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SWOT Analysis:

AMC Entertainment Holdings, Inc.

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11/5/2021

Executive Summary

AMC Cinemas is an American-based movie theater chain headquartered in Leawood, Kansas and is known to be the largest movie theater chain in the world. In addition to their US theaters, the company also has a large stake in the European theater market, being the largest theater chain in many European countries, and the company is just beginning to expand into Saudi Arabia's theater market as well. However, in recent years the popularity of streaming has reduced the need for theaters in the eyes of many, and some streaming services have already taken advantage of this trend by releasing major films either soon after or at the same time as the film's release in the cinema. The COVID-19 pandemic in particular has taken a large toll on AMC as well as most other companies in the theater industry, causing them to close all of their theaters in March 2020 with no good estimate for when they would reopen. Even so, a combination of factors such as a younger generation leaving their homes to view movies again, continued consumer confidence in the value of the AMC brand, and big box office movies regaining popularity in the cinema have seen the theater chain able to stay afloat over the past year. These positive outlooks, as well as the company's history with investing in mergers and acquisitions, encourage a plan that involves the company taking advantage of the recent large investments made by the company's consumer support to market the one-of-a-kind experience of their theaters to audiences desperate to leave their homes while also expanding into the streaming market to reduce the reliance on in-person screenings. This push should especially take place in foreign markets with large potential for the theater chain to establish itself in, such as the company's recent investments in the Kingdom of Saudi Arabia due to changes in the country's entertainment regulation. In this way, AMC would be able to expand its reach while also diversifying its assets so as to avoid the next external shock bringing financial ruin.

Background

Reviewing and comprehending the decisions that a company has made in the past can lead to understanding which path it should take in the future. In the present, movie consumption has become an inescapable part of the culture in the world. Movie culture started in the United States around 1905 with nickelodeons. Even though in the present we associate Nickelodeon with a television channel based on a younger audience, in 1905 a nickelodeon was a motion-picture theater (Britannica). Before the nickelodeons, film was created for scientists and innovators who tried to achieve a more efficient form of filming objects. In addition, films were extremely expensive to produce; due to this, only high class individuals could afford the high costs of entertainment film. Nonetheless, with numerous innovations in the late nineteenth century and early twentieth century films became available to the lower middle class for the cost of solely ¢ 5 (five cents), hence the name nickelodeon. These innovations include the creation of celluloid film in 1888 by John Carbutt (MasterClass), the improvement of celluloid print or gelatine silver print in 1888 by Eastman Kodak (Custom Collage), and the creation of the three-bladed shuttle. All these innovations brought cinema to a wider audience and expanded the popularity of movies throughout the United States.

Nevertheless, the cinema culture boomed due to the key innovations and rebranding of a few companies, and the main company that drove this trend was AMC. American Multi-Cinema Entertainment Holdings Inc, also known as AMC, is a movie theater chain that was founded by brothers Edward, Barney, and Maurice Dubinsky. In 1920, the Dubinsky brothers purchased the Regent Theatre in Kansas City, Missouri, which was renamed to American Multi-Cinema.

Following this, AMC expanded throughout the whole world, and in the present AMC is the largest theatre chain in the United Kingdom, Ireland, Italy, Spain, Sweden, Finland, and the Baltic States (JLL). In addition, AMC holds 978 theaters in Europe and North America and employs 25,019 individuals, divided into 3,449 full time employees and 21,570 part time employees (SEC, 2021).

Nevertheless, AMC has had major economic setbacks throughout the past years. One in particular has been the increase of online movie streaming platforms such as Netflix, Hulu, and Disney Plus. Since the start of the twenty-first century, the boom of the Internet has caused a collapse in numerous in person services, and in the movie industry this has signified a decrease in the popularity of cinemas and even the collapse of some companies such as Blockbuster. Another is the unpreventable impact of the coronavirus in every in-person business, including movie theaters. Most impacting, the coronavirus almost caused AMC theaters to file for bankruptcy in 2020. Despite these major setbacks, AMC has since received a $917M cash infusion from investors (Brooks, 2021). In addition, covid restrictions have become more lenient over time, so the future may be a turning point for American Multi-Cinema.

