

AMC Drive-Ins

Marketing Campaign

SCC305

Mitali Shukla

Table of Contents

Executive Summary	3
Environmental Scanning	4
Environmental Analysis	4
Target Market	4
SWOT Analysis	5
Message Design	6
Message	
Medium	
Audience	
Business Goal	
Marketing Mix	6
Product	
Price	
Place/Distribution	
Promotion	
References	9

Executive Summary

AMC is globally recognized as the world's leading movie theater chain in the industry. Rated number one in the United States, AMC owns the most movie theatres in America. Given the rise of COVID-19, numerous theaters have been shut down as per government orders. Legislation in states like New York has allowed drive-in theaters to be opened. This market opportunity has given AMC the initiative to open their own line of drive-in theaters for customers to enjoy: AMC Drive-Ins! With locations just outside of major US cities, the drive-in theaters will appeal to the entire demographic of movie-goers with a love for cinema or simply looking for an outing during stay-at-home orders. Customers now have a safe, distanced experience at the movies while keeping public health in their best interest. We expect the market forecast for this industry to increase as numerous drive-in theaters are still in operation to this day. The current market share for the movie industry has reached \$19 billion in 2019, but this number has likely been affected by the recession and low willingness to spend among Americans. AMC Drive-Ins will revive the demand for movies and public outings in a safe and responsible way.

We plan to open our first location in Orange, California in Orange County. Customers will be able to drive-thru the ticket kiosks, concession stands, and order from food delivery applications on their phone to get their items delivered right to their car window. After one year, we will assess where we are financially and consider adding additional product lines such as merchandise which will include, but is not limited to, t-shirts, hats, stickers, lanyards, and other novelty items. The marketing objectives for AMC Drive-Ins would be to increase the market share for drive-in movie theaters and reach the revenue traditional AMC theaters would make prior to COVID-19. We will emphasize conversion through offering movie-goers the option of buying tickets to our theaters through a promotion partnership with Fandango. Lastly, we intend to operate a robust concessions stand to provide any and all things that customers may desire.

The importance of implementing a drive-in movie theater business model is rooted in the fact that we will be dealing with the aftermath of COVID-19 for some time. Sociocultural forces suggest that people will be more cautious about the spread of germs as well as public health interests. Until a vaccine is created and we have herd immunity, the novel coronavirus will continue to affect our most vulnerable populations. AMC's safe approach to enjoying the movies will ensure that we are protecting our customers while also offering them an amazing experience at the movies, right from their own vehicle.

A. Environmental Scanning

Due to the global pandemic that is COVID-19, drive-in movie theaters are no longer a thing of the past - in fact, they are back in business! Fifty out of the three hundred and six drive-in movie theaters in the United States are currently open (Yehuda 2020). A press release from Tribeca Enterprises revealed Tribeca Drive-Ins through a partnership between IMAX, AT&T, and Tribeca. Co-founder of Tribeca Robert DeNiro said that they were “excited to give people something to look forward to this summer and reinvent a classic moviegoing experience for communities to enjoy together safely” (Yehuda). AMC is the biggest movie theater chain globally and could take advantage of the market opportunity in a post-COVID world. Movie theaters currently have a market share of \$19.2 billion (Watson 2019). AMC owns 8,218 theaters in the United States, ranking number one among all other theaters. The market forecast for drive-in movie theaters is that their market share will increase.

B. Environmental Analysis

a. Competitive Forces

The competitive forces would include streaming platforms such as Netflix, Hulu, Prime Video, and Apple TV in addition to traditional theaters if they open.

b. Economic Forces

Economic forces such as the COVID-19 recession create a low willingness to spend for potential customers.

c. Political, Legal, and Regulatory Forces

Political factors that may affect the success of AMC Drive-ins could be the stay-at-home orders in several states across the country and the subsequent reopening in phases issued by the state government.

d. Technological Forces

Technological forces such as the discussion of entertainment on social media and obtaining weather-proof equipment for theatres may influence AMC Drive-ins.

e. Sociocultural Forces

Lastly, the sociocultural interest in entertainment as well as the likelihood of more customers attending in the summer may influence the profit margin of the company.

