Paramount+ to Increase Prices Again In Cost-Cutting Iniative After Failed Merger

As streaming services continue to compete with one another amid a competitive market, one major is raising prices for users once again amid a potential company-wide mega-merger.

On Monday, Paramount+ announced that it would begin hiking prices for the second summer in a row, effective August 20.

Paramount+ with Showtime (ad-free version) will increase by $1 to $12.99 per month while Paramount+ Essential (with ads) will increase by $2 to $7.99 monthly.

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Those who are already subscribed to Paramount+ With Showtime will see their monthly price increase on their next billing date either before or after September 20. Annual plans for Paramount+ With Showtime and Paramount+ Essential will stay as is at $119.99 and $59.99 per year, respectively.

Paramount+ saw a record-breaking quarter during Q1 2024 with an impressive 51% year-over-year increase in revenue for the streaming service, which amounted to over 71 million subscribers by the end of the quarter thanks to a 3.7 million net subscriber increase during the same period.

“It was a record-setting quarter for Paramount+ in engagement and revenue, and in the DTC segment as we continued to substantially narrow streaming losses,” Paramount CFO Naveen

Chopra in an earnings release last month. “As we look ahead, we remain focused on execution and transforming our cost base to best position Paramount for the future.”

The company’s business at large, however, has struggled financially over the past two years thanks to executive leadership turnovers and most recently, an acquisition bid from Skydance Media denied by Paramount’s majority shareholder, Shari Redstone, just over a week ago.

Earlier this month, Co-CEOs Chris McCarthy, George Cheeks, and Brian Robbins warned that changes were imminent should the merger fail as the company would aim to cut costs by around $500 million.

This would include an uptick in subscriber prices and layoffs that would look to get rid of “duplicative teams and functions across the organization, real estate, marketing, and other corporate overhead categories” during Paramount’s annual shareholder meeting.

During the same meeting, Robbins explained to shareholders that the company was actively and “aggressively” looking into options to merge Paramount+ with other companies or services in hopes of pursuing a streaming partnership.

“Let me be clear, we’re not talking about marketing bundles. This is a deep and expansive relationship,” he said at the time.

Paramount was down over 35.6% year over year as of Tuesday afternoon.

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