

Study on the Sony Pictures Entertainment with a Positive Outlook for the Next Decade

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Abstract. Throughout the history of the development of human social civilization, the development of entertainment is an indispensable part of it. In the past few decades or even nearly a hundred years, the entire media and entertainment industry has undergone a new qualitative development. However, in the past two years, due to the COVID-19 pandemic, some traditional companies and industries have been greatly affected, and the entire media and entertainment industry has also undergone tremendous changes. Among them, the development of Sony Pictures Entertainment Inc. has been improved, as it is likely to have better development potential in the next decade.

Keywords: Sony Pictures; Human Social Civilization; Positive Outlook; Company.

1. Introduction

After more than 10 years and even decades to come, Sony Pictures Entertainment will be able to make reasonable use of its IP content and combine it with other sectors, and will still be one of the leading media and entertainment companies. As Sony Corporation in 2011–12 began to develop 4K television sets, Sony Pictures Entertainment has been most intensely covered in the news media in 2014 (Baggelaar, Geier, & Goodridge, 2019; Afful-Dadzie, Nabareseh, Oplatková, & Klímek, 2016).

2. Company Background:

Sony was founded in 1946 and has a history of nearly 80 years. In its early days, it focused on electronics, creating Japan's first tape recorder. In 1968, Sony's recording department was established (CBS Sony Records), which began to enter the entertainment industry. Sony Pictures Entertainment Inc., also referred to as Sony Pictures for short, is one of Sony's subsidiaries. It is an American media and entertainment company acquired by Sony in 1991 for film and television distribution and production. In the early days, it was co-founded by brothers Harry Cowan, Jack Cowan and Joe Brady. Based on this, due to the acquisition, the original Columbia Pictures was renamed Sony Pictures Entertainment. Sony Pictures is a member of the American Motion Picture Association. In addition, it is the fifth largest entertainment company in the world after The Walt Disney Company, Comcast Group, Warner Bros. Discovery, and Paramount Worldwide.

3. Current Strategy:

Since Sony has a large amount of high-quality content, such as games, music, film and television, it occupies a large amount of market resources and has a substantial competitive advantage. In terms of games, Sony focuses on the research and development of PS games and hardware, and has created PS and a series of peripheral products, occupying an important position in the field of console games. In terms of music, Sony Music Group has many top singers and musicians around the world, such as Michael Jackson, Avril Lavigne, Westlife and so on. In terms of film and television, Sony has successively acquired Columbia Film Group and MGM Films and has since developed into one of the world's top film and television companies. It owns classic film IPs and animation IPs such as "Spiderman" and "Peter Rabbit".

Indenting the time to recent years, in 2016, Sony ushered in a turning point. Prior to this, Sony's most profitable part has been the financial business. At the 2016 strategic meeting, Sony proposed a new policy on 'kando' (it is Japanese, which means moving or touched in English). This is a turning

point for Sony. Under the influence of society, Sony wants to explore technology and continue to develop the company, so as to bring Sony's products and services to consumers. Sony's brand culture is deeply rooted in the hearts of the people. The focus of Sony's future development.

After updating the concept, since 2017, although the financial business is still the first revenue department, the revenue of game department has increased significantly, and the profit is almost the same as that of the financial business. In the next few years, Sony's business allocation gradually moved closer to the concept released in 2016. At the same time, when Sony is making changes from tradition to adapting to the outside world, it still maintains the original intention of Sony when it was founded: "Emphasizing differentiation, not volume". That is to say while pursuing high-tech and high-quality products, the service and consumer experience are also improved. From 2018 to 2019 before the epidemic, Sony's focus has been around entertainment, electronics, and finance. Among them, in 2018, Sony's four major business segments of finance, games, semiconductors and music all exceeded 100 billion yen. By 2019, the revenue of the once most profitable financial business was surpassed by the revenue of the game business and music business. At the same time, Sony, as a traditional company, which wants to follow the trend of the times, has figured out its new position—a creative technological company. Since then, as an innovative entertainment company, Sony's three major business types have been transformed into: entertainment, electronic products, and DTC services (Direct to Consumer). These three types of businesses are all based on technology and will bring Sony and consumers closer. The distance is the forward target.