C. Target Market

a. The consumer market will be marketed to using an undifferentiated targeting strategy. The target market will focus on families, couples, and young adults.

b. Market Segmentation

i. Psychographic

The psychographic segmentation of the market will include individuals whose personality attributes include those who enjoy movies and entertainment and whose motives are consuming entertainment as well as spending time with others. The lifestyles of our customers will be laid-back and family oriented.

ii. *Demographic*

The demographic segmentation of the market will remain broad: all ages, genders, races, and ethnicities will be targeted through our marketing. However, we intend to focus on the working and middle class of the market.

iii. *Behavioralistic*

Behaviors of the target market will include valuing their desired volume usage. Customers will also exhibit brand loyalty in addition to price sensitivity in a time where they have a low willingness to spend.

iv. *Geographic*

Finally, the geographic segmentation of the market will include regions such as the Pacific Northwest, the Southwest, the New England Area, the Midwest, and the Southeast. We will focus on mid to large-sized cities, pinpointing the suburbs of the large cities. There will likely be greater market density in the suburbs where the middle and upper middle class reside. Lastly, the ideal climate for AMC Drive-Ins will be desert-like and dry.

D. SWOT Analysis

a. *Strengths*

Internal strengths of AMC Drive-Ins begin with its “COVID-proof” business model. It also has a vintage appeal for old and young customers alike. The drive-in theaters are accessible to anyone with a car or anyone who knows someone who has a car. Customers can take advantage of a personalized movie-watching experience. AMC Drive-Ins could be more accessible for those with disabilities, special needs, and small children.

b. *Weaknesses*

Internal weaknesses of the product would be that we would unintentionally exclude the market that don't own cars. It is also not the same experience as going to the movies - cell phones aren't required to be turned off, and the showings may depend on the weather.

c. *Opportunities*

External opportunities are limitless when it comes to this product. We could partner with food and drink vendors with vouchers, coupons, and so on. We could

obtain sponsorships from local car dealerships in addition to hosting large events such as graduations, concerts, and the like. Lastly, we could partner with food delivery applications such as Postmates, Uber Eats, Doordash, Grubhub, or Caviar so customers can order a wider variety of food and beverage options.

d. *Threats*

External threats to the success of AMC Drive-Ins may include a limited selection of movies available for screening. It may be costly to run a drive-in movie theater operation on a grand scale. The theater would also require quite a bit of open space. Unlike traditional movie theaters, customers will not be limited to the food sold at concessions because they can bring their own. With the reopening of states with stay-at-home orders, customers may opt for traditional movie theaters instead if they are open.

E. Message Design

a. *Message*

Our message will be: “AMC Drive-Ins are your comfortable getaway to the movies, right in your vehicle.” We will emphasize the exciting yet comfortable duality of enjoying the movies from your own vehicle. The familiarity of being on the road while also getting cozy under the stars.

b. *Medium*

Our medium will be print and web advertisements, news releases at local publications, as well as a robust social media campaign and sponsorships of Youtube content creators.

c. *Audience*

The target audience for our product will be all movie-goers: families, couples, friends - we want our customers to grab all their loved ones and get in the car for an unforgettable experience at AMC Drive-Ins.

d. *Business Goal*

The business goal is centered around the market opportunity to provide customers with the ability to see movies in the safest way during and after a global pandemic. AMC Drive-Ins hopes to capture the target market through an effective marketing and promotional mix.

F. Marketing Mix

The marketing objectives for this campaign would include increasing the market share for drive-in movie theaters as well as to reach the revenue that we would earn if AMC’s traditional movie theaters were up and running. We also aim to emphasize conversion by partnering with Fandango so that they advertise to our customers that the movies they

want to see are available at our drive-in movie theaters. Lastly, we intend to create a robust profit margin by supplying all the concessions a customer would want to purchase.

a. Product

The product offered is an experience at AMC Drive-Ins. Customers will visit the designated locations, buy tickets through drive-thru kiosks, and select a spot they would like to park and view the movie from. Concessions will be available to purchase through the app and delivered to their car window, or customers can approach the concessions stand with the appropriate face covering. After one year, we will assess where we are and see if we can add additional product lines such as merchandise which will include, but is not limited to, t-shirts, hats, stickers, lanyards, and other novelty items.

