

# Research on Proprietary Intellectual Property Management and Marketing Model of Film and Television Companies: A Case Study Based on Warner Bros

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**Abstract.** This research explores the proprietary intellectual property (IP) management and marketing model in the film and television industry, with a particular focus on Warner Bros. The study aims to elucidate the complex strategies employed by Warner Bros. in the management, monetization, and marketing of its exclusive IPs, demonstrating the company's innovative approaches in this competitive landscape. The research is structured sequentially and examines Warner Bros.' IP management model, revenue streams, and marketing strategies. By closely examining these key elements, the study aims to identify the fundamental factors that contribute to Warner Bros.' success in intellectual property management, revenue generation, and marketing prowess. The insights derived from this comprehensive analysis are intended to provide valuable lessons and insights for industry professionals and researchers within the broader entertainment sector, offering a deeper understanding of the strategic intricacies and successful practices employed by Warner Bros. in navigating the complexities of the entertainment industry's IP-driven landscape.

**Keywords:** Intellectual property, Warner Bros., Case analysis, Entertainment company.

## 1. Introduction

In the contemporary digital and globalized film and television industry, film and television companies such as Warner Bros. are confronted with significant competitive pressures and business challenges. In particular, the management and marketing of proprietary IP is of critical importance to a company's business performance and long-term growth. Warner Brothers, a prominent film and television enterprise, has garnered considerable industry attention for its distinctive IP management and marketing approach. However, research in this domain remains relatively scarce.

Accordingly, this study seeks to examine the management and marketing model of proprietary IP utilized by film and television companies, with Warner Bros. serving as a case study. By examining the practical experience of Warner Bros., this study aims to identify the company's successful management strategies, marketing methods, and business models. This analysis provides useful references and insights for theoretical research and practice in this field. The case study of Warner Bros. in the management and marketing of proprietary IP can provide inspiration for other film and television companies, assisting them in better navigating market challenges, enhancing brand value, and achieving commercial success.

This study will examine Warner Bros. as a case study to investigate its practical experience with a proprietary IP management model, revenue approach, and marketing strategy. The research will be divided into three main parts, with each part discussing a different aspect of Warner Bros.' operations: the IP management model, the revenue approach, and the marketing strategy. This structure will allow for a comprehensive examination of the company's success in these three key areas. The initial focus of the study will be on Warner Bros.' IP management model. This section will examine the company's strategies and practices with regard to the development, protection, licensing, and development of derivatives of its intellectual property. By conducting an exhaustive examination of the IP management model, it will become evident that Warner Bros. has achieved considerable success in the creation and preservation of high-quality IPs, as well as in the strategic pursuit of maximizing IP value. Subsequently, the study will examine Warner Bros.' revenue approach. This section will

examine the primary sources of revenue for the company, including box office receipts for films, digital sales of film and television productions, and sales of derivatives. By examining the company's diverse revenue streams, this analysis will offer insight into Warner Bros.' business model and revenue strategy, thereby elucidating the factors that have contributed to its success in business operations. In conclusion, the study will examine Warner Bros.' marketing strategies. This section will examine the company's practical experience in market positioning, branding, and marketing campaign planning. An analysis of the formulation and execution of Warner Bros.' marketing strategies will reveal the company's successful strategies in branding and marketing, as well as its appeal and influence on consumers. By employing the aforementioned structure, this study will conduct a comprehensive analysis of Warner Bros.' successful experience in IP management, revenue approach, and marketing strategy. The findings will serve as valuable references and lessons for research and practice in related fields within the film and television industry.

## **2. Literature Review**

### **2.1. IP Concepts for Film and Television Companies**

IP is a legal category that provides protection for unique and original ideas or works that result from creative output. In the context of the film and television industry, IP typically encompasses content, brands, characters, storylines, and other elements that possess commercial value and can be safeguarded and exploited for commercial purposes. Such intellectual property may encompass a multitude of forms, including but not limited to films, television series, cartoons, comics, novels, video games, and other creative works [1].

