ENTERTAINMENT AND MEDIA INDUSTRIES

MKTG – UB 0040 (40) 2 credits

M, W, F 1-5pm; T, Th 1-4pm
Winter 2014 Classroom TBD

Office Hours Tuesday 1-2:30pm
and by appointment
Professor Al Lieberman Phone: 212-998-0548
Office: Tisch Hall 903 Email: alieberm@stern.nyu.edu

COURSE BACKGROUND

The course is designed to provide an overview of the entertainment and media industry. It will help establish a framework for understanding the dynamics of the entertainment, media and technology industries, and their intersecting points. The course covers recent activities in key sectors of the entertainment universe: movies, home video, television, cable and DTH, publishing, and music. The course will explore concepts, frameworks, models, and analyze industry data that apply across the entertainment revenue stream spectrum including licensing, sponsorships and promotion.

COURSE OBJECTIVES

- To learn the basic concepts, terms and principles that apply to the entertainment industries.
- To analyze the activities of the leading entertainment and media conglomerates through articles, case studies, and lectures.
- To become familiar with key strategic and marketing issues that cut across all the sectors of the entertainment industry.
COURSE REQUIREMENTS:
Grades will be determined on the following basis:

Cases 15%, 15% 30%
Class participation/ attendance 10%
Midterm 20%
Paper/ Presentation 20%, 20% 40%

INSTRUCTOR POLICIES

Attendance/Lateness:
- Students are expected to attend each class and actively participate in discussion of key issues. Absences/Tardiness will lower your class participation grade. Missing class or being late will adversely affect your grade. Class will start promptly at 3:30 and 4:55 and late students disrupt the learning environment for those who arrive on time.
- Late assignments will not be accepted.

Cheating/Plagiarism:
- The Stern School of Business Honor Code governs conduct in the course.

Class Participation:
- It is essential that everyone contributes to class discussion. You are expected to have read all the assignments for the day's class.
- Learning will come from each student trying to understand the issues, cases, and media statements. Continue with scheduled reading assignments even if the class activities at times fall behind schedule.
- No Laptops except to take notes, and absolutely no texting, twittering or other smart phone activity
- Class participation will be graded on the quality of the interaction and will be measured against these criteria:
  o Preparedness of the comments
  o Extent of knowledge
  o Statement of practical relevant experience
  o New insights and building on statements of others

Exam: There is a midterm on class sessions

**Cases Required Reading:**
Four Harvard cases – to write up
The Walt Disney Company: The Entertainment King 9-701-035
The CW: Launching a Television Network 9-507-050
Grand Central Publishing (A) 9-508-036
Marvel Enterprises, Inc. 9-505-001

The case packet can be purchased through the NYU Bookstore in either print or digital form. If you choose to purchase the digital version of the case packet, you will still need to go to the NYU Bookstore. You will purchase a XanEdu sheet, listing the course number. After you pay at the register, you will receive an email with an access code. You will then need to set up a XanEdu account to download the packet.

**GUIDELINES FOR WRITTEN CASES**

1. All papers are to be typed, double-spaced; two pages (absolute maximum 2.5 pages).
2. Please take time to organize your work so that it is clear and concise.
3. You may want to construct charts or exhibits to convey your thoughts concisely.
Framework for the course, review syllabus, provide assignments, explain content of course and the delivery, create teams

**Overview of the entertainment industry** -- Process, Perspectives and Principles

- Hit driven businesses
- Key role of marketing
- Importance of ancillary revenue streams
- Role of technology
- Barriers to entry
- Nature of the product and consumption

Reading: DGEM Chapter 1,2

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**Discussion Questions**

1. **Why are consumers willing to pay more for an experience?**
2. **Why has the entertainment industry grown so rapidly?**
3. **What are some of the factors that determine whether a “new form” of entertainment will be successful?**
4. **How is marketing of entertainment products different from marketing traditional goods and services?**
5. **What are some of the factors underlying the growth (or decline) of different sectors of the entertainment industry?**

**Assignment for January 06:** BUSINESS story from Variety Daily or Weekly, Headline, Date, 3 paragraphs highlighting the story.

