

Competitor/Factor	Price	Location	Audience	Ambiance	Film selection
Film Forum		X	X	X	X
Commercial theaters	X	X			
Netflix	X	X	X		X
Theaters		X			
Illegal downloads	X	X	X		X

Analysis

The competitive analysis covers five factors: price, location, audience, ambiance and film selection. As a reference group four competitors were selected (commercial theaters, Netflix, theaters and illegal downloads). Analysis of these competitors on the five factors revealed the existence of at least one competitor in each of the factors with the exception of ambiance.

Theaters were found to be least competing with the film forum. Netflix and illegal downloads were found to be the most challenging the current model the film house operates.

Recommendation

It is recommended the Film House further develops its niche to continue its survival. This is because of its heavy reliance on the ambiance of the theater, the strong competition from digital services and the decrease of film theater visits.

First, the heavy reliance on the ambiance of the film theater as point of competitive advantage makes it vulnerable when other competitors find out ways to copy this. Second, the strong competition of digital services such as Netflix and digital downloads makes it vulnerable to losing its competitive advantage if these services find substitutes. Third, the decreasing number of visitors of movie theaters poses a more general thread as this can pressure revenue streams.

Based on these three factors it is recommended the film forum strengthens its niche and looks for new markets to expand its services. Examples of niche strengthening could include specializing in a specific type of film and examples of new markets could include a new focus on educational activities, both for children and adults.