

CIRQUE DU SOLEIL®
ENTERTAINMENT GROUP



*Consultants: Faith Mueller, Michael DeFelice,
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Agenda

- Executive Summary
- Overview of Cirque de Soleil
- Problem
- Opportunity
- Alternatives
- Recommendation
- Implementation
- Assessment

Executive Summary

Challenge

Cirque du Soleil aims to pivot in the short term and diversify in the long term through the digital space by maximizing the monetization of Cirque du Soleil Brand

Factors

Unkown of Restrictions
(COVID)

Younger Generation

Digital World

Strategy

Short Term

Elevating through the digital world through enhancing the experience of the 10 "Super Markets"

Long Term

Fully diversified digital business model through customer connection and additional revenue stream

Impact

Cirque du Soleil creates an augmented experience for customers while expanding their audience diversity hence maximizing monetization

Overview of Cirque de Soleil

With the uncertainty of the COVID-19 pandemic Cirque de Soleil is attempting to find ways to diversify their brand in the entertainment industry.

Quick Facts:

1. Social Media presence exceeds 13 million people
2. \$100M loss per month during initial lockdown
3. Over 2 billion audience reach through TV/Social Media (pre-COVID)
4. Highly recognized by current audience
 - 95% brand awareness
 - 85% brand NPS
 - 9.1/10 brand rating (Fans)

Problem

Cirque du Soleil aims to pivot in the short term and diversify in the long term through the digital space by maximizing the monetization of Cirque du Soleil Brand

Key Factors:

1. COVID 19 Impact
2. Targeting a Younger Generation
3. Transitioning to a Digital Platform

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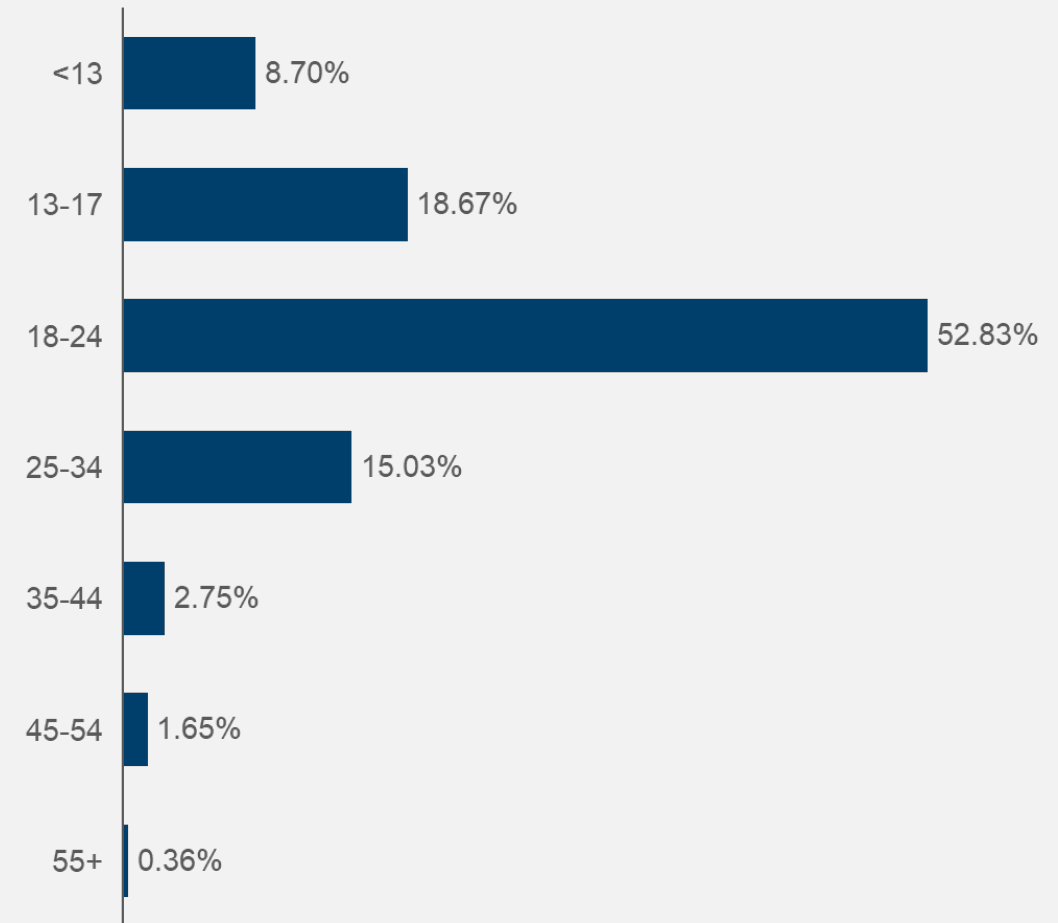
Current Situation	Opportunity	Alternatives	Recommendation	Implementation	Assessment
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Connecting