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Reading: DGEM, Chapter 3
Discussion Questions

The Walt Disney Case is Due for Write up and Discussion

- What were the most important factors influencing the early development (to 1920) and subsequent development of the film industry.
- Are there any lessons that can be learned that can be applied to the current situation?
- What are the most important factors today?

What is affecting the studios practice of windowing? Are there other examples of “windowing” in the entertainment industry?

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<th>January 8, Wednesday</th>
<th>FILM, THE SEQUEL</th>
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Come to class prepared to apply issues as they relate to the film industry.
- How intense is the competitive rivalry?
- What are some of the barriers to entry?
- Identify possible substitutes. How “threatening” are they?
- Who are the suppliers to the studios and how much bargaining power do they have?
- Who are the buyers and what bargaining power do they have?
- Should studios get back into the exhibition business
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<th>January 10, Friday</th>
<th><strong>BROADCAST I: NETWORK TV AND SYNDICATION</strong></th>
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Development of television. Industry players.

**Discussion Questions**

1. What is the social impact of TV?
2. What are the differences and what are the similarities between the development of the film industry and the TV industry?
3. What specialized skills does a network need to have to be successful?
4. How does (should) a network market itself?

Reading: EMR, Chapter 4

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<th><strong>BROADCAST II: NETWORK TV AND SYNDICATION CASE DISCUSSION</strong></th>
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**Assignment due January 10—HBS CASE: CW**

January 10 OUTLINE for presentations due

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<th>7,8</th>
<th>January 14, Tuesday</th>
<th><strong>CABLE, DTH, SATELLITE</strong></th>
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**MIDTERM EXAM**


**Discussion Questions**

1. Are e-books, webzines and online newspapers threats to their traditional counterparts?
2. For mass-market paper back books, returns (books not sold and returned to the publisher) exceed 40%. Why are they so high? What would you recommend to deal with the problem?
3. Why is it so difficult to start a new magazine?
4. One way for magazines to grow is to leverage content to other markets. Why is it such an attractive strategy? What are some of the limitations to this strategy?
5. Which of the newspaper revenue streams are most stable? Least stable?
6. Newspapers rely heavily on advertising revenue. Which ad revenue streams are most vulnerable to the Internet and why?

Reading: EMR, Chapter 6

Case: Publishing HBS Grand Central Publishing Due
January 16, Thursday

January 16  Team Presentations

TEAMS OF 4, 5 OR 6: PRESENT POWER POINT
January 16: 10-12 MINUTES EACH SIX TEAMS

ASSIGNMENTS

Assignment #1

You will locate a copy of the entertainment industry, trade magazine, VARIETY – known as the film, television, cable and theater bible. Please write a one page, 3-4 paragraph summary or analysis on an article that has appeared in your copy of VARIETY magazine ON A FILM STUDIO, MAJOR, MINOR OR INDEPENDENT. JUST GIVE US THE HIGHLIGHTS OF THE STORY. **15 STUDENTS WILL BE ASKED TO QUICKLY GIVE THE HIGHLIGHTS FROM THEIR PAPERS in the next class.**

During the semester each student has a set of assignments that cover different aspects of the course and will help prepare students for taking other courses in the EMT program, as well as providing the basic knowledge required to assume managerial positions in the industries. The deliverables are written responses to questions on cases. These must be submitted on time for class discussion and be no more than two pages in length:

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<tr>
<th>CASES/ASSIGNMENTS</th>
<th>DUE DATES</th>
<th>Individual Names</th>
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<tbody>
<tr>
<td>VARIETY article</td>
<td>January 6</td>
<td>Everyone</td>
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<td>The Walt Disney Company</td>
<td>January 8</td>
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<td>CW</td>
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<td>Midterm/quiz</td>
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<td>Publishing</td>
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<td>Marvel Inc.</td>
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<td>No Final Paper, Power Point</td>
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<td>Teams</td>
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<td>Presentations Only</td>
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DECONSTRUCTING the ENTERTAINMENT & MEDIA INDUSTRY
The entertainment and media industry is made up of more than 10 sectors. We will cover the top 5 in this class in great detail from an institutional perspective. In addition we will examine sources of subsidiary revenue, including merchandising, licensing and branded integration. This is primarily a survey course.

