

Why is popcorn so expensive in the cinema?

Popcorn has become one of the important items when attending the cinemas. Popcorn gained fame and popularity from the change in types of movies published in the cinema, the comfort such as availability and portability and economic crises. Major and SF have 95% of the market share making it easy and able to control the price of products sold. Cinema monopolists can set up two part pricing which are price for ticket and concession or popcorn. The cinema industry finds itself challenging selling the movie tickets alone due to high costs such as wages, infrastructure making the industry to see profit from selling popcorn as one of the options to help cover the expenses. However, not all customers prefer to buy popcorn, some do not value concession. In this paper, the method applied in this paper is the game theory consisting of actions, players and payoffs considering information each player gains from every action. Players benefit themselves from the information they observe at the time; actions and actions have potential to create equilibrium. In this situation the movie industry moves and creates a pricing strategy first and moviegoers move next. The first is for the cinema whether to set high or low ticket prices. The second move is whether the customer buys or not buys the ticket. The third move is from the customer whether to buy concessions or not. The result or nash equilibrium is (10,10). To conduct the result, the researcher collects information in both primary and secondary data. The primary data is collected from questionnaires which consist of demographics, decisions and interviews with the marketing director of SF cinema secondary data is collected from statistics and the annual report of Major. Cineplex. From the survey people still have preference to buy popcorn even though they find it expensive due to their habit sticks with them, The paper also explains the sensitivity of the change in price of both the ticket and the concession. The paper explains the change in percentage if the cinema increases the price of either ticket or concession by every twenty Baht. The result turns out that customers are more sensitive to change in concession price. What can be added in terms of explanation is an additional possible reason for popcorn gaining popularity is the customers can eat popcorn easily without using effort which encourages the joy during watching. Popcorn quality and tastes can affect the decision whether to buy or not. Armrest can also play a significant role in terms of comfort in terms of the quality of size in which moviegoers prefer to put popcorn when not wanting to eat. Even though the survey consists of 502 people, the result can possibly change significantly if done by different groups of 502 people.