Effective IP management is of paramount importance for film and television companies, as it serves not only to safeguard the company's creative achievements from infringement but also to generate sustained commercial value and competitive advantage. IP management encompasses a range of activities, including the registration, licensing, transfer, maintenance, and monitoring of IP, with the objective of enabling the company to fully utilize and safeguard its intellectual property assets.

In the film and television industry, a successful IP management and marketing model allows a company to leverage its IP to create diversified revenue streams and expand its market share. Through effective IP management and marketing, film and television companies can transform their creative works into assets with sustainable commercial value and brand impact, thereby driving their growth and development.

### **2.2. Introduction of Warner Bros.**

Warner Bros. is a prominent entity within the media industry, ranking among the largest movie studios. With a total market capitalization exceeding \$73.4 billion, Warner is one of the six largest movie studios in the United States. Over the past two years, the company's gross sales have averaged \$32 billion annually, with the 2019 and 2020 figures reaching \$32 billion. Warner has achieved remarkable success over the years, with a portfolio of films that have resonated with American and international audiences. This includes the Harry Potter series and all of the DC Comics films. Warner Bros. currently releases approximately 20-25 films per year, including 3-5 major "event" films, in line with its business strategy [2].

## **3. Warner Bros. IP Management Model**

The product expansion model, as espoused by Warner Bros., entails the expansion of an IP's core content across disparate domains and formats. This strategy is designed to diversify a product line and extend the IP's reach and revenue potential. This model typically entails the expansion of the original IP across a range of media forms, including the transition from novels to movies, games, theme parks, and other domains. Warner Bros. has been highly successful in adapting J.K. Rowling's

Harry Potter series of novels into movies, thereby significantly expanding the IP's reach in the movie space through multiple releases. In addition to the cinematic adaptations, the Harry Potter IP has expanded into the gaming domain with the release of several video games pertaining to the Harry Potter universe, thereby fulfilling the demand of the franchise's fan base for more interactive experiences. Warner Bros. has launched a multitude of ancillary products pertaining to the Harry Potter IP, including toys, apparel, and wands, thereby further extending the brand's reach within the consumer goods market. Additionally, Warner Bros. has established Harry Potter theme parks in several locations around the world, providing fans with an immersive Harry Potter experience while extending the IP into the theme park arena. Through the product extension model, Warner Bros. has successfully expanded the Harry Potter IP from the original novels to a variety of areas, including movies, games, peripheral products, and theme parks. This diversification has not only brought in new revenue streams for the company but has also provided fans with more forms of interaction and experience.

### 3.1. Acquisition of IP rights

Warner Bros., a prominent entity in the realm of film production and distribution, has adopted a buyout model for the acquisition of intellectual property rights. In the case of the Harry Potter IP, for example, Warner Bros. entered into an agreement with J.K. Rowling (the original author of the Harry Potter series) whereby they acquired the complete IP rights to the Harry Potter series through a one-time payment. This included the rights to create and commercialize films, games, theme parks, and other various forms of media. Through the agreement with J.K. Rowling, Warner Bros. has acquired the full rights, which allows them to produce and control all related film and television productions, spin-offs, and theme parks on their own. This buyout model entailed a significant financial outlay by Warner Bros. at the time of the agreement with J.K. Rowling, representing a one-time payment to acquire the IP rights. This arrangement permits the original author to relinquish the right to impede the creation of subsequent works and commercial decisions subsequent to the one-time agreement with Warner Bros. By purchasing the Harry Potter series of IP, Warner Bros. has secured comprehensive commercialization opportunities to produce a series of movies, launch ancillary products, and establish theme parks, thereby optimizing the commercial potential of the Harry Potter IP. By employing this buyout model, Warner Bros. has effectively secured control of the Harry Potter series IP, thereby enabling the full commercialization of the IP across a range of domains, including film and television, literature, and peripheral products. This strategy has proven highly lucrative for the company, generating significant commercial success and profits [3].

