

BUSINESS PLAN FOR A MOVIE ENTERPRISE

A number of Kenyans own a DVD player or laptop thus they find it easy to entertain themselves at home. Movies and T.V series are a great option for most Kenyans to unwind in the evening or during the weekends and with the current digital T.V content, it is quite expensive to access the latest movies and series unless you pay for the premium subscription through your decoder.

That is the gap that movie shops fill. Most Kenyans love being on top of popular movies and T.V shows and are willing to pay at least Ksh.50 for a disc.

Movie shops started out as a small business but currently, they are one of the most lucrative businesses to venture into right now especially for young people. If you are a movie junkie and have been thinking of running a profitable movie shop, here are a couple of things you need to know;

1. GETTING STARTED

Before getting into the movie shop business, you need to be clear about how the business works and have answers to specific questions;

1. How will I get the movies?
2. What equipment will I use?
3. Which customers am I targeting?
4. What licenses do I need?
5. Where is the best location?
6. How much do I need to get started?

2. LICENSES

To legally operate a movie shop, you need to have a license from MCSK and a single business permit from your county government. Lack of these two licenses will lead to your equipment being confiscated for lack of compliance.

Single Business Permit: The cost of it will depend on the size of your business and from an analysis from your area ward rep. A small shop will cost Ksh5, 000 – Ksh15, 000 per year to license depending on your county. A number of Kenyans own a DVD player or laptop thus they find it easy to entertain themselves at home. Movies and T.V series are a great option for most Kenyans to unwind in the evening or during the weekends and with the current digital T.V content, it is quite expensive to access the latest movies and series unless you pay for the premium subscription through your decoder.

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MCSK: A MCSK license will cost you Ksh. 3000 and you'll also pay Ksh. 1000 to the Kenya Film Censorship Board (KFCB). You'll then be given a license to put in your business premises.

3. LOCATION

All businesses need to factor in where they intend to locate their business but for a movie shop, location is particularly important. You need a location that is close to your target market and where the demand is high.

Some suggestions for a good location are

1. Near a campus/school
2. Next to a student's hostel
3. Town centers
4. Near bus stations
5. Shopping centers in your estate

One advantage of opening a movie shop is that they generally don't use up too much space. However, the amount of rent depends on the location. A front stall that is just in front of the pavement in town will cost you approximately Ksh.25K in downtown.

However, within the CBD, you may part with anywhere between Ksh. 40K – 60K.

Renting a shop in your local estate is much cheaper.

4. BASIC EQUIPMENT

If you are new in the movie shop business, here are the basic equipment you should invest in;

EQUIPMENT	APPROXIMATE COST
1 Good Quality Computer	Ksh. 40,000
1 LED T.V	Ksh. 18,000
Woofers	Ksh. 10,000
DVD Duplicator	Ksh. 35,000
50 Blank DVDs	Ksh. 500
2 Felt Pens	Ksh. 100
Movie Posters (Papers + Printing cost)	Ksh. 350
Furniture (Chairs, Counter, Bench etc.)	Ksh. 30,000
Envelopes for packing movies	Ksh.500
TOTAL	Ksh. 134,450

5. HOW TO GET THE MOVIES

There are two ways to get movies;

1. Buy movies online and pay through online payment systems like PayPal from Ksh. 800 – Ksh. 1,500 per movie. You'll then be sent a download link to the movie. You can also download T.V shows through certain sites.
2. The cheapest way to get movies and shows is to wait for others to buy from other people for Ksh. 50 and burn as many copies as possible for yourself

6. INVESTMENT VS. PROFIT

To start small, a movie shop will set you back any amount between Ksh. 150,000 – Ksh. 200,000. Here is the break down;

Equipment – Ksh. 134, 450

MCSK License – Ksh. 4000

Single Business Permit – Ksh. 7000

Rent – Ksh. 25,000

TOTAL – Ksh. 170, 450

If you get 100 people buying one disc a day, that is Ksh. 5000 a day and Ksh. 150,000 a month. That guarantees a return of investment in 3 months latest.

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