

Harry Potter, Inc.

Content Recycling for Corporate Synergy

- Simone Murray
- [Respond To This Article](#)

Volume 5 | Issue 4 | August 2002 |

¹ Engagement in any capacity with mainstream media since mid-2001 has meant immersion in the cross-platform, multimedia phenomenon of Harry Potter: Muggle outcast; boy wizard; corporate franchise. Consumers even casually perusing contemporary popular culture could be forgiven for suspecting they have entered a Möbius loop in which Harry Potter-related media products and merchandise are ubiquitous: books; magazine cover stories; newspaper articles; websites; television specials; hastily assembled author biographies; advertisements on broadcast and pay television; children's merchandising; and theme park attractions. Each of these media commodities has been anchored in and cross-promoted by America Online-Time Warner's (AOL-TW) first instalment in a projected seven-film sequence—Harry Potter and the Philosopher's Stone.¹ The marketing campaign has gradually escalated in the three years elapsing between AOL-TW subsidiary Warner Bros' purchase from J.K. Rowling of the film and merchandising rights to the first two Harry Potter books, and the November 2001 world premiere of the film (Sherber 55). As current AOL-TW CEO Richard Parsons accurately forecast, "You're not going to be able to go anywhere without knowing about it. This could be a bigger franchise than Star Wars" (Auletta 50).

² Yet, AOL-TW's promotional strategy did not limit itself to creating mere awareness of the film's release. Rather, its tactic was to create an all-encompassing environment structured around the immense value of the Harry Potter brand—a "brand cocoon" which consumers do not so much enter and exit as choose to exist within (Klein 2002). In twenty-first-century mass marketing, the art is to target affluent consumers willing to direct their informational, entertainment, and consumption practices increasingly within the "walled garden" of a single conglomerate's content offerings (Auletta 55). Such an idealised modern consumer avidly samples the diversified product range of the parent conglomerate, but does so specifically by consuming multiple products derived from essentially the same content reservoir. Provided a match between consumer desire and brand can be achieved with sufficient accuracy and demographic breadth, the commercial returns are obvious: branded consumers pay multiple times for only marginally differentiated products.

3 The Brand-Conglomerate Nexus

Recyclable content has always been embraced by media industries, as cultural commodities such as early films of stage variety acts, Hollywood studio-era literary adaptations, and movie soundtrack LPs attest. For much of the twentieth century, the governing dynamic of content recycling was sequential, in that a content package (be it a novel, stage production or film) would succeed in its home medium and then, depending upon its success and potential for translation across formats, could be repackaged in a subsequent medium. Successful content repackaging may re-energise demand for earlier formatting of the same content (as film adaptations of literary bestsellers reliably increase sales of the originating novel). Yet the cultural industries providing risk capital to back content repackaging formerly required solid evidence that content had achieved immense success in its first medium before contemplating reformulations into new media.

⁴ The cultural industries radically restructured in the last decades of the twentieth century to produce the multi-format phenomenon of which Harry Potter is the current apotheosis: multiple product lines in numerous corporate divisions are promoted simultaneously, the synchronicity of product release being crucial to the success of the franchise as a whole. The release of individual products may be staggered, but the goal is for products to be available simultaneously so that they work in aggregate to drive consumer awareness of the umbrella brand. Such streaming of content across parallel media formats is in many ways the logical culmination of broader late-twentieth-century developments. Digital technology has functionally integrated what were once discrete media operating platforms, and major media conglomerates have acquired subsidiaries in virtually all media formats on a global scale. Nevertheless, it remains true that the commercial risks inherent in producing, distributing and promoting a cross-format media phenomenon are vastly greater than the formerly dominant sequential approach, massively escalating financial losses should the elusive consumer-brand fit fail to materialise. A key to media corporations' seemingly quixotic willingness to expose themselves to such risk is perhaps best provided by Michael Harkavy, Warner Bros' vice-president of worldwide licensing, in his comments on Warner Music Group's soundtrack for the first Harry Potter film:

⁵ It will be music for the child in us all, something we hope to take around the world that will take us to the next level of synergy between consumer products, the [AOL-TW cable channel] Cartoon Network, our music, film, and home video groups—building a longtime franchise for Harry as a team effort. (Traiman 51)