Platform	Cirque du Soleil	Disney
Facebook	4.4 mil	52.5 mil
Instagram	1.4 mil	32.3 mil
Twitter	651.7k	8.2 mil
TikTok	538.6k	4.1 mil

Reaching the customer on the global scale and connecting to the younger generation

Distribution of TikTok creators worldwide as of August 2021, by age group



Current Situation

Opportunity

Alternatives

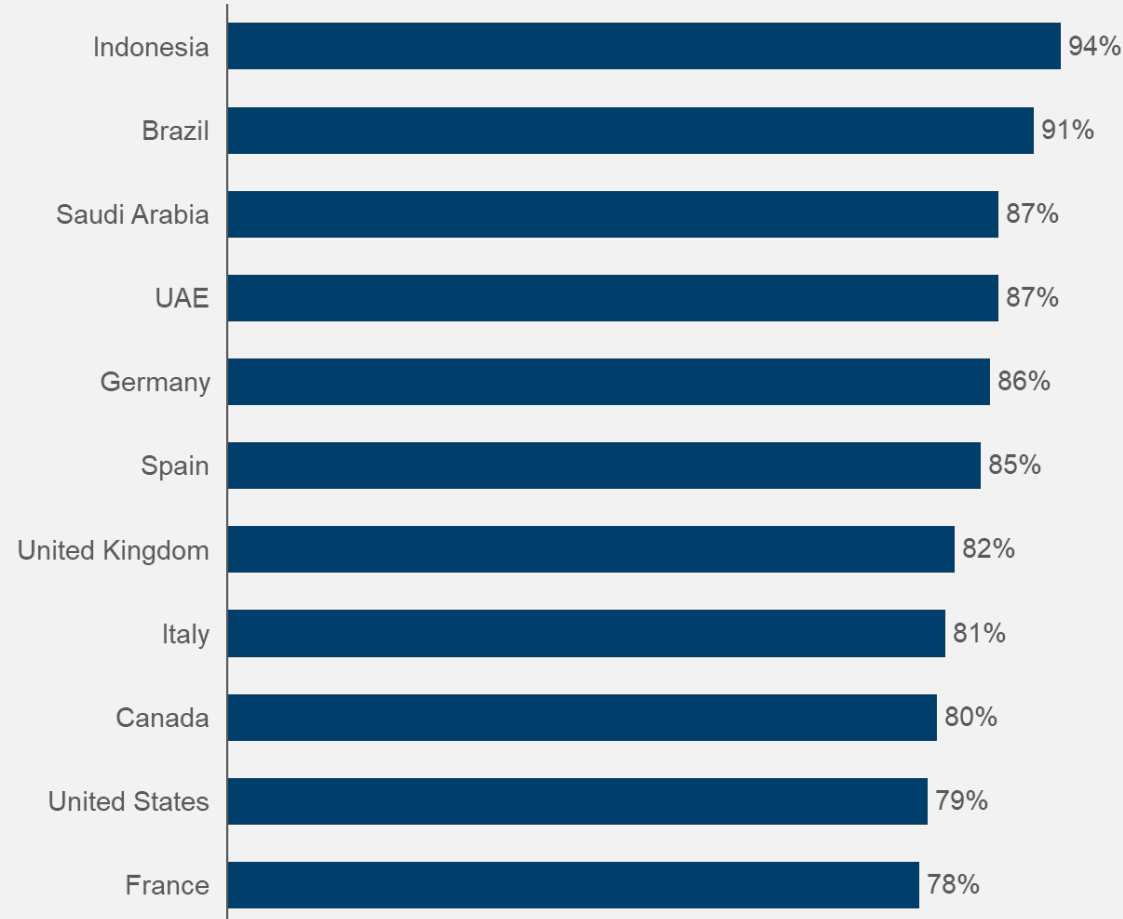
Recommendation

Implementation

Assessment

Influence

Share of consumers who ever purchased a product or service after seeing it advertised or reviewed on social media in selected countries worldwide as of October 2021