Strengths

One of the main strengths of AMC is the resilience and drive for innovation, as discussed previously in the background. From the company's founding, AMC has made remarkable changes to the standards of movie theaters. The first main drive for innovation came in 1960 with the innovation of the first multiplex. Before the multiplex, nickelodeons were extremely popular throughout the United States. Nickelodeons consisted of a small ticket booth where you would pay a nickel to see short black and white silent movies, in often a single small, not very elaborate theater. With the multiplex, AMC was able to innovate on the very concept of movie theater design as these were composed of multiple screens and theaters that could each play a different film at the same time. In addition, in 1981 AMC became the first theatre chain to add cup holder armrests, further making it more convenient than before for consumers to enjoy film screenings at an AMC theater (AMC).

Furthermore, AMC became one of the first cinema chains that implemented different types of theaters in order to accommodate the needs of their clients. One example of these theaters is the 3-D and D-Box (also known as 4-D) experience, which provides a more in-depth and hyper-realistic involvement into the movie. In addition to this, AMC provides dine-in theaters which "allows guests to order restaurant-style food with the push of a button, from the comfort of their own luxurious movie seat" (AMC). Nevertheless, one of the most meaningful types of theaters is the AMC Sensory Friendly Films. In 2009, AMC partnered with the Autism Society in order to create AMC Sensory Friendly Films, a safe and accepting space for children and parents in which children are not castigated if they talk, scream, yell, or walk around. These are some examples of how AMC has adapted its theaters in order to serve numerous types of customer needs.

Moreover, one of the main strengths of AMC theaters is the rapid expansion of the company throughout the United States and Europe. The acquisitions of other chains and the company's subsequent expansion have made AMC theaters one of the largest and more renowned theater chains in the Western world. AMC has purchased numerous theater chains in order to expand its economic reach. For instance, AMC merged with Loews Cineplex Entertainment in 2006, one of the oldest theater chains in the United States. In addition, in 2016, AMC acquired the largest theater chain in Ireland and the United Kingdom, Odeon and UCI

Cinemas. Throughout the years, AMC has focused on expanding its economic empire, making it one of the most recognizable theater chains in the United States and Europe.

Another strength of AMC is its efficient place in the stock market. After AMC went public in 2013 on the New York Stock Exchange, the company has experienced a relative boom in the sale of its stock market. At the start of 2021, the cost per share of AMC was 2 US dollars, preceded by a modest decline since 2017. At the present, AMC stock is valued at 39 US dollars per share, and it even reached the highest point since AMC went public, valued at 60 US dollars, in January 2021. This increase in demand could be caused by the increasing leniency on covid restrictions by the local governments and the expected market demand for the "classical" form of movie consumption. As stated in a communication by AMC to their investors, "October theatre admissions revenue for AMC both in the United States and internationally [is] the highest it has been in any month since covid forced the closure of theatres early in 2020" (AMC, 2021). This high demand for AMC market shares can drive the company to pre-covid level growth and revenues.

Weaknesses

Despite having multiple strengths, AMC has had and is having major difficulties with running its business. Every problem AMC has had throughout the years is related to a unique factor: money. First, money and reduction of profit can be traced to the trend of people attending movie theaters. Even though AMC and the cinema market had a boom throughout the twentieth century, there has been a constant decline in the popularity of watching a movie the "classical" way.

Can AMC go the way of the Blockbuster? To contextualize, Blockbuster was founded in 1985. The concept of Blockbuster was a brick-and-mortar shop where you could buy and rent movies. Even though some brick-and-mortar movie rental locations already existed before 1985, what set Blockbuster apart from the competition was their innovation and use of “modern” scanning technology in order to keep track of individual customers, what they have rented, and how much they owe. With its unique innovations, Blockbuster expanded throughout the world, and at its peak in 1998, it was worth 2.1 billion US dollars and had venues in the United States, Canada, Mexico, Japan, Denmark, New Zealand, etc (Funding Universe). Despite having strong ideas, Blockbuster lacked innovation after the start of the new century. Due to this, the company filed for bankruptcy and liquidated all of its stores by 2010, mainly as a consequence of the emerging online movie market. Led by Netflix, the rise of online movie consumption has caused the decline of in-person movie consumption.

There may be some similarities between the recent economic path of AMC and the last years of Blockbuster. For instance, AMC almost filed for bankruptcy in 2021 (Brooks, 2021). In addition, some cinemas are starting to close due to their negative financial load. Nevertheless, a disadvantageous difference between AMC and Blockbuster is their global reach. While Blockbuster had establishments throughout the world, AMC’s economic reach only expanded through the United States and Europe. AMC thus has two options: continue innovating and offering a unique service or go the way of the Blockbuster.

