

# A Mountain Standing: Paramount

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## I. Abstract

With the rapid growth and evolution of the global media industry, Paramount Pictures, Inc. is facing unprecedented opportunities and challenges. As a long-established film production and distribution giant, Paramount is breaking new ground to maintain its leadership position in the global entertainment industry. This paper will explain why Paramount can be expected to become a dominant entertainment business after over a decade in terms of its corporate background, current strategy, reasons why it can continue to thrive, future challenges, and development proposals.

**Keywords:** Paramount Pictures, entertainment industry, Strategic, film, innovation

## II. Corporate Background

Paramount Pictures, Inc. is one of the most influential film production and distribution companies in the United States. It was founded in 1912 and headquartered in Burbank, California. Formerly known as Famous Players Film Company, founded by Adolph Zukor, Paramount Pictures rose to prominence in its early years with such films as Chaplin's classic comedy *Modern Times* (Charlie Chaplin, 1936). Later, Paramount released numerous classic films, such as *The Godfather* (Francis Ford Coppola, 1971/1973/1990) and *Titanic* (James Cameron, 1997), which profoundly impacted film art and culture. Paramount is not only engaged in the main business of film production, distribution, and later rights sales but with the rise of digital media. Paramount has also been laying out streaming services to expand its influence in digital entertainment. Paramount also owns a large library of film and television program rights, which are highly valuable in traditional media and emerging digital platforms. The colors of the VC plate are not the same.

## III. Current Strategy

In the face of increasing market competition and rapidly changing consumer demands, Paramount is in a critical period of transformation and innovation.

### 3.1 Digital transformation

Paramount has expanded its digital entertainment market share by launching its streaming platform, Paramount+, in response to competitors such as Netflix and Disney+.

### 3.2 Technological innovation

Paramount continues to invest in and develop film production technologies, such as integrating video games, VR, AR, and 3D technologies, to provide audiences with an

immersive experience.

### 3.3 Strategic partnerships and acquisitions

Paramount acquires new technologies, content, and market channels through strategic partnerships with other media and technology companies and timely acquisitions. (2006, P.51-52)

## IV. The Advantage Of Paramount's Long-term And Continued Prosperity

### 4.1 Brand Advantage

The Paramount brand is well-known around the world. As one of the earliest film studios in Hollywood, Paramount has more than a hundred years of history and accumulated a wealth of experience and deep cultural influence during its growth. The brand advantage has enabled Paramount to have a large fixed audience, and fan engagement is increasing.

### 4.2 Human resources

Paramount has a huge competitive advantage in human resources for its future development. Paramount is home to many of the world's most famous directors, actors, producers, and agents. It has established long-term relationships with them, such as Steven Allan Spielberg, Brad Pitt, Renée Zellweger, veteran TV executive Gail Berman, renowned agent, and Paramount Vantage President John Leshner. The gathering of high-caliber talent is a guarantee of high-quality work, which is undoubtedly one of Paramount's great strengths.

### 4.3 Synergistic advantage

Paramount's synergies have allowed it to strengthen itself. Paramount has invested in the home video disc market by supporting and choosing to work with the Blu-ray Disc

standard. Compared to Blu-ray's rival, HD-DVD, which Toshiba and NEC back, the Blu-ray standard offers cost and copyright protection advantages, as well as superior storage capacity, with Blu-ray offering five times the capacity of current DVDs. (A, 2009, p.86-87) This advantage allows viewers to watch Paramount's films at home with better audio and video effects and a larger format capacity. Paramount's Partnership with Viacom's companies is part of an internal synergy, as Paramount is part of ViacomCBS. Viacom's CBS Television Networks, Nickelodeon, MTV, Comedy Central, and other well-known television networks and film production companies provide Paramount with a wealth of technology, talent, and other resources. By partnering with these companies, Paramount can leverage the characteristics and audience base of each brand to launch original content targeting different markets and demographics; achieve brand linkage in marketing and promotional campaigns to enhance impact; leverage Viacom's television networks, online platforms, and other media resources for cross-platform content promotion, effectively expanding promotional reach; reach out to a wider range of potential viewers, expanding its audience base and realizing viewer sharing; and, with the backdrop of Viacom's strong distribution network around the globe, push forward the process of global market access to enhance global revenue.

#### 4.4 Low-cost advantage

Paramount created the Paramount Vantage division to distribute low-budget films to attract a wider audience in the increasingly competitive low-budget film market. Its name directly corresponds to Paramount Classics, highlighting the low-budget strengths of the Paramount Vantage division. The division follows a series of moves by Brad Grey to revamp Paramount Pictures after he joined the company in 2005. (Li, 2005, p.76-77) He believes that low-budget films can deliver amazing returns, as evidenced by the success of films such as *Brokeback Mountain* (Ang Lee,

2005) and *Babel* (Alejandro González Iñárritu, 2006). So, Paramount Vantage has added a lot of room for Paramount to grow and compete.

### V. Future Challenges And Development Suggestions Faced by Paramount

With the rise of streaming services, the earnings of traditional cinema lines have suffered. At the same time, Paramount needs to compete for market share among powerful rivals such as Netflix, Amazon, Prime, and Disney+. In the face of such challenges, Paramount must invest in high-quality original content, especially series that can attract viewers' attention for a long time. Explore new ways of distributing content, e.g., simultaneous online and theatrical releases or short-window releases, to meet the needs of different audiences. Consolidate and expand the Paramount+ platform to increase the subscriber base and subscriber activity by offering exclusive content, improving the user experience, and adopting a flexible pricing strategy. Regarding time strategy, Paramount should adopt the first entry strategy to seize the market for the first time. Because in the film and television industry nowadays, new films come out very fast, if we can make full use of the time strategy, develop new products and put them into the market for the first time or take part in various film festivals and exhibitions, we will reap huge benefits. We will likely occupy a dominant position in the market in this field.

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