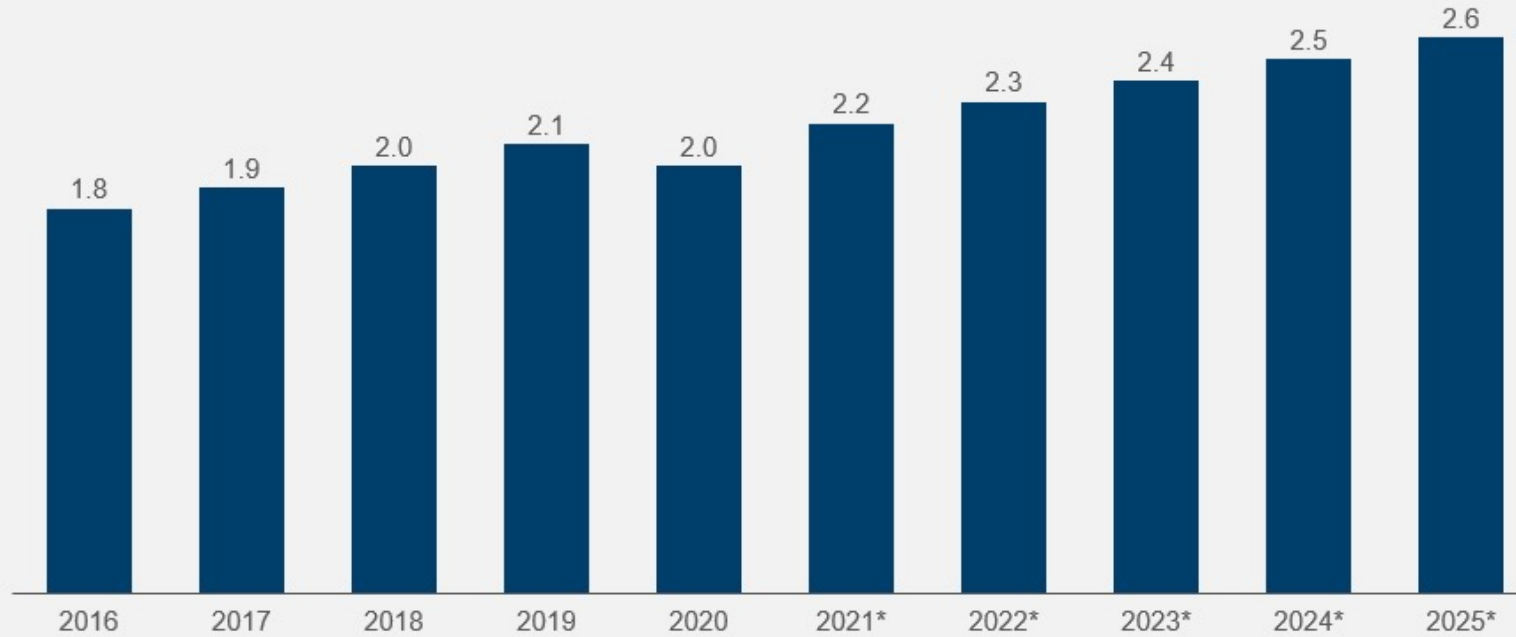


- Direct linkage in view and purchase
- Targeting for increase in sales of tickets and merchandise

Current Situation	Opportunity	Alternatives	Recommendation	Implementation	Assessment
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Entertainment and Media Market

Value of the global entertainment and media market from 2016 to 2025
(in trillion U.S. dollars)



Expansion through the entertainment and media market encompasses every broadcasting medium from newspapers, magazines, TV and radio and popular forms of entertainment

Current Situation	Opportunity	Alternatives	Recommendation	Implementation	Assessment
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Alternatives - Strategies

