

Movie theaters: Impact or no Impact



Due to the current COVID-19 pandemic, businesses have to reinvent themselves to adapt to the situation and minimize their losses. In recent months, the social and entertainment activities such as restaurants, coffee shops, museums and others have seen drastic decline in customers.

However, even with the recent decline, it is still expected that these industries will recover thanks to the government's subsidies and their recent successes in adapting to the situation (e.g. outdoor dining, delivery, virtual events, etc.). Movie theaters on the other hand have been undergoing a difficult transition as their whole business model runs on joining people together in a room to watch a movie. Due to social distancing criteria and difficulty of enforcing masks (or completely removing the ability to eat), movie theaters are forced to close with no sign of recovery.

Even following the pandemic, their appeal has been diminishing for years with the arrival of streaming services

which have shown especially during the pandemic their ability to premiere movies and charge a premium without needing to rely on an intermediate. With that, in the next years, we are expecting movie theaters to be phased out of the country as many of them will go bankrupt along with many retail experiences that are no longer relevant and were not able to adapt to the current situation. In this situation, the problem statement looks at understanding the impact of removing movie theaters in an area and whether there are enough venues to take on the load of an entertainment sector business gone bankrupt.

Hence, this analysis' objective is to possibly predict the future of those venues and whether they will be replaced or completely removed with no impact on their surroundings.

With that being said, with this data and the results, it is evident that the removal of movie theaters will have little to no impact on the neighborhood venues because those have already adapted to that reality.

Movie theaters are not disappearing at their peak; they have been gradually being withdrawn from society as other priorities are taking over. Hence, coffee shops, restaurants and even parks are at the top of the venue lists because they have become the areas of social interactions instead of only places to grab food to eat.

The clusters allow us to see this better as the behavior of every cluster, even though they are different from one another is repetitive where regardless of what neighborhood you are in or the preferences, movie theaters are no longer at the top of the list and the most popular options are the cheapest and most convenient places to go to meet others.

Art museums and theaters have a similar tendency but due to their offering of an "experience" that cannot be had at home alone, their disappearance would create a void that would need to be filled contrarily to movie theaters that have already been replaced.