Undeniably, one of the main weaknesses of AMC is its vulnerability to the coronavirus. COVID-19 has impacted all sectors of the global market, but one of the most impacted sectors is the ones that rely on in-person services. Quarantine and covid restrictions caused the complete closure of movie theaters for a time, which greatly impacted their economic market. Before the coronavirus propagated throughout the world in early 2020, the company had experienced constant economic growth since 2016, even reaching a 71 percent quarterly gross profit growth. In contrast to this, in 2020 AMC has reached a 22 percent revenue loss in the first quarter of 2021 (Macrotrends, 2021). Nevertheless, there remains a lot of uncertainty behind the future economic growth or decline of AMC and if it can return to pre-covid levels of economic growth.

Opportunities

While the COVID-19 pandemic has taken its toll on the theater chain, the events of the past year have also brought about great opportunities that the company is only just beginning to take advantage of. For one, the overall revenue generated from film showings in theaters has been steadily increasing since the pandemic began, giving AMC the hope to capitalize on massive profits as the world continues to adjust from the pandemic shock. The article "Movie ticket sales have topped 2020′s paltry box office, but still trail 2019′s haul by 70%" by Sarah Whitten describes some of the successes theater chains have had compared to 2020 as well as the full potential not yet reached when compared to pre-pandemic times. In particular, the constant rise of box office numbers for film openings indicate that the theater industry is slowly recovering after a slow 2020 box office. Whitten writes, "Exclusive theatrical releases [...] have proven that there is a future for movie theaters, even if overall attendance and ticket sales are smaller than pre-pandemic times." On top of films released in theaters, even films releasing alongside their streaming counterpart, such as Disney's *Black Widow*, have done comparatively well at the box office, as the aft-mentioned film led July's box office, and is the current highest revenue month of 2021 as of October. Another interesting note the article recognizes is the demand young people have for theater-going, according to Shawn Robbins, chief analyst of

Boxoffice.com: “young audiences are turning out in strong numbers and on a consistent basis.” While, according to Robbin, it was once thought that younger people would not be as inclined to consume content in a theater due to the plethora of content available via streaming, now that theaters are finally reopening the opposite appears to be true. What all this means for AMC is that not only is the theater industry rapidly recovering from the external shocks 2020 brought, but the changing times have also brought about a new audience in the form of younger viewers. In the same vein, these younger viewers are repeatedly choosing to go to a theater rather than stick with a streaming service to watch new films that appeal to them. This provides an opportunity for the company to find ways to continue to suggest to this younger audience that watching a film in their theaters is a much more special experience than simply viewing them at home (Whitten, 2021).

A more direct opportunity for the American company comes from the large amount of revenue generated near the beginning of 2021 due to large returns in the stock market. Yun Li’s article “AMC stock jumps nearly 15% as retail-fueled rally stretches to another week” noted that earlier in the year “Shares of AMC jumped as much as 25% Monday, following an 80% rally in the previous week” in the theater company’s stock market. This was quite unexpected as Li notes that the action came not from large investors but rather from a large group of individuals on the Reddit forum WallStreetBets. This confidence in the stock’s ability to gain traction must have surfaced from the investors believing that the company and as such the stock still had potential in a post-pandemic world, as otherwise such a large gamble to invest would not have paid off at such a high rate. AMC of course noticed the rising stock amounts and “took advantage of the massive rally last week, selling 20 million shares in two separate deals and generating around $800 million in cash.” As a result, the company has gained a large sum of funding straight from their consumer base believing in the theater chain's ability to stay afloat, giving it the opportunity to invest that money back into the future of the company (Li, 2021).

One last opportunity worth mentioning is the company's foray into the Saudi Arabian market. Ryan Faughnder brings many of these details to light in his article "AMC plans up to 100 theaters in Saudi Arabia by 2030," which goes into AMC's current plans with the theater expansion. This expansion into the Kingdom specifically began in early 2018 when, for the first time in 35 years, "the government said it would grant licenses to open movie theaters." This has provided a unique opportunity for AMC as it now is able to delve into a completely untapped market due to the market's governing body changing regulations. The company plans to capitalize on this by creating 100 theaters in the Kingdom by the end of the decade and end up with at least a 50% share in their theater market. If successful, the company could definitely end up profiting very well from this endeavor, eliminating some of the financial worry the current pandemic has brought upon it (Faughnder, 2018).

