

# The evolution of circus industry assignment



In the early 1980's the attractiveness of the circus industry seem to be saturated. The industry structure was not stable, being in long-term decline by alternative various type of entertainment, changes of the preference of customers, uprising concerns of animal rights and diminishing clowns in value, which they are the critical elements used by traditional players in the industry. It all brought in decreasing audience and increasing costs by accelerating competition and changing environmental factors.

The traditional circus industries also had to compete with numerous competitors through similar performance and non-differentiated performance players in saturation. The traditional circus business has faced the difficult situation with a steady decreased audience and declining both revenue and profit. The limited to expand this industry is according to the five forces analysis, even though the barrier to entry to circus industry is high because of high capital requirement in performers, equipment, workforce, etc. but, the industry suffering from the alternative form of entertainment such as sports event, home industry, and play station.

Also, rivalry among firms is high; they have to compete with other entertainment businesses such as theatre, opera, and Broadway. Moreover, the competition is not a price competition but it is based on attracting customers so with the low products differentiation in typical circus industry ??? clown, animals, and performance lead to a strong buyer power. Thus, the existing circus industry appeared unattractive Cirque de Soleil very successfully entered to an unattractive circus industry by reinvent the industry and creates a new market space.

In this case, they did not target the existing market such as children, but they target non-customers of the industry; adults and corporate clients who pay for this entertainment experiences. Also, they invest a lot in equipment in order to raise the venues from a typical circus tent to glamorous venues. Moreover, Cirque de Soleil has succeeded to provide customers with entirely new performances by taking existing acts and compiling them to the thematic line represent a mixture of the arts among circus, opera, and theatre.

In addition, unlike traditional circus, the company has multiple productions; shows have distinctive themes allowing people to see Le Cirque several times. Furthermore, they mainly eliminating the biggest name acts and replace by individual performers who essentially anonymous to the audience and the complete absence of the animal shows. They reduce fun experience from the show of clown with garish face paint and an oversize shoe to the sophisticated entertainment with costumes and music. Additionally, they reduce the concessions from their show; nothing is sold during the performance or inside the tent.

Finally, these lead to a whole new circus concept with an increase demand to come to circus instead of other entertainment such as theatre, opera, or Broadway. For a while, the company has no competitors and takes dominant advantage to gain high profits. Cirque de Soleil's performance features itself the unique performance and market is completely new and quite impossible to denote the industry between theater and circus; it is hard to duplicate and results in setting high the entrant barrier to the market.

Cirque shows the powerful bargain power as a market leader, so the company would be able to attain the high price. Despite the high price of tickets, the company always drew a large house with high quality performance. It is the most important for goals to pursuit of differentiation and low cost simultaneously because a blue ocean affects both its cost structure and its value proposition to buyers. Cirque de Soleil is the exemplary to show a blue ocean strategy because they looked across the market boundaries to alternatives to the circus.

What Cirque de Soleil have done are increased values for the target customers while decreasing their own cost by eliminating unimportant attributes, reduce high expenditure, create the new market segments; new target customers, and then raise the quality of product. By conducting the five forces analysis, companies are able to set up innovative strategies and it brings to implement great performances; it all is on the way of the summit, otherwise the industries will be disappeared beyond the histories.