

Discovery and WarnerMedia's merger is shaking up the media landscape

Article

The news: The historic merger between **Discovery** and **WarnerMedia** is set to go through any day now, creating a streaming, film, and measurement giant that has the potential to upend

the media landscape.

More on this: As the merger approaches completion, all eyes are on Discovery CEO **David Zaslav** who is making significant changes to the executive suite and promising savings that will likely result in layoffs at the newly joined company.

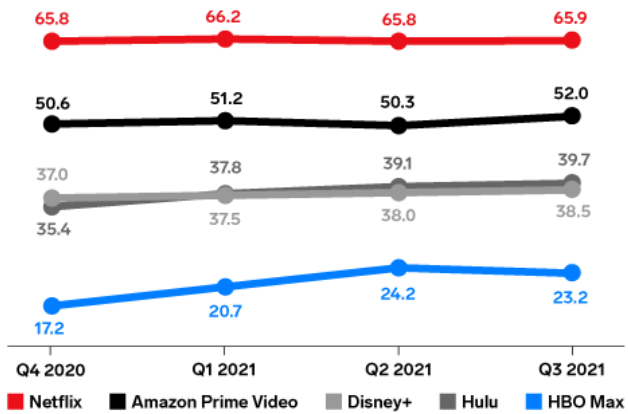
- Several WarnerMedia executives have departed in the days leading up to the merger. Those announced in recent days include CEO **Jason Kilar**, WarnerMedia Studios chief Ann Sarnoff, CFO Jennifer Biry, and CTO Richard Tom.
- The result is that Zaslav, who said the departures would help the company remove “unnecessary roadblocks” in a memo obtained by The Wall Street Journal, will have direct influence over more parts of the company than his counterpart at other media competitors.
- Leadership of **HBO Max**, **Warner Bros. Picture Group** and **TV Group**, **CNN**, and others will report directly to Zaslav. Notably, content executives have been spared from the cutting room floor.

A new streaming giant: Zaslav’s preservation of high-level content roles makes sense given the ambitious streaming moves that are underway at the company in a market that is more competitive than ever.

- Rather than offer **Discovery Plus** and **HBO Max** as a bundle the way some companies with multiple streaming products like **Paramount** have done, Zaslav announced plans to combine the two services into one.
- CNN, which will also fall under Discovery’s umbrella, also recently launched streaming service **CNN+**. Early numbers aren’t promising for the new service in a crowded market, and it’s likely that Zaslav doesn’t want to further hamper its launch by upending its executive structure.
- WarnerMedia’s franchise film properties also open new opportunities for Discovery, which now has access to billion-dollar film franchises like “**Harry Potter**” and “**Batman**.” The latter has been a huge success for WarnerMedia, raking in hundreds of millions at the US box office even though it will soon debut on HBO Max.

US Subscriber Base for Select Streaming Video Services, Q4 2020-Q3 2021

millions



Note: estimates of users who have activated subscriptions to each service
Source: MoffettNathanson as cited by the Wall Street Journal, Feb 2022

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Entering the measurement mix: With the soon-to-be merged Discovery Plus and HBO Max under its belt alongside other streaming and film offerings, Discovery has access to a large audience that will allow it to attract advertising partners.

- **HBO Max** already has an ad-supported tier, and Zaslav has hinted that [more could be on the way](#) across the company's streaming offerings.
- WarnerMedia also just announced plans to test [three new measurement alternatives](#) across media formats that could propel it to become yet another major player in the increasingly fractured tv measurement space.