1. Advancement through social media
2. Introduction of streaming partnership (live & series)



Social Media Advancement

- Focus on merchandise sales through social media platforms
- Outsourcing of the online store presence
- Upgrade social media division
- Display paid advertisements through social media accounts



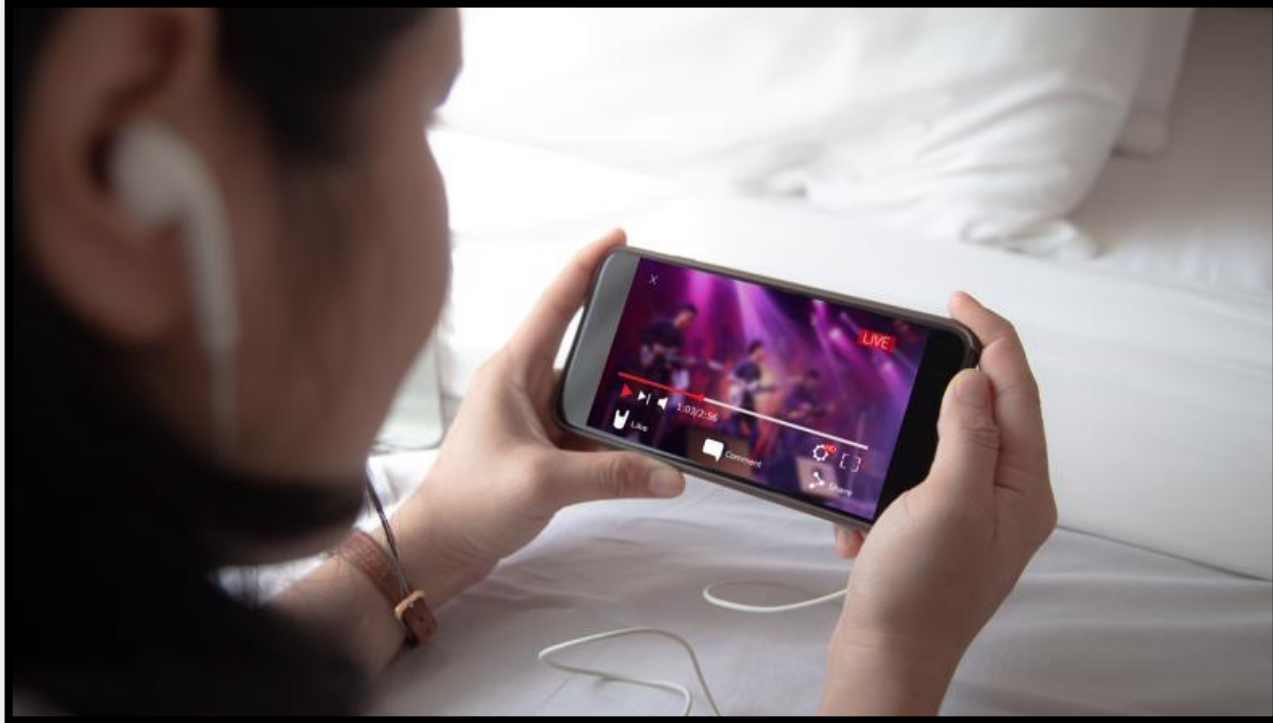
Current Situation	Opportunity	Alternatives	Recommendation	Implementation	Assessment
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Issues with Social Media Advancement Strategy

- Expensive to outsource online store
 - Loss of commission from sales
- Loss of 100% ownership of intellectual property
- Paid advertisements leading to a decline in social media following
- Limited growth opportunity on social media
- Does not cover loss of revenue

Current Situation	Opportunity	Alternatives	Recommendation	Implementation	Assessment
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Streaming Partnership



- Documentary announced
- Partner with global service (Netflix)
- Conduct mini-series
- Ticketed live stream events
- Increased engagement/reach

Current Situation	Opportunity	Alternatives	Recommendation	Implementation	Assessment
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Shortcomings of Streaming Partnership

- Shared revenues with streaming service
- Inhibits atmosphere of live show
- Production costs compile easily
- Diminishes high brand reputation

Current Situation	Opportunity	Alternatives	Recommendation	Implementation	Assessment
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Recommendation: Virtual Reality - Oculus