⁶ The relationship between AOL-TW and the superbrand Harry Potter is essentially symbiotic. AOL-TW, as the world's largest media conglomerate, has the resources to exploit fully economies of scale in production and distribution of products in the vast Harry Potter franchise. Similarly, AOL-TW is pre-eminently placed to exploit the economies of scope afforded by its substantial holdings in every form of content delivery, allowing cross-subsidisation of the various divisions and, crucially, cross-promotion of the Harry Potter brand in an endless web of corporate self-referentiality. Yet it is less

frequently acknowledged that AOL-TW needs the Harry Potter brand as much as the global commercialisation of Harry Potter requires AOL-TW. The conglomerate seeks a commercially protean megabrand capable of streaming across all its media formats to drive operating synergies between what have historically been distinct commercial divisions ("Welcome"; Pulley; Auletta 55). In light of AOL-TW's record US\$54.2b losses in the first quarter of 2002, the long-term viability of the Harry Potter franchise is, if anything, still more crucial to the conglomerate's health than was envisaged at the time of its dot.com-fuelled January 2000 merger (Goldberg 23; "AOL" 35). AOL-TW's Richard Parsons conceptualises Harry Potter specifically as an asset "driving synergy both ways", neatly encapsulating the symbiotic interdependence between AOL-TW and its star franchise: "we use the different platforms to drive the movie, and the movie to drive business across the platforms" ("Harry Potter" 61).

7 Characteristics of the Harry Potter Brand

AOL-TW's enthusiasm to mesh its corporate identity with the Harry Potter brand stems in the first instance from demonstrated consumer loyalty to the Harry Potter character: J.K. Rowling's four books have sold in excess of 100m copies in 47 countries and have been translated into 47 languages.² In addition, the brand has shown a promising tendency towards demographic bracket-creep, attracting loyal adult readers in sufficient numbers to prompt UK publisher Bloomsbury to diversify into adult-targeted editions. As alluring for AOL-TW as this synchronic brand growth is, the real goldmine inheres in the brand's potential for diachronic growth. From her first outlines of the concept, Rowling conceived of the Potter story as a seven-part series, which from a marketing perspective ensures the broadscale re-promotion of the Harry Potter brand on an almost annual basis throughout the current decade. This moreover assists re-release of the first film on an approximately five-year basis to new audiences previously too young to fall within its demographic catchment—the exact strategy of "classic" rebranding which has underwritten rival studio Disney's fortunes.³ Complementing this brand extension is the potential to grow child consumers through the brand as Harry Potter sequels are produced. Harry Potter and the Philosopher's Stone director Chris Columbus spruiks enthusiastically that "the beauty of making these books into films is that with each one, Harry is a year older, so [child actor] Daniel [Radcliffe] can remain Harry as long as we keep making them" (Manelis 111). Such comments suggest the benefits of luring child consumers through the brand as they mature, harnessing their intense loyalty to the child cast and, through the cast, to the brand itself.

⁸ The over-riding need to be everything to everyone—exciting to new consumers entering the brand for the first time, comfortingly familiar to already seasoned consumers returning for a repeat hit—helps explain the retro-futuristic feel of the first film's production design. Part 1950s suburban Hitchcock, part Dickensian London, part Cluny-tapestry medievalism, part public school high-Victorianism, Harry Potter and the Philosopher's Stone strives for a commercially serviceable timelessness, in so doing reinforcing just how very twenty-first-century its conception actually is. In franchise terms, this conscious drive towards retro-futurism fuels Harry Potter's "toyetic potential" (Siegel, "Toys" 19). The ease with which the books' complex plots and mise-en-scene lend themselves to subsidiary rights sales and licensed merchandising in part explains Harry Potter's appeal to commercial media. AOL-TW executives in their public comments have consistently stayed on-message in emphasising "magic" as the brand's key aspirational characteristic, and certainly scenes such as the arrival at Hogwarts, the Quidditch match, the hatching of Hagrid's dragon and the final hunt through the school's dungeons serve as brilliant advertisements for AOL-TW's visual effects divisions. Yet the film exploits many of these "magic" scenes to introduce key tropes of its merchandising programme—Bertie Bott's Every Flavour Beans, chocolate frogs, Hogwarts house colours, the sorting hat, Scabbers the rat, Hedwig, the Remembrall—such that it resembles a series of home shopping advertisements with unusually high production values. It is this railroading of the film's narrative into opportunities for consumerist display which leads film critic Cynthia Fuchs to dub the Diagon Alley shopping scene "the film's cagiest moment, at once a familiar activity for school kid viewers and an apt metaphor for what this movie is all about—consumption, of everything in sight." More telling than the normalising of shopping as filmic activity in Harry Potter and the Philosopher's Stone is the eclipse of the book's checks on commodity fetishism: its very British sensitivity to class snubs for the large and impecunious Weasley family; the puzzled contempt Hogwarts initiates display for Muggle money; the gentle ribbing at children's obsession with branded sports goods. The casual browser in the Warner Bros store confronted with a plastic, light-up version of the Nimbus 2000 Quidditch broomstick understands that even the most avid authorial commitment to delimiting spin-off merchandise can try the media conglomerate's hand only so far.