### 3.2. Existing IP of Warner Bros.

Warner Bros. is a prominent American entertainment company that possesses a multitude of well-known IP spanning a diverse array of domains, including film, television, animation, and comics. Its portfolio encompasses a vast range of IP, including, but not limited to:

Notable examples of DC Comics' superhero intellectual properties include Batman, Superman, Wonder Woman, The Flash, Green Arrow, and others. The characters are utilized extensively in cinematic productions, television programs, and animated series. The film rights for the Harry Potter series of novels, which includes the inaugural novel, *Harry Potter and the Sorcerer's Stone*, and the sequel, *Harry Potter and the Chamber of Secrets*, along with related ancillary products and theme parks, are also under the purview of Warner Bros. Additionally, the company holds the rights to classic animated properties such as *Looney Tunes*, *Tom and Jerry*, and *The Pink Panther*. Furthermore, Warner Bros. owns numerous other intellectual properties, including *The Flintstones* and *The Lord of the Rings*.

These well-known IPs occupy a significant position within the entertainment industry, and they also play an important role in peripheral products, theme parks, games, and other fields. These endeavors have generated substantial economic returns and brand value for the company.

### **3.3. IP Implantation and Marketing of Films**

The term "IP implantation" is used to describe the strategic incorporation of a brand, product, or well-known IP into the narrative of a film, with the goal of seamlessly integrating the product or brand into the story in a way that appears natural and unobtrusive. This form of implantation is typically conducted in collaboration with the objective of enhancing brand awareness, product exposure, and providing financial support for the film. To illustrate, the film *Fantastic Beasts* is an extension of the Harry Potter series, with the entire narrative set in the wizarding world. This approach allows audiences to recognize and engage with familiar magical elements and settings, effectively linking the film to the established IP of the Harry Potter series. It achieves the dual objective of stimulating conversation and increasing exposure.

## **4. How Warner Bros. Generates IP Revenue**

Warner Bros. possesses a multitude of high-quality IP resources, including the Harry Potter series, the Matrix series, the Superman series, and the Batman series. By means of continuous reorganization, mergers and acquisitions, and other capital operations, the company has established a comprehensive industrial chain encompassing motion pictures, television, family interactive entertainment, animation, music, and magazine publishing in the context of intellectual property resource development. As subsidiaries of the Group, each industrial chain is divided and complementary to the others.

### **4.1. IP-based Film and TV Production and Rights**

Warner Bros. movies and films based on intellectual property can be sold through various formats, including DVDs, Blu-ray disks, and digital downloads, generating revenue from these sales. By licensing its IP to other production companies, game developers, and so forth, Warner Bros. can earn royalties from these licenses. Furthermore, Warner Bros. has the capacity to distribute its film and television productions on an international scale, thereby generating revenue from overseas markets through the utilisation of international distribution rights and licenses.

### **4.2. Streaming Media and Theater Distribution**

Warner Bros. is a film production company that releases its movies in theaters and generates revenue through box office sales. The films in question are based on well-known IPs, including DC Comics superheroes and the Harry Potter series. These IPs possess the capacity to attract a considerable number of viewers, thereby resulting in an increase in box office revenues. Additionally, Warner Bros. has the option of licensing its film and television productions to digital media platforms such as Netflix and HBO Max, among others, in exchange for fees related to the use of its intellectual property through subscription services.

### **4.3. Offline IP Physical Merchandising**

Prior to the advent of the Internet, Warner Bros. IP products were primarily licensed, directly managed, and retailed in theme park stores. These products included, but were not limited to, accessories, dolls, clothing, and other items. In Warner Bros. theme parks, IP products are frequently associated with park facilities. For instance, adventure areas often sell adventure-related clothing, tools, and other items. While consumers engage with IP products, they simultaneously recognize the value of the symbols. The shovels and cups, for instance, are not merely the items themselves; they also represent memories associated with the IP. In consequence of the advent of the Internet, Warner Bros. has launched a plethora of derivative products based on new media. For example, Warner Bros. has developed corresponding games, and a multitude of Warner Bros. IP images and works have corresponding games, which serve to reinforce the interaction with the audience. As time progresses, the demand for consumption is increasingly focused on spiritual enjoyment. Warner Bros. IP products

also reflect this trend, offering the audience an emotional experience that is both entertaining and engaging [4].

