When movies cost $10.75

Have you been to the movies lately? The ticket prices keep creeping up and this past Sunday I paid $10.75 to see True Grit (a great movie, by the way, and worth watching). Just a few months ago, tickets were $10, and before that $9.50 and back in the last century, one could catch a flick for about $5.

Consumerist reports that movie ticket sales were at their lowest point since 1996 (back in the last century) in 2010. At the same time, movie prices are at their highest point in history. Coincidence? I think not. The article also says more people are staying home to watch streaming video or waiting the shorter time between a movie's theatrical release and its DVD release. But, I think, the real cause is the high cost of the movies versus the cost of staying home/watching online or on DVD.

What this illustrates is that no matter the quality of your product (and there are some excellent movies out there) or the frequency of your advertising or the success of your public relations efforts there are reasons that people will not buy your product (or service). Consumers will determine whether your product offers value and whether they are willing to pay for that value.

When movies cost $10.75 and you have a family of four, or you are taking your significant other out for a date, or you are just killing time, you may think twice about it. After all $10.75 could buy you a meal or even a book. Pricing matters and higher costs will translate into lost customers. There is a balance point where you are charging more to fewer people and still making money—and that probably is the holy grail of pricing.

How does movie price affect your movie watching? Are you going

to the movies in spite of the higher costs?