

Case Study Analysis

Wanda Cinema Line

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Context and History

Wanda Cinema Line Corporation owns and operates a chain of cinemas in China. Wanda Cinema operates 142 multiplexes in 73 cities in China, according to the regulatory filing. Revenue last year hit RMB3.16 billion (\$515 million) with net profit revealed as RMB605 million (\$98.5 million). The company was incorporated in 2005 and is based in China. Wanda Cinema Line Corporation operates as a subsidiary of Dalian Wanda Group Co., Ltd. Now, Wanda cinema line occupies 15% of box office in China and its screen number rank first in Asia. In December 2010, Wanda cinema line won the eighteenth Asia Pacific Exhibition (CineAsia) "annual show business" award, which is the Chinese mainland film exhibitor first acquired the respected international awards. In September 2012, Wanda Group close \$2.6B purchased AMC Entertainment, a preeminent U.S. movie exhibitor. The transaction creates the world's largest global cinema owner by combining Wanda's 94 theatres, 805 screens and large-scale stage show, film production and distribution, entertainment chains with AMC's 338 multiplex theatres and 4,865 screens, including 2,171 3-D screens and 124 IMAX screens, making it the world's largest operator of IMAX screens. By the end of 2013, Wanda cinema line has opened 142 cinemas, 1247 screen numbers in China.

Environmental Scan

I. Economic Scan

What economic factors are influencing the organization?

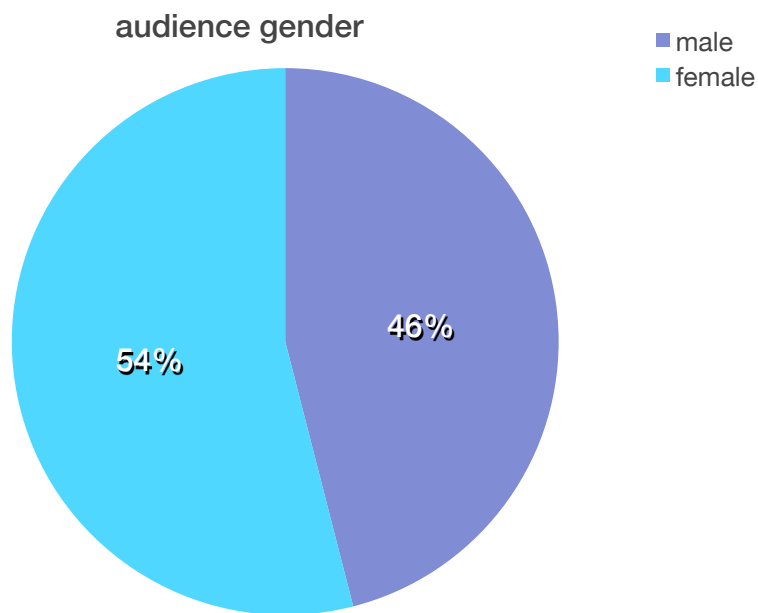
Contributed Income:

Chairman of Wanda Group Wang Jianlin established a charitable project called Wanda group college students business plan. Every year Wanda Group donate 50 million yuan to support 100 college students entrepreneurship. He also donate money in many other field. Now Wanda is one of the largest charitable donations private enterprises in China, charitable donations of cash accumulated more than 37 hundred millions. In ninth Forbes Chinese charity list, Wanda ranks first.