9 Constructing the Harry Potter Franchise

The film Harry Potter and the Philosopher's Stone constitutes the indispensable brand anchor for AOL-TW's intricate publicity and sales strategy around Harry Potter. Because content recycling within global media conglomerates is increasingly lead by film studio divisions, the opening weekend box office taking for a brand-anchoring film is crucial to the success of the broader franchise and, by extension, to the corporation as a whole. Critic Thomas Schatz's observation that the film's opening serves as "the 'launch site' for its franchise development, establishing its value in all other media markets" (83) highlights the precariousness of such multi-party financial investment all hinging upon first weekend takings. The fact that Harry Potter and the Philosopher's Stone broke (then standing) box office records with its 16 November 2001 three-day weekend openings in the US and the UK, garnering US\$93.2m and GBP16m respectively, constituted the crucial first stage in AOL-TW's brand strategy (Collins 9; Fierman and Jensen 26). But it formed only an initial phase, as subsequent content recycling and cross-promotion was then structured to radiate outwards from this commercial epicentre.

¹⁰ Three categories of recycled AOL-TW Harry Potter content are discernible, although they are frequently overlapping and not necessarily sequential. The first category, most closely tied to the film itself, are instances of reused digital content, specifically in the advance publicity trailer viewable on the official website, and downloads of movie clips, film stills and music samples from the film and its soundtrack.⁴ Secondly, at one remove from the film itself, is AOL-TW's licensing of film "characters, names and related indicia" to secondary manufacturers, creating tie-in merchandise designed to cross-promote the Harry Potter brand and stoke consumer investment (both emotional and financial) in the phenomenon.⁵ This campaign phase was itself tactically designed with two waves of merchandising release: a September 2000 launch of book-related merchandise (with no use of film-related Harry Potter indicia permitted); and a second, better selling February 2001 release of ancillary products sporting Harry Potter film logos and visual branding which coincided with and reinforced the marketing push specifically around the film's forthcoming release (Sherber 55; Siegel, "From Hype" 24; Lyman and Barnes C1; Martin 5). Finally, and most crucial to the long-term strategy of the parent conglomerate, Harry Potter branding was used to drive consumer take up of AOL-TW products not generally associated with the Harry Potter brand, as a means of luring consumers out of their established technological or informational comfort zones. Hence, the official Harry Potter website is laced with far from accidental offers to trial Internet service provider AOL; TimeWarner magazines Entertainment Weekly, People, and Time ran extensive taster stories about the film and its loyal fan culture (Jensen 56-57; Fierman and Jensen 26-28; "Magic Kingdom" 132-36; Corliss 136; Dickinson 115); AOL-TW's Moviefone bookings service advertised pre-release Harry Potter tickets on its website; and Warner Bros Movie World theme park on the Gold Coast in Australia heavily promoted its Harry Potter Movie Magic Experience. Investment in a content brand on the scale of AOL-TW's outlay of US\$1.4m for Harry Potter must not only drive substantial business across every platform of the converged media conglomerate by providing premium content (Grover 66). It must, crucially for the long run, also drive take up and on-going subscriptions to the delivery services owned by the parent corporation. Energising such all-encompassing strategising is the corporate nirvana of seamless synergy: between content and distribution; between the Harry Potter and AOL-TW brands; between conglomerate and consumer.

¹¹ Notes

- ¹² 1. The film, like the first of J.K. Rowling's books, is titled Harry Potter and the Sorcerer's Stone in the "metaphysics-averse" US ("Harry Potter" 61).
- ¹³ 2. Publishing statistics sourced from Horn and Jones (59), Manelis (110) and Bloomsbury Publishing's Harry Potter website: [http://www.bloomsburymagazine.com/harryp....](http://www.bloomsburymagazine.com/harryp...)
- ¹⁴ 3. Interestingly, Disney tangentially acknowledged the extent to which AOL-TW has appropriated Disney's own content recycling strategies. In a film trailer for the Pixar/Disney animated collaboration Monsters, Inc. which screened in Australia and the US before Harry Potter sessions, two monsters play a game of charades to which the answer is transparently "Harry Potter." In the way of such homages from one media giant to another, it nevertheless subtly directs the audience to the Disney product screening in an adjacent cinema.
- ¹⁵ 4. The official Harry Potter film website is <http://harrypotter.warnerbros.com>. The official site for the soundtrack to Harry Potter and the Philosopher's/Sorcerer's Stone is: <http://www.harrypottersoundtrack.com>.
- ¹⁶ 5. J.K. Rowling." A page and a half of non-negotiable "Harry Potter Terms of Use" further spells out prohibitions on use or modification of site content without the explicit (and unlikely) consent of AOL-TW (refer: <http://harrypotter.warnerbros.com/cmp/te...>).

