

How Much is Too Much? Audience Response to Day-and-Date Streaming Prices during Covid-19

Abstract

On April 10, 2020 Universal Pictures released *Trolls World Tour* on over-the-top (OTT) streaming platforms the same day it was released in theaters. Simultaneously releasing a film in theaters and on OTT is known as a “day-and-date” release, and it is often avoided to prevent cannibalization of movie theater revenue (August, Dao, & Shin, 2015). The decision to proceed with this day-and-date release was made as a result of many theaters closing down due to Covid-19 and led to *Trolls World Tour* generating \$100 million in rentals within the first three weeks of release. This is more revenue than the original “*Trolls*” generated in a five month theatrical run in 2016 (Schwartzel, 2020). Many other media firms followed suit, each with their own pricing strategy, and with varying levels of success. Universal had charged consumers \$19.99 for *Trolls World Tour*, whereas Disney+ opted to day-and-date release *Mulan* for \$29.99, in addition to the cost of being a Disney+ subscriber (i.e., \$6.99/month). Alternatively, HBO Max has announced that they will be day-and-date releasing the much anticipated *Wonder Woman 1984* for free to HBO Max subscribers, in an effort to increase their user-base to better compete with Netflix (Rubin, 2020). While *Wonder Woman* will only be released on December 25, 2020, *Mulan*’s release generated an unanticipated degree of negative brand value from consumers who felt the price for the film was too high (D’Alessandro, 2020).

The variance in results experienced by Universal and Disney presents an organic opportunity to examine day-and-date pricing strategies, in an effort to determine the continuum of prices being used, their financial success, and audience response. Accordingly, this paper will employ a mixed-methods approach (i.e., audience surveys and content analysis) in an effort to assist media practitioners attempting to determine a pricing strategy for a day-and-date release. The purpose of this study is to identify the predictor variables that contribute to the success of day-and-date releases by establishing guidelines for media firms looking to directly stream to consumers without generating negative brand value. Identification of the continuum of prices being used will be determined through a content analysis of day-and-date releases on the top 10 leading OTT services in the United States. The financial performance of the films will be secured through industry periodicals, and audience response will be measured through a general population survey. Consideration will also be given to the actions streaming video platforms can take to better align their pricing strategies to match the needs of audiences, while simultaneously remaining financially viable.

Keywords: day-and-date, pricing strategies, film industry, streaming video.

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