



Warner Bros. Entertainment, Inc. – Globally

Description

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Warner Bros. Entertainment, Inc., originally founded in April of 1923, is a broad-based entertainment company, headquartered in Burbank, California on Warner Bros. Studios lot, a 142-acre parcel that houses one of the eminent production and post-productions facilities on the planet, selling its good and services in all major global marketplaces.



In addition, Warner Bros. Studios Facilities oversees the research and development, United Kingdom-based, Warner Bros. Studio Leavesden, a 160-acre production facility that has served as the site for many acclaimed Warner Bros. European productions including the eight *Harry Potter* films. It is also the home of the Warner Bros. Studio Tour – London, The Making of Harry Potter, a publicity, brand awareness generator. It is one of the most popular UK tourist attractions since opening in early 2012. Warner Bros. and is considered to have one of the most successful brands in the entertainment

industry. Warner Bros. Entertainment, Inc. is a fully integrated Time-Warner Company, publicly traded with 89% of its shares held by institutional and mutual fund owners.



Initially, Warner Bros. consistently utilized a standardized approach to its production systems and marketing efforts with a production facility with specific job components made up of raw talent until the vertical disintegration (an impediment to coordination handed down by the US Supreme Court) of the Studio System had run its cycle by 1960. It was the end of the Golden Age of filmmaking and an organizational change was looming.

Warner Bros. shifted to a globalization strategy with standard operating procedures and adaptation strategies when needed to meet objectives as the rise of television in the 1950's and the cultural shifts of the late 1950's and the 1960's caused a paradigm in viewership. It wouldn't be long before, Warner Bros adopted a divisional structure where functions were grouped together to meet the needs of their respective products, markets and geographical regions.

With its painstaking market research including social attitudes Warner Bros. produced programming for television and home entertainment with global market products in its international promotional mix. Television, radio, newspaper, billboards and magazine advertisements are used to promote and advertise. Sponsorships and product placements are additional revenue generators.

In addition, Warner Bros. produced feature films for new international viewer markets in international joint ventures. Warner Bros. utilizes distribution agents and subsidiaries throughout its global markets to distribute not only its television, home entertainment and feature films but also a myriad of DVD, Blu-ray, digital content, comic books, animation, video games and broadcasting.



Warner Bros. Consumer Product division oversees the licensing of the intellectual property rights of Warner Bros. Entertainment library of film and television, maintains a commitment to increase and strengthen the power of its core brand recognition using extensive marketing research and analytics through promotional marketing, retailing and creative merchandizing within a vibrant network of global offices in strategic, demographically analyzed locations in Asia, Europe, North America and Latin America. Warner Bros. Consumer Product division also monitors for product counterfeiting and content piracy.

Warner Bros. is primarily in the consumer markets and industrial markets. However, in 1941 the studio was brought into the government market in producing the geopolitical drama/thriller *Casablanca* at the behest of President Franklin D. Roosevelt long before the concept of Corporate Social Responsibility had taken center stage.

The Warner Bros. library consists of over 7000 feature films, 5000 television programs with tens of thousands of episodes and nearly 75,000 hours of programming. As new viewers are discovering classic films, the product life-cycle of classic films are being altered as new technologies enable restoration of damaged or improperly stored film archivals.

With a direct strategy, Warner Bros. Pictures produces and distributes approximately 18-22 films per year and is a global leader in marketing and distributing feature films in over 120 territories either directly or indirectly while maintaining offices in over thirty countries. Utilizing a business strategy that minimizes risk and maximizes capital and productivity, Warner Bros. finances or co-finances its films while keeping the global distribution rights. Furthermore, Warner Bros. takes advantage of its comparative advantages in marketing and distribution with films financed by third parties in what is often a highly capital intensive industry.



For example, New Line Cinema founded in 1967, is a well-established purveyor of quality, mainstream films as well as niche market films. In 2008, New Line Cinema became a subsidiary of Warner Bros, with all the practical benefits of a strategic alliance, maintaining its own separate business dealings in development, production, marketing and distribution.

New Line produced *The Lord of the Rings*, the Oscar Award-winning film trilogy, which generated a combined worldwide box office of nearly \$3 billion with an additional \$3 billion in consumer products and home entertainment revenue. As mentioned throughout the course, companies in a vertically integrated structure often coordinate and share certain responsibilities. While New Line and Warner Bros. are separate entities they do coordinate with Warner Bros. to maximize business efficiencies. New Line's 2016 films are being distributed through Warner Bros.



As a sign of Warner Bros. Pictures success, 2015 marked the ninth year in a row it surpassed box office revenues of three billion dollars. In addition, 2015 marked the fifteenth consecutive year that its international and domestic gross receipts exceeded one billion dollars each. No other entertainment studio has ever achieved such a feat.

Another component of Warner Bros. success is its Home Entertainment. Warner Bros. Home

Entertainment manages video games, home video and digital distribution to maximize current and next generation distribution scenarios including Blu-ray, DVD, streaming, transactional video-on-demand and delivery of theatrical content to online and wireless channels. Also, it is a substantial publisher of third party and internal video game titles.

Like its Pictures Division, Warner Bros. Home Entertainment led the industry with a nineteen percent market share through its subsidiaries Warner Horizon, Blue Ribbon, Warner Bros. Animation and WBTV.

Warner Bros. Television Group produced over seventy series for the 2015-16 season and oversees and grows the entire Warner Bros. portfolio of television businesses including production worldwide, broadcasting and traditional and digital distribution. Furthermore, Warner Bros. Home Entertainment worked across all platform including the digital, broadcast, pay-per-view and cable to remain the industry and category leader.



Warner Bros. Animation is yet another division of Warner Bros. and is one of the leading animation studios in the entertainment business with an organizational culture made up of a highly creative roster of animators, artists and storytellers working on global products under the scrutiny of long-standing business analysis to discern what products will yield the greatest revenues.

Warner Bros. Animation is home to the animated library containing the popular *Looney Tunes*, DC Comics, Hannah-Barbera characters and MGM animations. With concept testing, the animation studio is also at the leading edge of technology with its prolific use of computer generated imaging, 360 degree cinema and the exciting new virtual reality technologies as the studio attempts to create an affordable product design with cost-prohibitive technologies.

That's all folks!

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