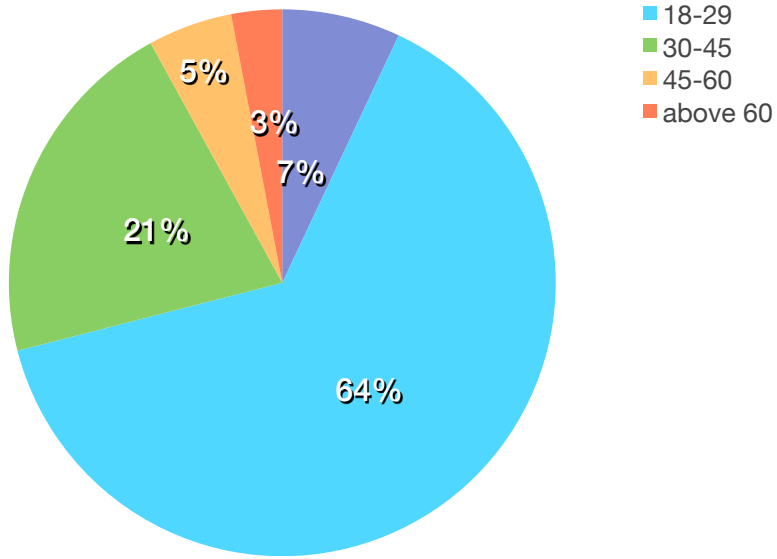
Earned Income:

In 2013, Wanda cinema line achieved sales of four billion yuan, box office is three billion yuan, sale productions such as popcorn are four hundred million yuan. Besides these, there are many other income, include advertising, ground rent, enjoy discount card and so on. Its revenue grew from to RMB3.16 billion in 2013 from RMB1.79 billion in 2011, with compound annual growth rate of 33%. Its net profit rose to RMB604.8 million in 2013 from RMB307.4 million in 2011.