References

- "AOL losses 'sort of a deep disappointment'." Weekend Australian 18-19 May 2002: 35.
- Auletta, Ken. "Leviathan." New Yorker 29 Oct. 2001: 50-56, 58-61.
- Collins, Luke. "Harry Potter's Magical \$178m Opening." Australian Financial Review 20 Nov. 2001: 9.
- Corliss, Richard. "Wizardry without Magic." Time 19 Nov. 2001: 136.
- Dickinson, Amy. "Why Movies make Readers." Time 10 Dec. 2001: 115.
- Fierman, Daniel, and Jeff Jensen. "Potter of Gold: J.K. Rowling's Beloved Wiz Kid hits Screens and Breaks Records." Entertainment Weekly 30 Nov. 2001: 26-28.
- Fuchs, Cynthia. "The Harry Hype." PopPolitics.com 19 Nov. 2001: n.pag. Online. Internet. 8 Mar. 2002. Available <<http://www.poppolitics.com/articles/2001-11-19-harry.shtml>>.
- Goldberg, Andy. "Time Will Tell." Sydney Morning Herald 27-28 Apr. 2002: 23.
- Grover, Ronald. "Harry Potter and the Marketer's Millstone." Business Week 15 Oct. 2001: 66.
- Harry Potter and the Philosopher's Stone. Dir. Chris Columbus. Screenplay by Steve Kloves. Warner Bros, 2001.
- "Harry Potter and the Synergy Test." Economist 10 Nov. 2001: 61-62.
- Herman, Edward S., and Robert W. McChesney. The Global Media: The New Missionaries of Corporate Capitalism. London: Cassell, 1997.
- Horn, John, and Malcolm Jones. "The Bubble with Harry." The Bulletin/Newsweek 13 Nov. 2001: 58-59.
- Jensen, Jeff. "Holiday Movie Preview: Potter's Field." Entertainment Weekly 16 Nov. 2001: 56-57.
- Klein, Naomi. "Naomi Klein No Logo." The Media Report. ABC Radio National webtranscript. Broadcast in Sydney, 17 Jan. 2002. Online. Internet. 19 Feb. 2002. Available <<http://www.abc.net.au/rn/talks/8:30/mediarpt/stories/s445871.htm>>.
- Lyman, Rick, and Julian E. Barnes. "The Toy War for Holiday Movies is a Battle Among 3 Heavyweights." New York Times 12 Nov. 2001: C1.
- "Magic Kingdom." People Weekly 14 Jan. 2002: 132-36.
- Manelis, Michele. "Potter Gold." Bulletin 27 Nov. 2001: 110-11.

Martin, Peter. "Rowling Stock." *Weekend Australian* 24-25 Nov. 2001: Review, 1, 4-5.
 Pulley, Brett. "Morning After." *Forbes* 7 Feb. 2000: 54-56.
 Rowling, J.K. *Harry Potter and the Philosopher's Stone*. London: Bloomsbury, 1997.
 Schatz, Thomas. "The Return of the Hollywood Studio System." *Conglomerates and the Media*. Erik Barnouw et al. New York: New Press, 1997. 73-106.
 Sherber, Anne. "Licensing 2000 Showcases Harry Potter, Rudolph for Kids." *Billboard* 8 Jul. 2000: 55.
 Siegel, Seth M. "Toys & Movies: Always? Never? Sometimes!" *Brandweek* 12 Feb. 2001: 19.
 ---. "From Hype to Hope." *Brandweek* 11 Jun. 2001: 24.
 Traiman, Steve. "Harry Potter, Powerpuff Girls on A-list at Licensing 2000." *Billboard* 1 Jul. 2000: 51, 53.
 "Welcome to the 21st Century." *Business Week* 24 Jan. 2000: 32-34, 36-38.

Links

<http://www.bloomsburymagazine.com/harrypotter/muggles>
<http://www.harrypottersoundtrack.com>
<http://harrypotter.warnerbros.com>
<http://www.poppolitics.com/articles/2001-11-19-harry.shtml>
<http://www.abc.net.au/rn/talks/8:30/mediarpt/stories/s445871.htm>
<http://harrypotter.warnerbros.com/cmp/terms.html>

Citation reference for this article

MLA Style

Murray, Simone. "Harry Potter, Inc." *M/C: A Journal of Media and Culture* 5.4 (2002). [your date of access] < <http://www.media-culture.org.au/mc/0208/recycling.php> > .

Chicago Style

Murray, Simone, "Harry Potter, Inc." *M/C: A Journal of Media and Culture* 5, no. 4 (2002), < <http://www.media-culture.org.au/mc/0208/recycling.php> > ([your date of access]).

APA Style

Murray, Simone. (2002) *Harry Potter, Inc.*. *M/C: A Journal of Media and Culture* 5(4). < <http://www.media-culture.org.au/mc/0208/recycling.php> > ([your date of access]).