## 5. Warner Bros. 'IP Marketing Strategy

As a prominent entity in the IP industry, Warner Bros. has demonstrated an acute understanding of the value of IP, evident in its meticulous approach to the precipitation and screening of IP since its inception. The company has established a comprehensive industrial chain centered around IP resources, devised an IP industry marketing model that reflects its distinctive characteristics, and attained remarkable success through the leveraging of its brand advantages and the platform's vast community of fans and users. As evidenced by the survey data, in 2023, Warner Bros. will represent four of the fifty most commercially valuable IPs globally.

### 5.1. Monetized Marketing Strategy

The placement of the 7-Eleven convenience store in the 2013 film *Man of Steel* exemplifies a strategy for maximizing profits through the co-marketing of IP. Warner Bros. is able to generate supplementary placement fees through collaborative endeavors with brands such as 7-Eleven, which offer financial advantages to film producers. A successful advertising placement can facilitate the formation of additional brand partnerships for production companies. Other brands may view this success story as an exemplar, prompting them to seek a similar partnership with Warner Bros. to expand business opportunities for the production company. Furthermore, the successful implementation of AD placements in well-known IPs, such as *Man of Steel*, enables Warner Bros. to enhance the value of its IP. Such a co-promotional strategy not only adds commercial value to a single film but also generates additional commercial opportunities and revenue streams for the entire IP. In conclusion, the successful implementation of 7-Eleven's advertising placement in *Man of Steel* by Warner Bros. resulted in direct economic benefits, an increase in IP value, expanded brand cooperation opportunities, and the creation of additional business prospects and revenue streams for the future. This joint promotion serves the interests of both parties and exemplifies the potential for a mutually beneficial business strategy through the development and joint promotion of IP [5].

## 6. Warner's Future IP Development Proposal

As an increasing number of entertainment companies turn to online streaming services that allow users to stream content from the comfort of their homes, many entertainment companies are struggling to adapt to this trend. Netflix, Hulu, Disney Plus, and others are just a few examples of streaming services in the entertainment industry that are popular and used frequently by consumers. Nevertheless, HBO Max, launched by Warner Bros., has the potential to become a significant competitor in the streaming industry. However, it is not yet on the same level as other established services. To achieve this, Warner Bros. should invest more time and resources in further developing HBO Max by adding more TV shows, movies, and other forms of content. This would enable them to appeal to a larger number of frequent users of online entertainment services, while also increasing the company's revenue and profits.

## 7. Conclusion

In conclusion, the case study on Warner Bros.' proprietary IP management and marketing model elucidates the company's multifaceted strategies for leveraging intellectual properties to drive revenue and market presence within the film and television industry. A comprehensive examination of Warner Bros.' IP management practices, revenue streams, and marketing approaches has yielded several key insights.

The success of Warner Bros. can be attributed to its adept handling of intellectual property rights through strategies such as intellectual property buyouts, strategic intellectual property placements in films for marketing purposes, and robust efforts in maintaining and propagating intellectual property in various forms. The company's diverse revenue streams, which encompass IP-based content production, distribution through streaming services and theaters, and physical merchandise sales, demonstrate a sophisticated approach to maximizing IP value.

Moreover, Warner Bros.' marketing strategies, including social media campaigns, monetization tactics, and other innovative approaches, illustrate the significance of engaging audiences and transforming visibility into revenue. In light of these findings, it is recommended that Warner Bros. maintain its current focus on copyright protection, investigate emerging trends in IP monetization, and adapt its marketing strategies to align with evolving consumer behaviors and preferences.

This study illuminates not only the successful IP management and marketing practices of Warner Bros., but also provides valuable insights for industry professionals and researchers seeking to understand the intricacies of navigating the competitive landscape of IP-driven content creation and distribution in the entertainment sector.

This study is not without limitations, primarily due to the lack of sufficient data on Warner Bros. This may result in findings that are less specific and comprehensive. To gain a more nuanced understanding of Warner Bros.' IP management and marketing model, future researchers may wish to consider a more detailed and comprehensive data-driven analysis. By employing a more extensive and in-depth data collection and analysis approach, future research could potentially yield more specific and detailed insights, thereby elucidating the pivotal success factors of film and television companies in the domain of intellectual property management and marketing. The data-based research methodology will assist industry professionals and decision-makers in formulating more targeted and practical recommendations that can facilitate industry growth and innovation.

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