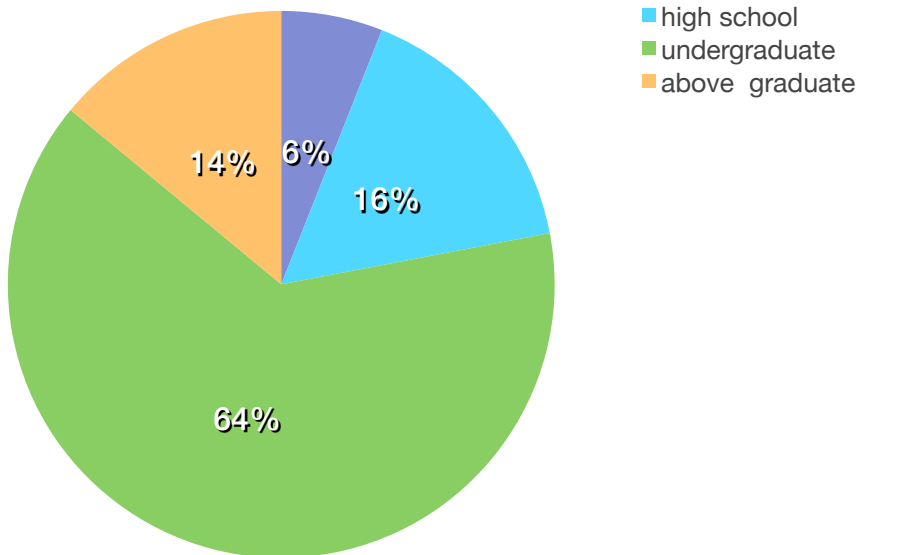
II. Demographic Scan



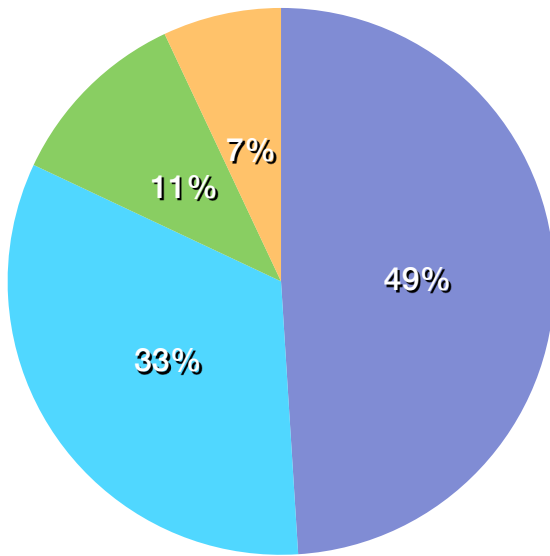
audience age



audience education degree

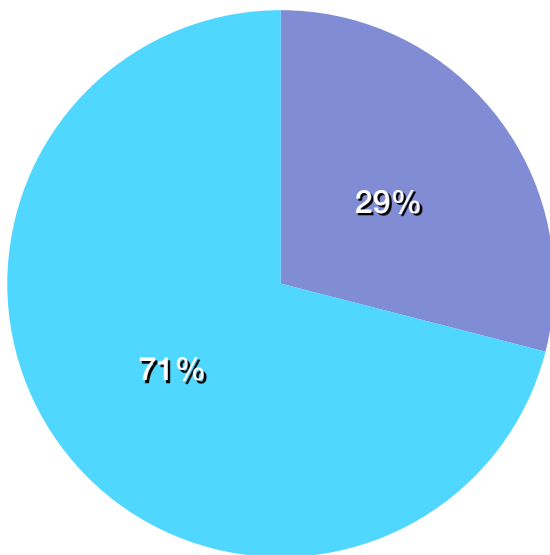


audience income level

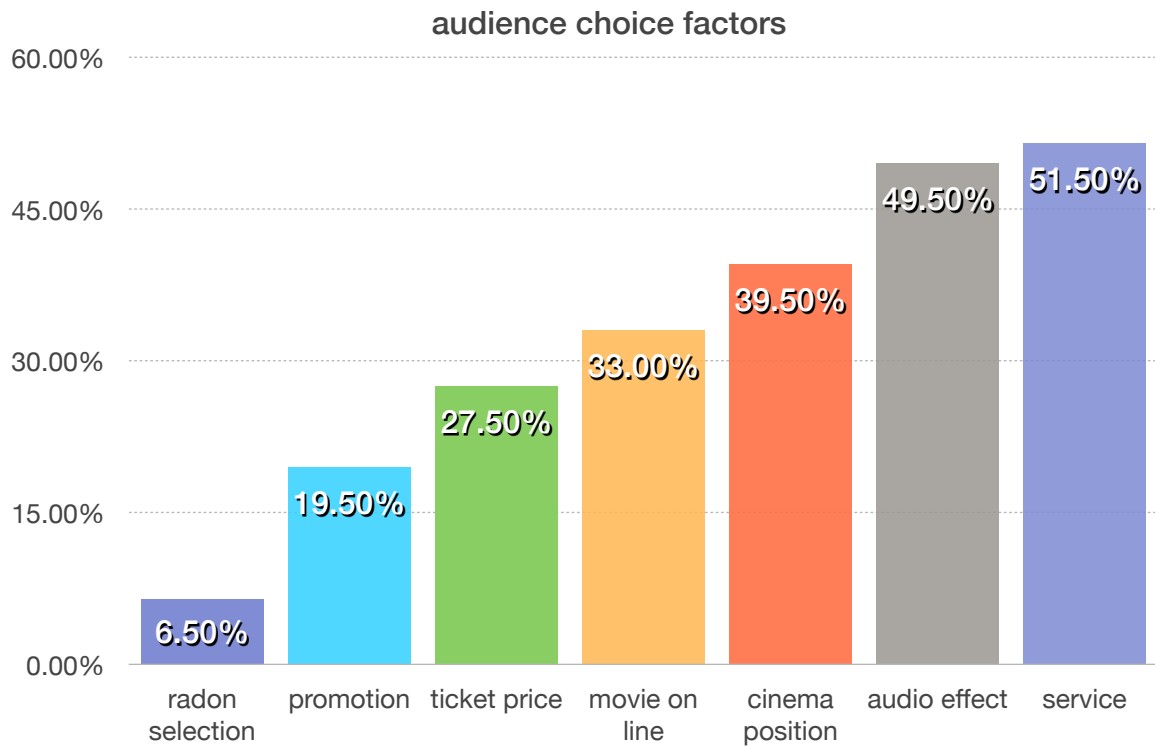


- under 5000 yuan
- 5000-6000 yuan
- 6000-8000 yuan
- above 8000 yuan

audience marital status



- married
- unmarried

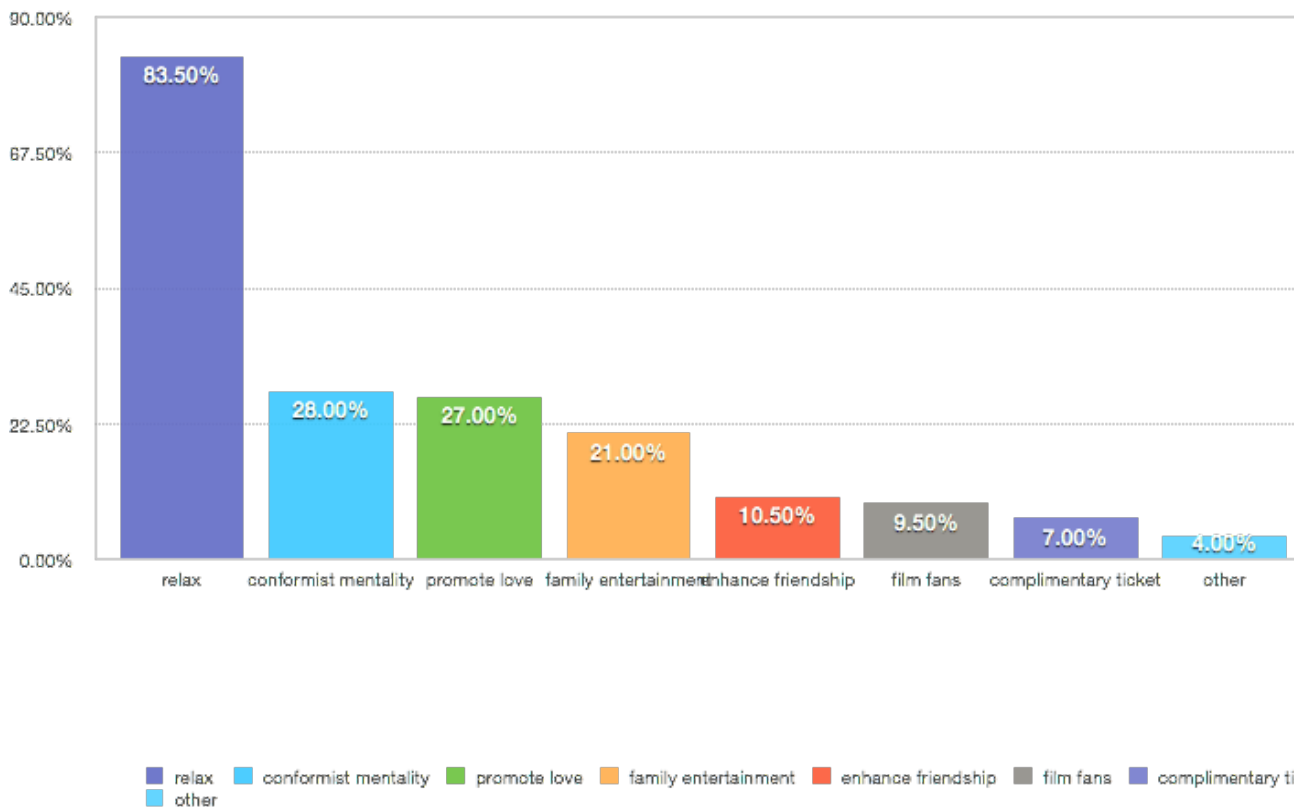


III. Cultural Scan

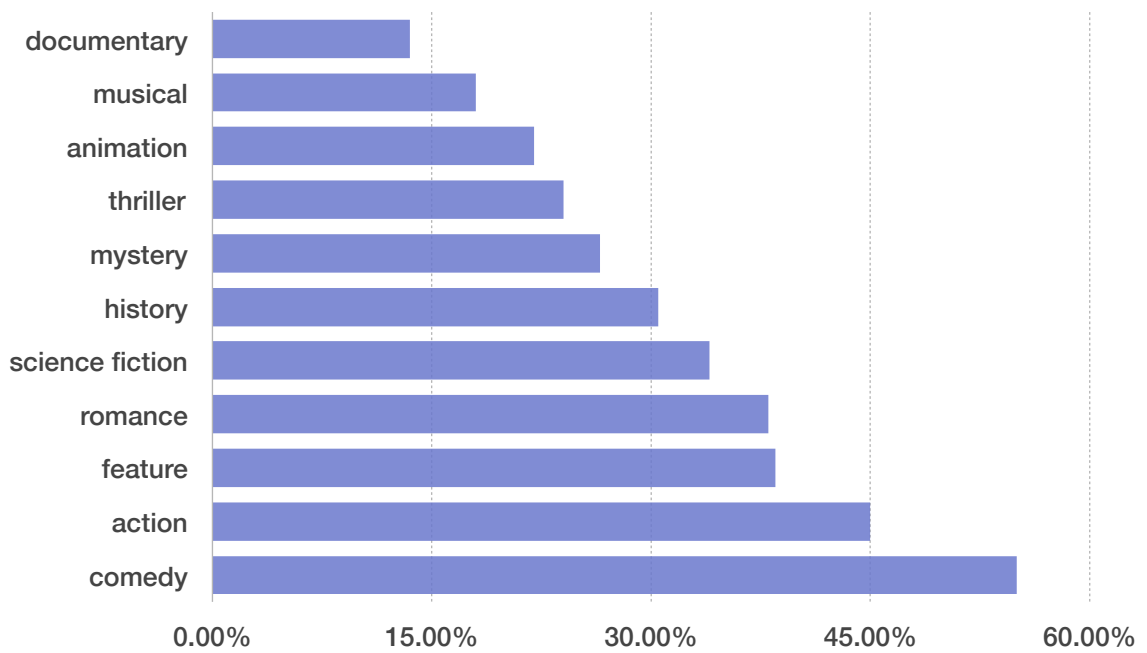
The business idea of Wanda Cinema Line is spread culture and share happiness. In the same time, Wanda cinema workers regard let China people watch the best film in the most comfortable cinema as their responsibility and mission. Their brand promotion language is Wanda cinema makes Chinese happy.

In fact, there are many factors to make audience participate.

audience viewing motive



Film type audience like



