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Media Platforms and Content: A foundations course

B8666

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Introduction

We generally call 'Media' the means by which some content (information) is created and delivered to an audience. The organizations (e.g. firms, government) and individuals (e.g. artists, consumers) who engage in this process constitute the Media industry. The media industry is broad and diverse and it is really more appropriate to talk about different media sectors depending on the nature of content (e.g. data, news or entertainment), the nature of end-users (e.g. businesses vs. individuals), key technologies involved in creating, storing and distributing content (e.g. a theater, a cable network or the Internet). Over time, practical considerations and convention have delineated traditional media industries such as "the publishing industry", "the television industry" or "the video game industry" even though the boundaries among these are often blurred and arguably more so today, as a result of recent technological developments. Similarly, technological development has created dynamic new media sectors such as "search" or "social networks" that do not fit within the traditional boundaries. In fact, today, it makes more sense to talk about various "media platforms", describing rich ecosystems of complementary businesses, rather than isolated media sectors defined by traditional value chains. Media platforms share a few distinct characteristics in terms of the economics that drives the competitive/ cooperative behavior of their participants. These characteristics include certain aspects of consumer psychology, direct and indirect network effects, scale economies, certain regulatory aspects specific to the platforms, etc.

The purpose of this course is to provide an overview of the various media industries, highlight the common characteristics mentioned above and familiarize students with the key drivers of industry dynamics. Specifically, the course has three distinct objectives. First, it intends to survey the media industries to make sure that students have a broad understanding of the various media sectors. Special emphasis is given to describing the important platforms that largely define a media sector's ecosystem. The course covers all content domains, from entertainment and news to B2B content (information) as well as advertising. Second, it intends to provide students with relevant experience in "media industry analysis". This experience is important for other elective classes offered by the Media Program, which are often based on company projects *within* specific media sectors. Finally, it intends to discuss the fundamental drivers of the media industry in terms of consumer psychology/behavior, key economic drivers and also the relevant historical background. **The foundations course should be the starting point for students who intend to follow other media elective classes**. While it is not strictly required, it is strongly recommended to students taking other media electives.

Course content and format

The content is comprised of two distinct blocks. The first 5 sessions will cover broad media platforms/ecosystems (sometimes combining multiple related sectors). We cover Broadcasting (Television and Radio), Video games, Search and Social networks. The next 4 classes will be devoted to the four main content domains: Entertainment (film, books, music), Information (B2B media), News and Advertising. The last class will focus on format innovation or new product/concept development. We end the course with a summary of the concepts and main take-aways. Most classes will use a case study that we analyze in class, usually connected to a lecture/discussion.

Class schedule

The course will consist of twelve 1.5-hour sessions. The class will meet in **Room WJW 209** during the A-term on **Mondays and Wednesdays between 10:45-12:15 pm**. Note that the first class is on Wednesday, 5/27 and exceptionally, Friday, 5/29 will also hold a class to replace Monday, Memorial Day.

Date	Topic	Case	Comment
Wed 5/27	Introduction	-	-
Fri 5/29	Broadcasting – Radio	"Empire of the Air"	Bring the survey on FM Radio documentary
Mon 6/1	Television	Netflix	Read case/articles Create groups
Wed 6/3	Search	Google	Read case/article
Mon 6/8	Video Games	Second Life	Read case/articles Choose industry topic
Wed 6/10	Social Networks	Facebook	Read case/articles Prepare outline of industry analysis
Mon 6/15	Entertainment	Lady Gaga	Read case/article
Wed 6/17	B2B media	Symphony	Read case/article
Mon 6/22	News	The Economist	Read case/ article
Wed 6/24	Advertising	Eyeo	Read case/ article "Early submission" of Analysis
Mon 6/29	Innovation	Circle du Soleil	Read case/ article
Wed 7/1	Summary		Presentations Final project due **midnight July 4th**

Short class summaries

1. Introduction:
   This class presents the course (content, logistics, assignments and evaluation criteria), highlights the logic of the Media Program curriculum (for which this course is the foundation) followed by an introduction to the industry.

2. Broadcasting 1, Radio:
   This class discusses the birth and early history of Radio in the USA and how it evolved into Television after WWII. Important parallels will be drawn for today when another new medium (the Internet) disrupts traditional media industries dominated by broadcasting.

3. Broadcasting 2, TV:
   This class will look at Television and how it is changed by new consumer behaviors and the appearance of streaming services. We will examine Netflix and the impact of "unbundling" on the TV industry.

4. Search:
   This class will discuss the search industry. Of course, we will talk about Google and analyze how it came to dominate the global search business. An important goal of the class is to explore some of Google's core technologies and how they form the basis for competitive advantage.

5. Video games:
   We review the video game industry, again starting with its history. We then discuss online games and the challenges brought by cloud-based games. If time permits, we may explore a struggling game platform, Second Life as it provides interesting lessons on consumers' online behavior.

6. Social Networks:
   This class discusses the emerging social networking industry. We will analyze the largest social network today: Facebook. Special emphasis will be put on consumer behavior on social media and its implications for revenue models and competitive advantage.