Benefits

- Owned by Facebook (Meta)
 - Expanded advertising
- Advantageous for already moving operations
- Applications to other business components
- Maintain pre-existing GLOBAL network with emphasis on "10 Super Markets"
- Usage of drones
- Possibility of advertisement revenue
- Expected growth of VR on a global scale

"...painting reality with a different brush"

Current Situation	Opportunity	Alternatives	Recommendation	Implementation	Assessment
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Virtual Reality Live Show Proposal

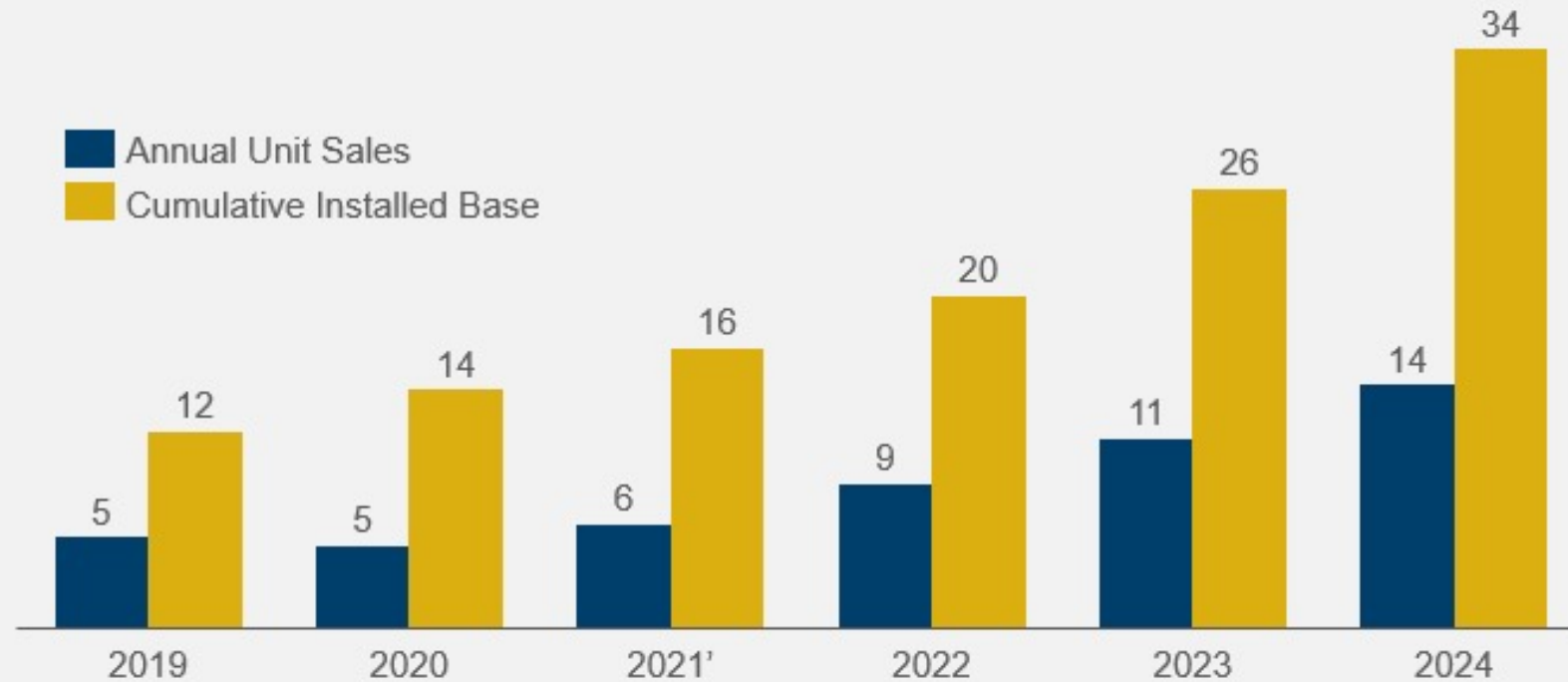
- Emulate live show experience
- Allow social connection within the venue
- Keeps both the talent and audience safe



Current Situation	Opportunity	Alternatives	Recommendation	Implementation	Assessment
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Virtual Reality Opportunity

