

Welcome to What Happens Next – 11.22.2020  
COVID, Entertainment Disruption, and the Race for the Senate  
Josh Goldstine Q&A

Larry Bernstein ([00:35:43](#)):

Josh, you discussed the importance of data and how it wasn't available previously. It was sort of uncaptured by the movie theaters themselves. What and how are people going to be using this data to do? Are they going to choose what kind of content to create? Is it that it can be more efficient to market to those individuals who already saw Borat 2 to market to them for Borat 3? How do you see the role of data in improving value in this whole process?

Josh Goldstine ([00:36:19](#)):

I think that's a great question, Larry. I think the answer is they're going to use data for everything, but primarily for both the marketing side of it and the production side of it. Because if you think about it, it's that in the movie and entertainment business, we really often don't have a direct relationship with our consumer. We sort of hand off our product to the theaters. And the theaters can gather their own data, but on some level that becomes their data, not the studio's data. There's been some recent efforts to sort of sharing some of that, but what you'll see is you get just much more granular understanding. If you're watching something on a platform, it's when did someone stop watching? Where did they get bored? They can build a much more elaborate picture of the kinds of interests that different subgroups have.

Josh Goldstine ([00:37:07](#)):

Hopefully it kind of starts to unlock potentials of new opportunities for, oh, we didn't expect that maybe new genres can kind of can begin to emerge. And so I think there's both a marketing and a production side of it. And what you also will get with the marketing is it's very hard in the marketing world to even know how effective each particular marketing activity is. And when you start to have a direct relationship with the consumer, you kind of have... you have a much more closed loop attribution system, and you are able to actually understand the value of those marketing endeavors and really make your money go much further and much more effective.

Mitch Feinman ([00:37:42](#)):

So Josh, I think both you and I are really interested in this topic of Silicon Valley and Hollywood, as you talked about. And I worked in both and then got tired of hearing people at Google say things like, "Oh, the guys in Hollywood just don't get it." How much do you think some of what you're talking about in resolving the tension between what algorithms can do and what marketers can do, entertainment marketers, is based on let's call it cultural and personality differences between Silicon Valley and Hollywood executives and how they view and manage businesses. And if you agree with that, how... and I don't know if you can answer this part, and when do you think those kinds of tensions might get resolved?

Josh Goldstine ([00:38:46](#)):

I do think that a lot of it does come down to just a basic lack of understanding and a lack of appreciation of the other. I mean, I think we're seeing throughout our culture on many, many,

many issues, the degree to which parts of our society look at each other and don't connect. And so I think that part of that is to be expected because these are new relationships. But I think what has to start to happen is that there has to be this willingness that we're in it together, that whether we have to send everyone off to summer camp to get to learn and understand who the other one is. But I think it really comes down to, again, sort of putting yourself into the other person's shoes and find to really ask and say, "What is it that you think that we're not capturing from this perspective?" And really trying to create a kind of a dialogue around it.

Josh Goldstine ([00:39:35](#)):

And I think right now we're in that early sort of distressful state of the relationship and there is this sort of jockeying for position. And the answer is I just think that in fact, you have these two great companies that have done incredibly well in the last 10 years, you have Disney and you have Netflix. And they sort of have done... and if you sort of see where they are now, Disney sort of built itself up building these extraordinary brands through Pixar and Star Wars and how it's done that in Marvel. And Netflix did such extraordinary work with this direct to consumer understanding the power of the internet. And I think what's sort of starting to happen right now is that you see Disney is actually starting to embrace a much more Netflix approach with Disney + and trying to harness the power of the internet.

Josh Goldstine ([00:40:25](#)):

And I think to some degree, maybe not quite as much, you sort of have Netflix beginning to think about, hey, should we be building brands? What is the relationship that a brand can create? Which is really a Hollywood thing. And I think you're starting to see these sort of two great companies wanting to learn what the other one does. And I think that becomes the sort of initial steps for how these cultural differences start to break down and better dialogue. And frankly, just more successful ultimately coming. I do think that the economic imperative will be the thing that of pulls everyone together ultimately.