7. Entertainment content:
   This class will analyze industries in specific entertainment sectors (books, music and film). These industries' history and industry dynamics are strongly linked to the evolution of some recording technology. Books, movies, music are all industries where some content has been recorded and, as a result, allows the distribution of the content to millions of people. Generally speaking, these are "hit-driven" industries where a few content pieces dominate in terms of the share of industry revenues. How to run a business dominated by "hits" is the focal question of the class.

8. B2B media:
   This class will discuss information markets, where content is used for decision making rather than entertainment. Database vendors, information providers (e.g. Bloomberg for financial information), consultants are all part of the information industry. The class focuses on how information is consumed and the strange competitive forces that may emerge in information markets. We will analyze the case of Symphony, a new B2B social network.

9. News:
   We will analyze a case on The Economist to understand what lies behind its success at a time when newspapers are generally declining. We will also explore in detail how readers/viewers consume news and what might be the reasons behind the phenomenon of media bias.

10. Advertising:
    We will review the ad industry and how the shift to digital ad formats have changed it. We will start with a case study of Adblock Plus, Eyeo's blockbuster ad blocking software.

11. Innovation:
    This class will explore in detail a number of techniques (value innovation, perceptual mapping) which can help generate new media models in a systematic way. We will analyze in detail the case of Circle du Soleil.

12. The last class will be devoted to a summary and final presentations of a few student projects.

Class requirements and evaluation

Students are required to attend and actively participate in classes following the general CBS rules and policies. Grades will be determined based on three types of inputs whose weights are as follows:

- Class participation (including case quizzes) – 40%
- Multiple choice test – 30%
- Industry analysis (see below) – 30%.

For class participation, students are required to be present in class and read the assigned cases. Students can miss up to a total of two classes without any consequence to their grades. If more than two classes are missed then H will not be awarded as final grade for the course. Missing 6 classes leads to failing the course. Before each class (except Class 1) a small canvas quiz related to that class' case is to be completed. The assignment is due at the beginning of the class. It is a survey and it is not graded but needs to be completed (more than 2 missed quizzes means that no H grade will be awarded for the course). In class, the use of laptops is not allowed and students are required to actively participate in the discussion. The quality of student contributions (comments based on pieces of analysis brought to the case discussion) will be the basis of the evaluation of class participation.

After the course a short (one hour) exam will be administered through Canvas. It will consist of a multiple-choice test based on questions related to some of the most fundamental concepts and information in the course. It will be an 'open notes', 'open book', 'no-internet' exam that students can complete any time during a period of approximately 10 days after the last class. The exam needs to be done in one sitting.

Finally, an important part of the evaluation will be based on a short media industry analysis. This is a group assignment. Each group (including between 5-7 people) is asked to pick a 'media industry' (e.g. financial information vendors, movies, music, games, etc.). It is best to pick a concrete company of interest to you and define the industry from that company's perspective. There is no need to provide a full Company Analysis but provide the context and challenges/opportunities as they appear from public (or your private) sources. Once you have an idea of the industry you'd like to analyze check with the

professor for approval and possible adjustment/advice. The industry analysis will generally consist of (think of a slide or maximum two as deliverables for each of the following elements):

Industry Analysis outline

- Growth potential (stage of industry lifecycle, basic growth forecast)
- Identify key players (suppliers, customers, competitors) and provide a landscape of industry participants
- Describe their relationships by drawing the Value chain(s), value net (including complements) or platform as it suits the industry
- Porter's forces analysis: identify barriers to entry and sources of competitive advantage. Who makes money in the industry? Opportunities for entry and value creation. (Here you might need two slides).
- Regulatory issues/challenges and expected changes – if applicable
- Technological challenges/opportunities – if applicable.

The deliverable is a set of (7-9) slides with the above points due by the end of the day July 4th.
The goal of this exercise is to become familiar with media industry analysis. Subsequent courses (many based on projects) will ask for the development of a strategy for a specific company. Then, there will be more focus on company analysis but industry analysis will always enter the picture.

Office hours – meet the professor

You are encouraged to meet the professor about your group assignment and you are most welcome to meet about other issues related to the course or the Media Program in general. I do not have regular office hours, meetings are scheduled by appointment. We can also schedule a few lunches with small groups of interested students to discuss course, program related things or anything that interests you.

Looking forward to seeing you in class!

Appendix: Case list:

HBS cases:

- Google case # 9-910-036
- Facebook case # 9-808-128
- The Economist case # 9-710-441
- Lady Gaga (A) case # 9-512-016

Columbia cases:

- Symphony, case # 200502
- Netflix, case # 160403
- A Primer in Programmatic Advertising, case # 170507

INSEAD case:

- Circle du Soleil A: The Evolution of the Circus Industry (# 06/2009-4999)
- Circle du Soleil B: Even a Clown Can Do It (# 05/2008-4999)

Berkeley Haas case:

- Eyeo's Adblock Plus: Consumer Movement or Advertising toll booth? Berkeley, April 1, 2018