

***Competition for the Entertainment Dollar*****Situation:**

The Rocky Mountain Theatre in Denver, Colorado has been in business since 1979. It has had good years and bad years, competitively speaking, but has never been on the brink of going out of business....until now. Last year, it ran the musical Rent for three months, along with a revival of Oklahoma, and a long stint of Blue Man Group, which turned out to be the only profitable act.

The owner of the theatre has asked you and your partner, and your marketing consulting business to prepare a plan to put the company back in the black for good.

As the owner sees it, there are just too many entertainment choices among the Denver metro area consumers, and the RMT just cannot compete. Aside from staying home and reading a book, watching TV, playing electronic games or watching DVDs, consumers have basketball, football, hockey, baseball, to choose from...on both the pro level and the college level. They also have movies, concerts, shopping, and other activities which compete for the entertainment dollar. In addition, there are also a lot of outdoor sports activities for area residents, like skiing (night or day), hiking, river rafting, rodeo and rock climbing. The theatre owner has suggested that, within an hour and a half of downtown Denver, there are literally hundreds of sports and entertainment companies chasing those discretionary dollars.

The owner has said that, from what he has gathered from talking to the theatre patrons, the shows need drawing card actors with recognizable names and appeal, as well as plays or musicals that appeal to all ages, genders, and interests. However, the owner's budget is tight so affordability of certain films is also a major factor impacting opportunities.

Instructions:

Develop a plan with your partner to determine what possible shows, target market, pricing, and advertising methods you will suggest to bring the RMT into profitability.

You have 30 minutes to prepare, and 15 minutes to present your plans to the owner of RMT (judge).

Student Benchmarks:

- 1) Explain the nature of sport and entertainment marketing.
- 2) Explain the concept of competition in entertainment marketing
- 3) Develop a plan to deal with competition in an entertainment market
- 4) Describe the importance of discretionary spending among consumers.
- 5) Create a multi-level plan to compete within the market (product, brand, pricing, benefits)