From above chart we know audiences like comedy most and then like action movie, this important information is one of factors affecting theater to arrange films and producer or director will depend on what's popular element to produce film. Relying on the strength of Wanda Group in the real estate and cooperating with international background of service supplier Wanda cinema line created many records in Chinese film circles. It has the biggest film screen in China and the best sound system and equipment to ensure audio effect. March 24, Wanda Cinema 3D images with the world-renowned technology provider RealD jointly announced that the two sides will continue cooperation agreement, Wanda Cinema will install 780 sets of RealD 3D equipment in the next three years, placed in Wanda Cinema The 3D movie hall. Plus 800 sets of equipment currently installed Wanda Cinema, RealD equipment Wanda total installed throughout China will be more than 1500 sets. RealD is currently the world's most widely used 3D cinema projection technology. As of March 4, 2014, there are 74 countries worldwide, more than 25,049 screens in 1,000 theaters install RealD 3D projection equipment. Brightness RealD 3D theater system is twice that of other 3D technologies, and have screened the film features a high frame rate.

IV. Other Environmental Elements

In 2012, Wanda Cinema Line agreed to buy AMC Entertainment Holdings Inc. (AMC) for \$2.6 billion including debt, expanding into the U.S. to create the world's biggest cinema owner. The purchase, which includes about \$2 billion in assumed debt, gives Wanda the second-largest operator in North America where moviegoers spent \$10.2 billion on tickets last year. Kansas City, Missouri-based AMC, controlled by private-equity firms including Apollo Global Management LLC (APO) and Bain Capital LLC, will gain an additional \$500 million investment from Wanda over time, the companies said.

In July, 2014 Wanda Cinema Line Co., has been denied approval by regulators to raise \$320 million in a Shenzhen stock exchange listing, after failing to provide sufficient documents for an initial public offering. The company plans to issue 60 million shares and raise RMB2 billion (\$326 million) of fresh capital.

