



Coronavirus Impact on Kuwait Entertainment Industry

April 2020 Update

Family Entertainment Centers (FECs) business model caters the large number of children in one place to play together which defies all social distancing guidelines imposed by the World Health Organization and the local government. FECs also generate revenues from events and party rooms. FECs were first to adhere to the pandemic restrictions and many have closed prior to the local business shutdowns. FECs should adapt to the changes by reducing the number of children and individuals present at their playground at any given time. The key element to overcome the lower occupancies at playgrounds is a booking system. FECs should take advantage of the summer holiday and children being confined at homes for a long time. A booking system will enable FECs operators to accommodate future bookings and guarantee not returning children due to restrictions.



Cinemas on the other hand, started managing bookings and reservations many years ago but have to consider lower occupancy of customers along with expensive sanitization measures. Cinemas should work together to enable extended viewing times that are not conventional at normal market conditions. For example, having movies ending at 2 AM or 3 AM. The lower occupancies can be countered with extended viewing hours. Unfortunately, standalone cinemas were replaced by retail malls and the standalone theater disappeared more than twenty years ago. Real estate developers should consider the long-lasting impact of the Corona virus and brace for an independent screening policy from the malls which can only be done if the theaters are developed as standalones or have separate points of entry.

Revenue Performance Change