Threats

Continuing the discussion of entering into the untapped Saudi Arabian market, AMC also faces many challenges if it is to gain from this expansion. For one, the culture in Arabia is quite different from that of the United States or Europe. Just as films made for a Western audience tend to not do as well in Asia and vice versa, the values of those who live in the Kingdom differ greatly from those who AMC is accustomed to marketing movies to. This presents a challenge for the company as they must now try to market to an unfamiliar audience and piece together what kinds of movies will end up generating the most success from the region. The customs of citizens of the Kingdom similarly drift greatly from the customs of those in the Western World.

For instance, social norms “including the separation of unrelated men and women” are commonplace in Saudi Arabia, while it is not the case in Europe and the United States (Faughnder). AMC is now in a difficult spot as it must both maximize capacity in its theaters to generate the most revenue while also navigating the complexities of a culture not built for watching movies in the same way as those in other parts of the world. So, if AMC is unable to innovate their processes based on new cultural norms, their risk of investing in this supposedly “untapped market” may do the company more harm than good.

Another major risk the company faces has to do with its stock valuation potentially not being a good indicator of what the company is actually worth. Will Feuer in “AMC files to sell 11.5M shares but warns investors they may lose money” notes that even though the stock has recently hit record numbers for the company, the fact that the growths are due to “rallies” of large numbers of people purchasing stock rather than the natural movement of the market signal a company which may be greatly overvalued. David Trainer, CEO of investment firm New Constructs, is specifically quoted to add that the value of AMC stock is “$0 per share, given its weak earnings, dilution from recent stock offerings and mountain of debt.” This plays in stark contrast to the current perceived market valuations of AMC recently achieving all-time highs, but the company not actually performing as well as stocks imply may as well become more of a huge threat for the company rather than its saving grace. As an added detriment, the company’s current stock trajectories are entirely disconnected from the fundamentals of stock trading, according to Trainer, affirming the increased risk of relying on the stock to act as an indicator of current and future company success. When one considers that AMC was treading backwards in terms of profit margins even before the pandemic began, due to the rise of streaming services making the trip to the theater harder to justify, it poses a large threat to the company that the current perceived trends of growth could be nothing more than a veil of false value for the company. Due to this difference between the level of consumer confidence in the company and said company's actual profit margins, AMC is potentially set for a catastrophic failure in the near future if they are unable to capitalize on recent investments and produce actual profit with the investment stimulus, a situation which very likely may lead to even their greatest supporters having to back away from the company to avoid the unnecessary risk of losing their investment (Feuer, 2021).

Comparative Analysis

Strengths vs. Opportunities and Threats

The recent large gains in revenue from the stock market have given AMC the prime opportunity to expand their business by going back to investing in mergers and acquisitions to build their brand. The theater chain has already proven it can take advantage of this resource by raising $230.5 million from selling shares, according to Jill Goldsmith in "AMC Entertainment Sold $230M Of Stock To Firm That Just Liquidated Position, Calling Shares Overvalued." In doing so, the company in this case plans to use this influx in cash to fund more acquisitions of other established theaters, some of note being Arclight Cinemas and Pacific Theatres. As we have discussed in the Strengths section, AMC has thus far been able to use mergers and acquisitions to successfully expand the company's reach into other areas already containing theaters, thus limiting the company's competition and making them more well-known to the general public in the process. Most importantly, the large influx of funds may give AMC the opportunity to begin the acquisition of theaters in parts of the world where the company is not currently found, paving the way for AMC to expand beyond their Western reach. However, just as we have previously discussed how AMC's stock is currently unstable, this mindset continues in the company that bought $230.5 million of AMC's stock in the first place, Mudrick Capital. Soon after buying the stocks, the company quickly liquidated AMC's assets to avoid holding onto a stock which they felt was undervalued. While Mudrick Capital still gave AMC the cash they needed through the stock trade, other firms in the future may be less eager to engage in the same activity if they are unable to believe in the value of AMC's stock. If this turns out to be the case, AMC will end up with an inflated stock with no way to transfer it into cash, hindering the company's growth (Goldsmith 2021).