Virtual reality (VR) headset unit sales worldwide from 2019 to 2024
(in million units)

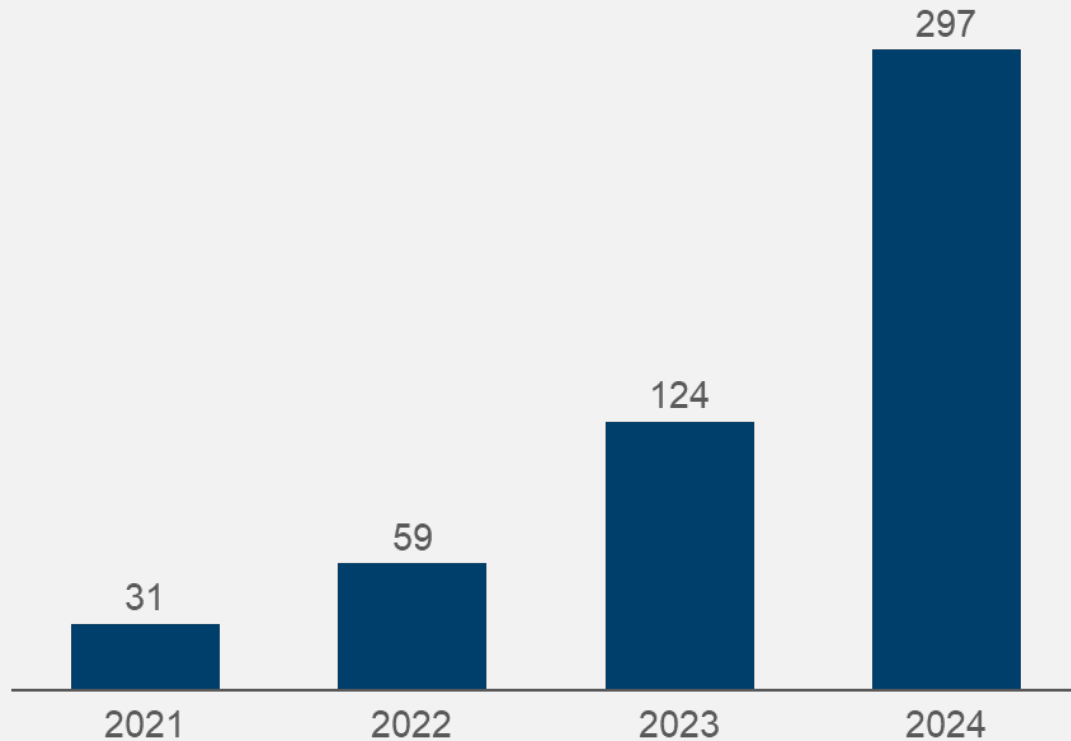


Increased growth of sales and base across the global providing opportunity of reach regardless of location

Current Situation	Opportunity	Alternatives	Recommendation	Implementation	Assessment
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Virtual Reality Market

