billion in 2018 from US$921 million in 2013, at a CAGR of 12.1 percent.
* Box office resilience underscores the continuing popularity of the cinematic experience. U.S. box office revenue will exceed revenue from physical home video in 2015 and grow over the forecast period to US$12.5 billion by 2018, from US$10.8 billion in 2013, at a 3.1 percent CAGR.
* Mobile video gaming continues to drive uninterrupted growth in the U.S. and is forecast to grow at a CAGR of 6.9 percent to reach US$1.84 billion in 2018, up from US$1.32 billion in 2013.
* Online video gaming is widening user participation and micro-transactions are boosting revenues. Online video gaming is forecast to grow at a CAGR of 7.4 percent to reach US$3.60 billion in 2018, up from US$2.51 billion in 2013.
* In the U.S., Internet access is expected to continue to outperform all other E&M segments, with double-digit gains of 11.4 percent CAGR expected. Internet advertising (9 percent CAGR), video games (6.2 percent CAGR), TV advertising (4.9 percent CAGR), out-of-home advertising (4.7 percent CAGR) and filmed entertainment (4.7 percent CAGR) are expected to grow more than 4 percent compounded annually.