4. Why it Will be Dominate in the Future:

As a traditional company that survived the Japanese socio-economic bubble in the 1990s and the global financial crisis in 2008, Sony is reshaping its brand image. They have transformed from a single electronics industry (electronic product development and production) into a multi-field enterprise. After exploration, Sony understands how to influence and promote each other to create a brand effect.

Returning to SPE, it owns multiple studios and entertainment brands, including Columbia Pictures, Screen Gems, TriStar Pictures and GSN, all of which were acquired from the end of the 20th century to 2019. Although it does not have the most IP, they are all high-quality content and great development prospects. Film franchises owned by Sony Pictures Entertainment include, but are not limited to, Spider-Man, Men in Black, and Sony's Spider-Verse.

Take Spider-Man as an example. Although Spider-Man belonged to Marvel movies at the earliest, because Marvel was on the verge of bankruptcy in the 1990s, it sold the copyright of Spider-Man to Sony Pictures. Sony finally acquired the film and television copyright of Spider-Man for \$7 million.

Since then, Sony has owned all the copyrights of the Spider-Man series. Sony owns the film and television adaptation rights of all the characters in Spider-Man comics, and as long as Spider-Man comics introduces a new character, Sony will also own the film and television copyright of this new character. The Spider-Man series is the top IP in the world in terms of development and plasticity. In addition to movies, the value of the Spider-Man series to Sony's other fields should not be underestimated. For example, it is able to help Sony achieve success in other areas of business. For example, in the field of game electronics, the previously popular PS4 game "Marvel Spider-Man", and "Parallel Universe" in the animation field won the Oscar for Best Feature Film. At the same time, the new concept released earlier, "kanto" can be used freely, and the concept and consumers' sense of identity with the company will also be improved together.

Although Sony has been affected to a certain extent by the covid-19 pandemic since 2019, coupled with economic factors in line with the global society, Sony has not been greatly affected in the past two years by changing its corporate image. In 2019, Sony launched the following strategies: "First, focus on the development of the game business to enhance the immersion of the future game experience and allow users to play anytime, anywhere. Second, continue to develop new IP, and

promote the interaction between film and television IP and game business. Third, in terms of electronic products, it is proposed to ‘create new value (pursue creation of new value)’.”

IP is monopolized by Sony. As an IP owner, Sony can sell film and television rights to online video-on-demand service companies, such as Netflix, Crave and Disney+, etc. In this way, even though people don't go to the movie theater, they just watch it online on the Internet, and Sony can also make money in this way. Meanwhile, news of the Sony Pictures security also have been considered well (Kokas, Tryon, Gusterson, & Braun, 2016).

5. My Recommendation:

With the emergence of the epidemic, all walks of life have received challenges to varying degrees. The turmoil in the economic form has caused various enterprises in various industries to undergo reforms and changes of varying scales. The entertainment and media industries cannot avoid such phenomena and Questions. The coronavirus outbreak could deal a blow to the global economy, threatening consumption and tourism. It also risks undermining business confidence.

After reaching cooperation with the streaming media platform, Sony and many streaming media platforms have obtained mutual benefit to achieve a win-win situation. Lucas Shaw from Bloomberg News noted back in 2021:

“The titles from Sony include some of the most-popular film franchises at the box office year in and year out. Netflix will also be the streaming home for 'Morbius,' a spinoff of 'Spider-Man,' as well as 'Where the Crawdads Sing,' an adaptation of the bestselling novel... Shares of Netflix rose as much as 1.8 per cent to US\$556.90 in New York after the news, their highest in more than a month. Lions Gate also briefly spiked, rising as high as US\$16.28, before retreating.” Sony Pictures Entertainment Inc. should make more new expansions on this basis, combine popular IP with other industries, continue to develop the goal of "kando", and achieve common profits.

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