**SWOT Analysis**

*Strengths*

The top ten Film Production Establishments are: Warner Bros., Sony Pictures Motion Picture Group, Walt Disney Studios, Universal Pictures, 20th Century Fox, Paramount Pictures, Lionsgate Films, The Weinstein Company, Metro-Goldwyn-Mayer Studios and DreamWorks Pictures. These companies are dominant in the motion picture production. They have created strong recognizable brands using large capital which facilitate fast film production. Due to their combined monopoly, entry for smaller companies to join the industry is incredibly difficult. The revenue gained from the motion pictures is significant. This revenue is comprised of theaters box office sales. digital downloads, DVD sales, and content licensing. Furthermore, as a low cost form of entertainment, movies create an advantage to the production companies due to their profitability during economic booms or economic recessions.

*Weakness*

Operation costs require large amounts of capital. Frequently, various permits are required when doing a motion picture production. For example, permits are required for employing minors, filming in highways, freeways, beaches or parks, using drones, and the usage animals. Also, film production companies heavily rely on advertising which further adds to the marketing costs. Lastly, film production companies often employ union workers which adds additional operation costs with increased labor costs.

*Opportunities*

There is always opportunity’s for new film to be created but to truly grow, expand their brand and increase production revenue is by Globalization. Having international growth in different countries is an opportunity many production companies need to take. There is an opportunity of growth by innovation due to the increase technological advances. Currently, watching film has become easier by streaming and accessibility; therefore, long-term distribution agreements can serve as a mechanism for film production companies to control the markets.

*Threats*

Competition is one of the biggest challenge production companies face. These include other large motion picture producers, streaming company’s such as Netflix, global competitors, cable networks, etc. This is compounded by the fact that all the production companies have the same target audiences. Films must be meticulously released to limit overlaps of release dates of movies of similar content or genres between major competitor release dates. Additionally, an increasing threat to film production companies is digital piracy. Companies have began to employ expensive technology to combat piracy to minimize the potential loss in revenue. Although these technologies have slowed the increase in piracy, they have yet to successfully deter the illegal digital piracy.

**Citation**

1. Film Production Company SWOT Analysis.<http://www.thefinanceresource.com/swot-analysis/film-production-company-swot-analysis.aspx>. Accessed February 1, 2019
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