Another strength to be considered derives from the company's history of innovation, potentially allowing it to be put to the use of adapting to a newer, younger audience, as well as to those in AMC's emerging markets. As we have discussed earlier, the effects of the COVID-19 pandemic have caused dramatic changes for not only the theater industry but also on the general perception of going out to see a movie on the whole. Especially for younger individuals who spent the last year stuck at home, being able to do something outside of the home has become a rare and desirable commodity to escape the redundant nature of home life. When it comes to movies in particular, this sentiment has become very clear for many, causing a shift in demand towards getting out of the house to go to the cinema. This of course has had many positive effects for the theater industry, as proven by movies such as *Black Widow* still doing very well in theaters even with the option to view it at home. In order to be able to safely show movies to satisfy this demand, AMC has had to innovate on many of their systems and customs to be safer for a society still coping with a pandemic. Now that data shows more young people going to see movies, however, AMC has the additional opportunity to further innovate upon their design to make the movie-going experience more friendly towards younger audiences so as to retain them as the novelty of watching movies away from home wears off. This can similarly be expanded to their design of theaters in emerging markets across the world, making the theaters more appealing to those in parts of the world other than the US and Europe. One example of this is the situation with creating Saudi Arabian theaters the Western way interfering with customs prohibiting some men and women from being together in public. Similarly, this can be applied in other markets if AMC begins to expand elsewhere in the world. The main concern with AMC's innovation then will likely come from time constraints, as younger audiences will only be attracted to viewing movies in a cinema for so long. So, if AMC is unable to quickly devise a strategy aimed at building their audience, they face having many of their theaters remain close to empty in the future.

Weaknesses vs. Opportunities and Threats

Even though AMC has slowed their economic reach since the start of the century, this weakness could be alleviated by some opportunities in the global market. As it was previously discussed, one of the main opportunities for the economic expansion of AMC is in the Saudi Arabian market. AMC getting involved in the movie market of Saudi Arabia could not only alleviate the declining expansion of AMC but in addition improve the economic growth which was slowed by the coronavirus. Furthermore, an expansion to the Saudi Arabian market can open the doors for possible venues in economically, politically, and culturally similar countries in the region, such as Egypt, Qatar, and the United Arab Emirates. Nonetheless, there exist numerous threads and barriers in taking these decisions. One of these is the cultural barrier between AMC, a western focused company, and the culture of Saudi Arabia. These range from simpler problems to tackle, such as different food menus, to more complex dilemmas, such as the movies being provided and how they can be edited to satisfy the Islamic majority in the country. In addition, tackling the dilemma of women being seen in public is a strong concern when dealing with a country governed in accordance with Sharia law. Another threat is the complex uncertainty of going to a completely different market, one that has not experienced the cultural importance of movie theaters in quite some time. Even though there are some threats behind AMC opening to the Saudi Arabian market, their success can alleviate the decline of AMC's economic reach in the past decade.

In addition to the weakness explained previously, AMC can be greatly affected by being an in-person service. The spread of the coronavirus has shown the vulnerability of in-person establishments and how companies can become bankrupt if they do not have a stable source of capital to back it up. As stated before, AMC experienced a complete stop in the entry of revenue from the start of 2020 to mid 2021, and even in the present some restrictions are still being enforced regarding the agglomeration of individuals. Being an in-person establishment could possibly be alleviated by creating an online streaming service of some sort. One of the causes of the decline and bankruptcy of Blockbuster was the rise of streaming services. Why not join that market? In the late twentieth century and start of the twenty first century, Blockbuster tried to enter the online market via a collaboration with Enron, but the technology was extremely novel and Blockbuster’s platform was not presented as an innovation. In the present, the online streaming market is more developed, with numerous niches that still stay lucrative, such as streaming services for scary movies, documentaries, or Christian audiences. In order to alleviate the dependency on in-person services, AMC could create its own movie streaming service. Expanding its economic reach would not only provide AMC with another source of income, but also a reliable one in addition to the publicity provided by creating a new streaming service.

SMART Plans

As we have seen, AMC has entered a radically different environment through being shaken up by the COVID-19 pandemic. While the theater chain was before seen as a slowly dying novelty, recent times have changed the perspective of many regarding the value of leaving the home to view cinema. It seems now that the best opportunity for AMC is to use this change in circumstance to better stabilize themselves in the world market so as to not suffer so dramatically in future external shocks. Our plan outlines AMC to expand into more parts of the world through the acquisition of theaters by the end of the decade, as well as expanding the company's reach of its movies digitally, in order to minimize the threat of external shocks impacting the entirety of the company's future in a manner that best appeals to their younger audience. This plan emphasizes the need for AMC to expand its reach in order to prevent regional situations from damaging its overall market strategy while also adapting to these changes with a notably younger audience in mind.

