Today thousands of Justin Bieber fans will pay $30 each for a sneak peak at his new movie, Never Say Never, which hits theaters in February.

Tickets went on sale online at 10 a.m. today. For $30, each fan gets a ticket to see the film on Wednesday February 9th (two days before anyone else), a pair of “limited edition purple” 3-D glasses, a VIP event lanyard and an official Justin Bieber glow stick and bracelet.
But the extras aren’t really the point here. What Paramount is doing is good old-fashioned price discrimination. Fans who want to see the 3-D concert film early badly enough can do it, as long as they pay quite a bit extra.

Price discrimination exists in most markets. Publishers charge more for early release hardback books. It costs more to see a Broadway show when it opens than much later in the run and good seats cost much more than nose-bleed seats at concerts.

But for the most part, Hollywood hasn’t practiced price discrimination. It will cost the same to see Harry Potter and the Deathly Hallows tonight as it will to see the much less popular film, Red. And it costs the same to sit in the neck-craning front row as it does to sit in the middle of the theater.

Evan Hessel wrote about this phenomenon for Forbes Magazine back in 2007 when Paramount did another little experiment with price discrimination by selling tickets to the Oscar bait movie Dreamgirls for $25 each during the first ten days of the film’s release. (That didn’t help the movie become a blockbuster. It earned a respectable but not remarkable $154 million at the global box office.)

Hessel cited Professor Barak Orbach of the University of Arizona law school who has studied price discrimination.

In a recent study Orbach maintains that studios and movie theaters could improve revenues by charging more for early screenings of highly anticipated films such as Spider-Man. For that matter, he says, the theaters should routinely charge more on weekends, just as resort hotels and airlines get extra money for services delivered at times of peak demand. As it is, time-of-week pricing in the film business is for the most part limited to half-hearted efforts like senior citizen matinees.

So will the Justin Bieber experiment usher in a new world of movie theater price discrimination? Don’t count on it. Bieber, with his legions of rabid fans, is a rare kind of superstar who can command the kind of frenzy needed for today’s ticket sale deal.

And studios have traditionally shied away from price discrimination at the theater. For one thing, there are concerns about antitrust. For another, it would be difficult to decide which films should command higher prices and when prices should drop. There’s also the fear that charging more for blockbuster films might keep people away from theaters.

Of course there is some price discrimination these days thanks to the growth of 3-D. If viewers want the enhanced experience they have to pay more but there’s also the option to see the film without the $3.50 ticket price hike.

And when studio heads think about altering pricing further, they’re mainly thinking about doing it after a film has been in theaters. Time Warner’s Jeff Bewkes recently announced that Warner Bros. will start offering select movies on video on demand mere weeks after they hit theaters for roughly $30 a pop. With box office sales on track to be the highest ever this year but DVD sales continuing their downward trajectory, studios are much more worried about enhancing what they earn from home viewing than from the theaters.
I'm just surprised they are ONLY charging $30! Bieber fans would certainly pay a whole lot more to see his haircut in 3-D!

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You think? I wonder if they could have gotten away with $50.

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