b. Price

We will implement penetration pricing to appeal to middle class customers in a variety of areas. Since customers are likely to have a low willingness to spend, adult tickets will be priced at \$11.00 most days of the week while Friday, Saturday, and Sunday will be \$13.00. Children 12 and under can purchase children's tickets for \$8.00, and students and seniors (65+) pay \$10.00. Popcorn prices will mirror those at traditional movie theaters at AMC as well as beverage prices.

c. Place/Distribution

The distribution of the product will be across the United States in the suburbs of major cities. Our first location will open in Orange, California in Orange County. The following locations will be where the next drive-in theaters will be established, depending on the success of the first location: (1) Bellevue, Washington, (2) Tucson, Arizona, (3) Bend, Oregon, (5) Glendale, California, (6) San Jose, California, (7) Santa Barbara, California, (8) San Diego, California, (9) Draper, Utah, (10) Boulder, Colorado, (11) Savannah, Georgia, (12) Wilmington, Delaware, (13) Newark, New Jersey, (14) Cincinnati, Ohio, and (15) San Luis Obispo, California.

d. Promotion

The promotional mix for the marketing campaign will include a robust promotion plan. We plan to have sponsored advertisements on Facebook, Instagram, and Twitter. We will also sponsor videos of Youtube content creators who are relevant to our cause to bring awareness to the product. The marketing campaign will be implemented in phases. The first phase will be the Web Advertisements, and Promoted Social Media Posts in late July. The second phase will begin one month prior to the grand opening of the Orange location in late September. In the second phase, we will increase the number of Web Advertisements and Promoted Social Media Posts and distribute the Posters in the local area. The third phase

will be implemented two weeks prior to the grand opening of the Orange location where we will facilitate a news release and magazine print advertisements to create a buzz surrounding the grand opening. From thereon out, we will continue all forms of advertising and repeat the same process for the next 15 locations.

i. *Web Advertisement*

The web advertisements will be distributed on ticket sales websites like Fandango as well as entertainment publications such as Variety, The Hollywood Reporter, Vulture, and the like.

ii. *Poster*

The poster will be distributed in the vicinity of the drive-in theaters. Local coffee shops, community centers, libraries, and other public areas are a prime location to distribute the posters to create awareness among the local area.

iii. *News Release*

Lastly, the news release will feature in local newspapers such as the Orange County Register and LA Weekly to create buzz surrounding the grand opening of the first location in Orange. The following openings will follow the same format.

References

- Frishberg, H. (2020, May 11). NYC drive-in theater attracting big crowds thanks to coronavirus. <https://nypost.com/2020/05/11/nyc-drive-in-theater-having-a-revival-thanks-to-coronavirus/>
- Gibson, K. (2020, May 12). A break from COVID-19, coming soon to a drive-in theater near you. <https://www.cbsnews.com/news/covid-19-relief-coming-soon-to-a-drive-in-theater-near-you/>
- Hult, G. T., Ferrel, O. C., & Pride, W. M. (2016). *Marketing*. Mason (Ohio, United States): South-Western, Cengage Learning.
- Watson, A. (2019, December 02). Leading cinema circuits in North America by number of screens 2018. <https://www.statista.com/statistics/188565/north-american-movie-theater-circuits-by-number-of-screens/>
- Yehuda, A. (2020, May 07). Brace yourselves for the return of the drive-in movie theater <https://www.timeout.com/usa/news/brace-yourselves-for-the-return-of-the-drive-in-movie-theater-050720>
- 2020 Drive-In Movie Theaters Industry Statistics & Market Research Report. (n.d.). <https://www.anythingresearch.com/industry/Drive-In-Movie-Theaters.htm>
- Tribeca Enterprises, IMAX and AT&T Announce Nationwide Summer Drive-In Series. (2020, May 6). <https://www.tribecafilm.com/press-center/press-releases/tribeca-enterprises-imax-and-att-announce-nationwide-summer-drive-in-series>