Media Platforms and Content: A foundations course
(B7666)

Prof. Miklos Sarvary

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 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 4 sessions (half-days\(^1\)) 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 3 classes will be devoted to the three main content domains: Entertainment (film, books, music), Information (B2B media) and News. At the end of this block, we will also cover the Advertising industry. The last class will focus on format innovation or new product/concept development and will also provide a summary for the entire course. Most classes will use a case study that we analyze in class, usually connected to a lecture/discussion.

Class schedule: Each class will be between 8:30am – 1 pm, NYC time.

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Case</th>
<th>Prepare before class:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day 1</td>
<td>Introduction + Broadcasting</td>
<td>“Empire of the air”</td>
<td>See documentary on Radio history: <a href="http://www.kaltura.com/tiny/quemj">http://www.kaltura.com/tiny/quemj</a></td>
</tr>
<tr>
<td>Day 2</td>
<td>Search</td>
<td>Google</td>
<td>Read case/articles</td>
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<tr>
<td>Day 3</td>
<td>Video Games</td>
<td>Gree + Second Life</td>
<td>Read case/articles</td>
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<tr>
<td>Day 4</td>
<td>Social networks</td>
<td>Facebook</td>
<td>Read case/articles</td>
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<tr>
<td>Day 5</td>
<td>Entertainment content</td>
<td>Lady Gaga</td>
<td>Read case/articles</td>
</tr>
<tr>
<td>Day 6</td>
<td>Information B2B media</td>
<td>Bloomberg</td>
<td>Read case/articles</td>
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<tr>
<td>Day 7</td>
<td>News</td>
<td>The Economist</td>
<td>Read case/articles</td>
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<tr>
<td>Day 8</td>
<td>Innovation + Summary</td>
<td>Cirque du Soleil</td>
<td>Read case/articles</td>
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Short class summaries

1. Introduction:
   This class presents the course (content, logistics, assignments and evaluation criteria) and also highlights the logic of the Media Program curriculum (for which this course is a platform). The second half of the 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) is about to disrupt broadcasting and other media industries.

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\(^1\) Each session will consist of a 4 ½ -hour morning session scheduled from 8:30am – 1pm, New York City time.
2. Search:
   This class will discuss the search industry. Of course, we will talk about Google – one of the largest media companies by market cap – 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.

3. Video games:
   We review the video game industry, again starting with its history. We then discuss online games and the challenges brought by multi-platform competition. We use the Gree case to illustrate the key issues. If we have time, we may also explore a struggling game platform, Second Life as it provides interesting lessons on consumers’ online behavior.

4. Social Media:
   This class discusses the emerging social media 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.

5. 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.

6. 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, that we analyze in more detail), 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.

7. News:
   This class is devoted to the news media. 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. We end the class by covering the changing advertising industry.

8. Innovation:
   This last 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. The class will end with a brief summary of the course.
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 two inputs whose weights are as follows:
- Class participation including group work – 70%
- Multiple choice test – 30%

For class participation, students are required to read the material, with special attention to the assigned cases. Occasionally, a small assignment may be given, usually asking you to respond to case-related questions. In class, students are required to actively participate in the discussion. The quality of their contribution (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 exam will be administered. This 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 administered through canvas.

Case list:

HBS cases:
- Google case #9-910-036
- GREE Inc. case#9-713-447
- Facebook case#9-808-128
- The Economist case#9-710-441
- Lady Gaga (A) case#9-512-016

Columbia case:
- Bloomberg, LP case#140308

INSEAD Case:
- Circle du Soleil B: Even a Clown Can Do It (# 05/2008-4999)