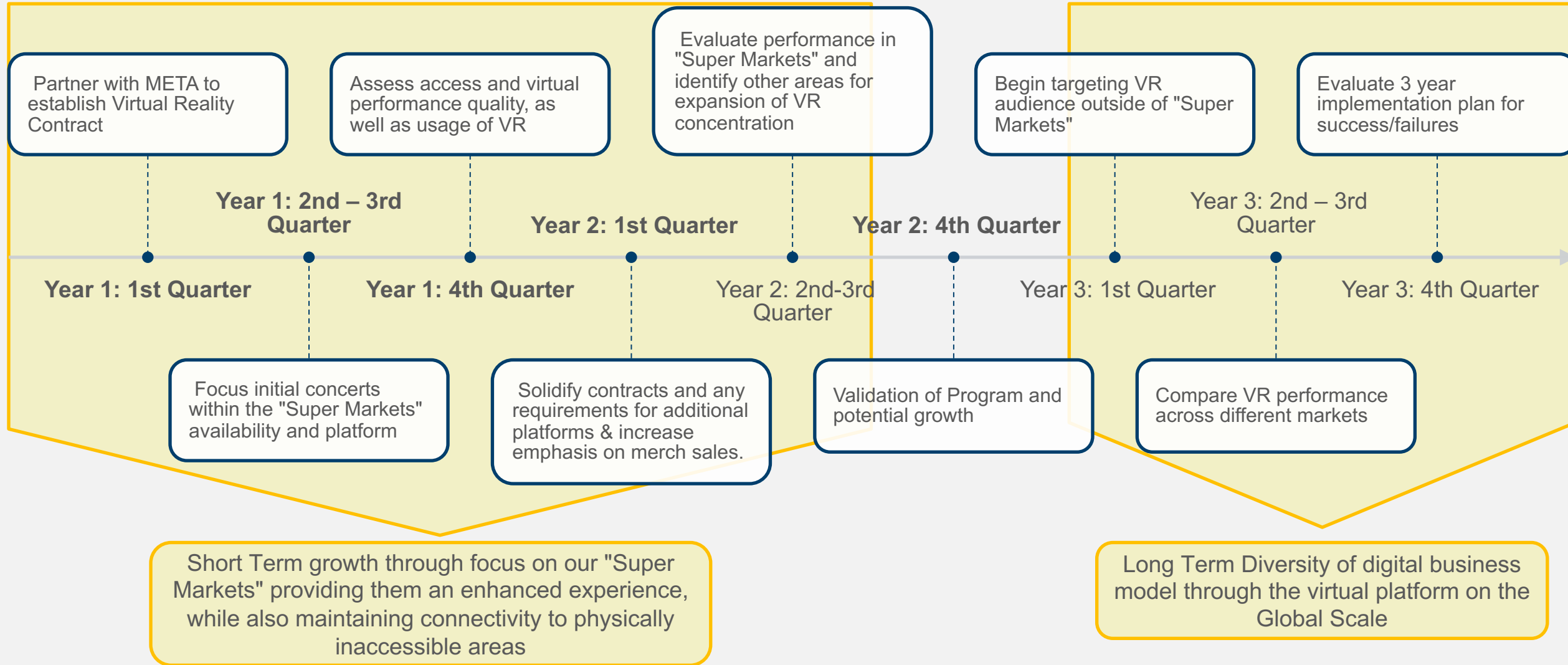
**Augmented reality (AR) and virtual reality (VR)
market size worldwide from 2021 to 2024**
(in billion U.S. dollars)



- Growing Market
- Increasing use in younger generations
- Provides more global reach access

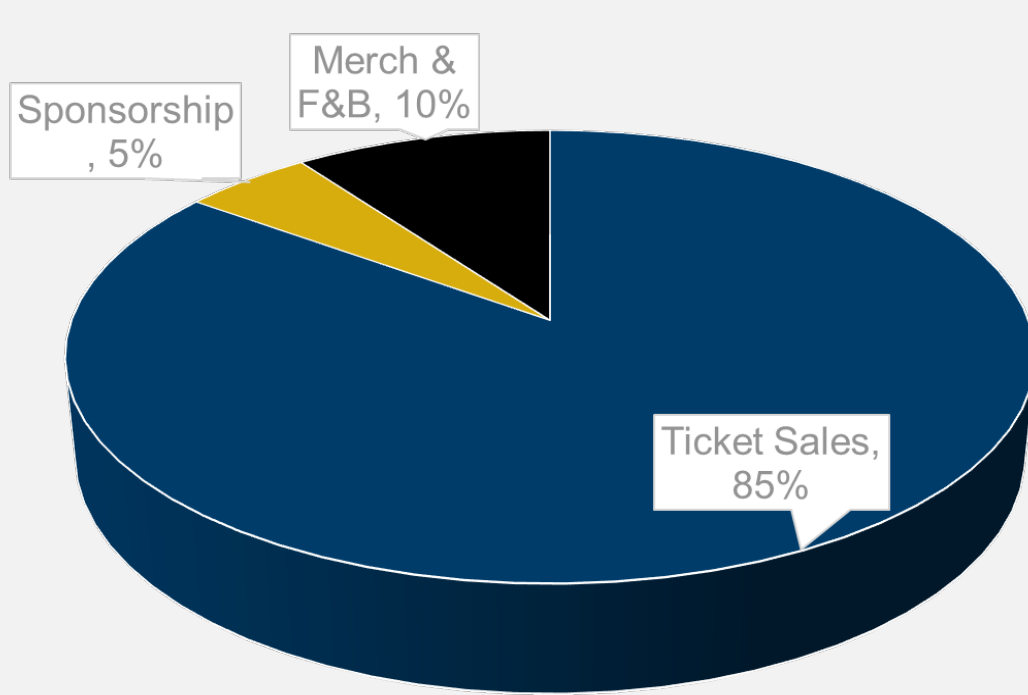
Current Situation	Opportunity	Alternatives	Recommendation	Implementation	Assessment
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Implementation Plan