In order to gain a more detailed understanding, the assignment or team project will require research, analysis and an understanding of the sub-segments of these sectors. Technology has had an incredible impact on classic media, and has enhanced the distribution options for most if not all content. Consolidation and convergence have become the mantra of most E&M businesses. Along with the shock waves of acquisitions in the new media space, has come realignment of organizations as disparate as NBC and MTV. Another new phenomenon has been unbundling as companies shed lackluster divisions to make way for new investments.

In order for us to understand this phenomenon, we need to analyze the companies, their parts and the importance of these within the sectors in which they operate. The entertainment and media industry is once again on the verge of considerable change.

TEAM / SECTOR

INDEPENDENT FILM FEATURE FILM
ANIMATION BROADCAST TV & LOCAL
SATELLITE RADIO CABLE BASIC
CABLE PREMIUM DIRECT TO THE HOME SATELLITE TV
PRERECORDED MUSIC ELECTRONIC GAMES
SPORTS CABLE – PROFESSIONAL LEAGUES & TEAMS
PUBLISHING: BOOKS, MAGAZINES, e-BOOKS
BROADWAY THEATER MUSIC LABELS
CASINOS

PRESENTATION STRUCTURE

The table of contents for every term paper must include a brief background on the sector, select one important company in the sector for development, what are the core competencies of the company, strength and weaknesses, list and examine the competition (major three or four companies in the sector), one/two paragraphs each on the top executives in the selected company including: Head of Marketing, Head of Promotion, Head of Publicity, Head of Events, select one recent successful marketing activity and one unsuccessful marketing activity attributed, and explain your rationale. Summarize with opportunities or changes expected for the future. Explain impact of technology on these companies in this sub-sector.

Provide a listing of the following positions with the names of the executives currently in position:

Here is a way to organize the presentation of 10-15 slides

2 slides on the background of the sector
3 slides on the company selected for analysis
2 slides on top/leading competitors (no more than four companies) in the sector
1 slide on the executives or top players in the leading companies
2 slides on the effective use of marketing in the company
2 slides on the impact of technology within the company
2 slides on future trends

Assignment #3, Presentations Dates January 16, 2014
In order for the whole class to benefit from these, every team will provide a 15-minute presentation on the highlights of their paper. It can be PowerPoint. Six teams will present each evening on dates described in the syllabus.
Questions for The Walt Disney Company Case:

1. Why has been Disney been so successful for so long?
2. What did Michael Eisner do to rejuvenate Disney? Specifically, how did he increase net income in the first four years?
3. Has Disney diversified too far in recent years?
4. Where did the Management of Creativity change under Eisner?
5. How would you assess the job Bob Iger is doing? (You will need to do some research to answer this question?)

Questions for the CW Case:

1. What are the major challenges in launching a TV Network?
2. The formation of the CW network caught News Corp by surprise. Evaluate their response. Would you have recommended a different response?
3. Which three shows would you run and why?
4. What are the best time slots for each of the three shows and why?
5. What are the issue and problems with talent at the network?

Questions for the Grand Central Publishing Case:

1. Evaluate the three options facing Kostolnyik and Raab.
2. Select one as the “best” and indicate why.
3. How much would you be willing to pay for the rights to Dewey? Indicate why.
4. Where are the decisions made at the Publishing House?
5. Who are the brands at a publishing house?

Questions for the Marvel Enterprises, Inc. Case:

1. Why was Marvel’s turnaround so successful? Would you characterize that success as a fluke? Is it sustainable? Why? How?
2. How important are each of Marvel’s three divisions – comic books, toys, and licensing – to its past and future performance?
3. Is Marvel’s success due to only one character, Spider-man? How can Marvel develop its lesser-known characters?
4. Was Disney’s Acquisition of Marvel a Good Idea or a Bad Idea?