

WARNER BROS CASE

Launched in 1923, Warner Bros is one of the most successful, storied movie studios in Hollywood.

For decades it focused on conceiving, greenlighting, and producing action movies like Wonder Woman, dramas like The Blind Side, and family entertainment like The Lego Movie. The rhythm and flow of Warner Bros.' business was steady and unchanging: produce a movie; market it on billboards and TV; distribute it through theater chains like AMC; collect revenue from ticket sales; repeat.

Starting in 1999, key changes began that would forever upend the formula that Warner Bros. had used for nearly 60 years. Consumers were going to new web portals like Yahoo! and MSN to read reviews and early posts from other consumers who were buzzing about a new movie. The balance of power shifted.

Suddenly, thousands of consumers online had the audacity to do Siskel and Ebert's job for them, posting their own thoughts and reviews on chat sites and other online movie forums. Anecdotes began to proliferate regarding Yahoo!'s ability to predict box office sales, based on the number of pageviews and postings that people saw in connection with the launch of a new movie. Warner Bros. and its competitors rapidly extended their traditional marketing mix of TV, magazines, and billboards to include the purchase of ads on portal sites. While this proved useful, it felt to Warner Bros. executives like they were simply taking existing offline marketing methods and grafting them onto the online channel. When Warner Bros. received reports from the portals regarding who saw the ads it was buying, the company began to understand that online marketing offered possibilities for precision targeting and customer insights not achievable with print, billboards, or TV.

"You have to understand, every time we launched a new action movie, while the Theatrical marketing team executed brilliant creative and marketing strategy, they were forced to use a playbook without direct visibility into which consumers go to action movies and those who are only interested in romantic comedies," says Justin Herz, executive vice president of digital product, platform, and strategy. "It wasn't done that way because we were lazy. It was because we couldn't see or interact directly with the people buying movie tickets. Distributors had always been between us and our end consumers. But the web started to change this dynamic for us in a pretty fundamental way."

Using actual ticket delivery and purchase information, Warner Bros. started to build verifiable hypotheses about people with a propensity to purchase an action movie ticket. For the first time, it could see the age, geography, and gender of the people who were viewing and clicking on the company's content—a tectonic shift for Warner Bros.' marketing department. Recognizing the possibilities, the company took the unusual move of buying a web media property, Flixster, in 2011, not because Warner Bros. wanted to get into the web media game, but because it saw the value of the data that Flixster was generating about what movies consumers liked, what movies they hated, and (most important) why.

As new online channels and touchpoints took root and as Warner Bros. deepened its base of experience via investments like Flixster and new infrastructure for securely leveraging consumer data, while maintaining the consumer's privacy, the company achieved a new intimacy with the people buying its movie tickets. "We understand consumers in a much more detailed way, and this has allowed us to navigate an incredibly intense shift in media and content consumption by our consumers over the

last decade," says Herz. Flixster data unlocked new insights that supercharged Warner Bros. marketing, giving it direct access to all kinds of real-time data about people, the types of movies they watch, where

they watch them, and how many they watch. As a subsidiary of Time Warner, Warner Bros can also collaborate with sister companies, such as HBO, to find audiences across both fan bases. Before it undertook a people data marketing strategy, taking a “no-brainer” approach such as marketing Creed to fans of HBO boxing was impossible.

Today, securely sharing data across your organization is no longer impossible. It is a necessity, and companies that cannot take advantage of cross-organizational data synergies are vulnerable to disruption.