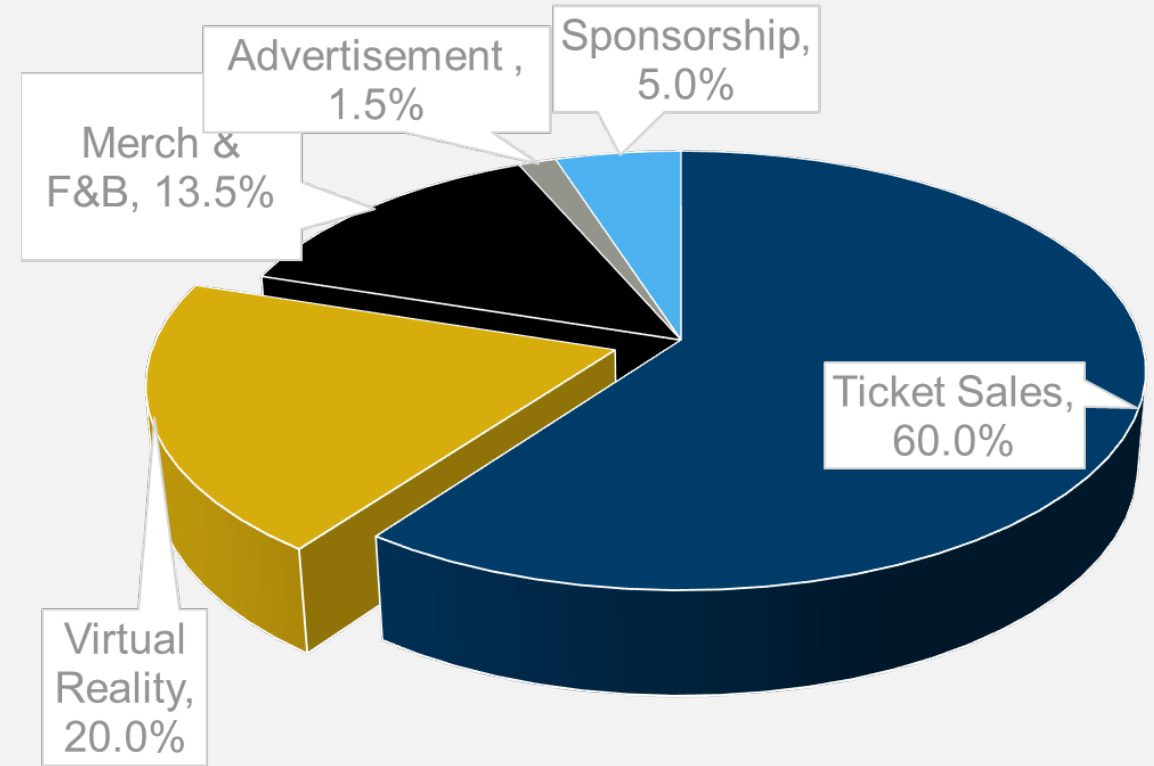


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Three Year Implementation Forecast



Current Breakdown
of Revenues



Future Breakdown of
Revenues

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Assessment

- Percentages used to monitor progress at end of each year
- Effectively implement the VR feature
- Reduces reliance on live ticket sales

3-Year Revenue Assessment

Revenue Area	Current	Year 1	Year 2	Year 3
Live Ticket Sales	85%	78.5%	71.5%	60%
Virtual Reality	-	5.0%	10.0%	20%
Merchandise and F&B	10%	11%	12.5%	13.5%
Sponsorship	5%	5%	5%	5%
Advertisement	-	0.5%	1%	1.5%

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Closing Remarks

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References

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