Strategy and Recommendations

First, we feel that AMC needs to use their experience with mergers and acquisitions to step into other global markets where they do not yet have standing. This factor is a very important one for the supposed largest theater chain in the world as while it operates in many countries already, the company really has yet to actually expand outside of the Western World and into the global market. Because of this, the company has remained prone to suffering from the effects of the politics and issues of the Western World, including public perceptions on whether to be open in the first place. While some external shocks are widespread across the world, in many cases AMC's limited reach outside of the US and Europe may very well act to its detriment. As a remedy for this, the company has already began to address this issue through expanding into a country lacking in a theater industry of any sort, being Saudi Arabia, and still plans to have created 100 theaters in the area by the end of the decade, an impressive number. With this confidence in place, it would not be that bold to assume AMC finds the benefits of expanding beyond their current environment to other places to also be worth the risk, and a great way for the company to further mitigate the risk factor would be to take part in acquiring other theaters around the world which have already established themselves. Not only would this be reasonable for AMC due to the company's expansive history of using the practice as well as the large increase in cash the company has lately been able to acquire to fund said acquisitions due to the stock market, but it also bears the added benefit being able to analyze how companies in places separate from the Western World attract their own audiences. This in turn would prepare AMC for properly addressing foreign markets, helping to detach the company from any risks the Western World imposes on the brand's future growth.

Second, AMC could benefit by expanding into emerging markets. In order to recapture the innovative drive that the company experienced in its beginnings, new programs could be created. We present two types of programs that could be implemented in order to recapture the innovative drive. First, a program dedicated to providing scholarships and internships to college students and graduates. This program will span a few months and could be done in a city or town with a culture linked to artistic skills or movie-making history, such as Nashville or Jacksonville. These scholarships and internships would be provided to at most 20 students in order for the project to be economically viable. Students can enter the raffle based on their academic accomplishments or ties to artistic careers. In addition, the day of the raffle could be a publicity event for AMC. Second, events that connect movies and the environment could attract a younger audience. Cinematic communities such as the ones in Brooklyn, Berkeley, or Bogota, had attracted attention due to the unusual “cine al parque” or movie in the park. AMC could implement this concept by promoting an event every month in a different city. The cost of staging an event such as this one would only include the rent of a movie projector and inflatable white screen. These events would be free for the community to enjoy, and movies such as Earth (by Disney) will be presented in order for the whole family to learn about science and other meaningful subjects. Movies in the park can be a viable option in order for AMC to be considered once again as a company that drives innovation.

Thirdly, AMC’s current history with innovating makes them a prime candidate for building up a company which can better address the wants of a diversifying consumer base. In the past, we have discussed how the company has been able to establish many innovations in the market, such as creating the first multiplexes or developing AMC Sensory Friendly Films. In the first case, multiplexes invite a larger variety of people to show up to the theater since the theater is more likely playing a movie that interests a large amount of people when multiple films are presented, and in the second case, AMC Sensory Friendly Films were able to allow audiences not typically accepted by others in a normal theater setting, specifically being those with autism and not being able to follow social norms as well, the ability to watch the films they liked in their very own space. When developing these innovations among others, the company has clearly done so out of a desire to establish a larger and more broad consumer base. In the same vein, applying innovations to better market to emerging younger generations and to culturally different consumer bases are no different than AMC’s already used advancement strategy. Because of this, it would be reasonable that the company could create these innovations to better tend to the needs of more customers since it is a trait AMC is already well-known for.

Finally, AMC could become a more relevant company by expanding to the movie streaming market. There are two forms AMC could employ to enter the streaming market: partnering with another existing movie streaming entity, which will require taking less financial risks, or creating a streaming service on their own, which will require taking more financial risk, but if it is effective it will lead to more revenue going to AMC. In both scenarios, the service provided by AMC will be the same: a movie streaming service for upcoming or recent movies. AMC could take advantage of the contracts it has with different movie-producing entities and deliver a unique streaming service with new movies. The first option of partnering with an existing company could be arranged in a few months but the cost will be relatively low. By taking the second option, developing a new streaming platform would most likely take around a year in order for it to be refined. Customers could buy a monthly package to watch all the recent movies or else they can watch a movie once and pay for it, such as it is done on Youtube or Amazon Prime Video. The creation of a unique streaming service could attract new customers, by the creation of publicity, in addition to the revenue from selling the streaming package.

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