

Light and Sound by Win and Tonkla

(Assigned by Aj.)

Part 1: Description of the paper

I feel so interested to read this paper since the authors of this paper is people who experience and work in the entertainment industry. Authors have found that light and sound are one of the important factors in entertainment production, therefore, they have come up with the interesting topic of study “what are the factors have influenced the price of light and sound rental service?” They tried to answer that what are the purpose for using light and sound rental service, what strategies that firm use to compete in the market, and how can firms expand the business?

In order to answer those interesting questions in this paper, authors use SCP framework to analyze the market structure, organization structure and competitive advantage and performance of the firms. Authors also use in depth-interview to obtain more data since they have claimed interviewees are top firms in Thailand and might have provide much more detailed information than other method to obtain the data.

The result, after the study, they found that Thailand light and sound rental system market structure is best describe as the oligopoly with competitive fringe firms. The have concluded customers of all firm can consider this service as outsourcing, this service can help to reduce the existing cost and in-house production cost and customer can smooth the work load because of the service providers have rich knowledge of light and sound so that consumer could focus on the core business. Each market segmentation performed different strategies to capture in customer because of the large number of demanded from many small events, shows, and concerts in Thailand. Small and medium segment have to compete in the price to capture the customer. While large and extra-large segment have a specific group of customers that they can negotiate price and perform first-degree price discrimination to expand the business specially the fringe firm, it needs to invest in the fix asset and not rely on the variable cost as it can achieve the economy of scale and be the competitive advantage in cost and price aspect.

Part 2: Reflection on the paper

I think this topic is quite interesting because I consumer the product from this entertainment industry everyday but never get to know what are behind the scenes, events and concerts. I think since I’m interested in working as a marketer, may be one day I might be assigned by the boss to run a small event to promote the product, therefore, knowing this topic might benefit me in the future.

The economic theories were used in this paper. First is the cost structure since the cost of running business of oligopolistic and competitive fringe are different. Second is competitive pricing strategy. Next, first-degree price discrimination and the last theory called Quantity discount (rental day)