EMT PROGRAM

MKTG-UB 40.003: -- ENTERTAINMENT AND MEDIA INDUSTRIES
Fall 2018

Professor Paul Hardart
Office: Tisch 902
Office Hours: by appointment

Teaching Fellow: Kelly Wall
Email: klw441@stern.nyu.edu

Class location: Tisch-UC21
Meeting Time: Tuesdays 3:30-4:45

COURSE BACKGROUND
The course is designed to provide you with a framework for understanding the entertainment, media and technology industries and their intersecting points. The course covers recent activities in key sectors of the entertainment universe including: movies, home video, television, cable, OTT, social media, publishing and music. We will explore the sweeping trends that are affecting these industries: digitization, globalization, audience fragmentation and shifting models of monetization. We’ll also look at the strategies and models that are (and aren’t) succeeding in this ever-evolving landscape.

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 issues that cut across all the sectors of the entertainment industry.
- To help students appreciate the challenges, complexities and excitement involved in managing an entertainment and media enterprise.
- To think critically, clearly and creatively about the issues facing the entertainment and media sector today.
Required Reading
Four cases that need to be purchased from the NYU Bookstore: *The CW: Launching a Television Network, Legendary Entertainment, Spotify, and Grand Central Publishing (A).* The course pack will be made available to you via NYU Classes, under the Resources tab.

Additional Required Reading:
I may add additional relevant articles to read and videos to watch as the semester progresses. These additional reading assignments will be listed in NYU Classes no later than the week prior to the class discussion.

Also, please note that there may be slight changes to this syllabus as the class proceeds and responds to class needs and changes in the media landscape.

Optional Reading:
I would also suggest picking up a copy of *Entertainment Industry Economics*, 9th Edition. Cambridge Press, 2015. Vogel’s book is an excellent reference book on the entertainment industry. It covers the businesses we will look at in class, as well as other sectors of the entertainment industry such as gaming and electronic games.

Other Good Sources of Information:
- *The Hollywood Reporter*
- *Recode/DeCode (Podcast)*
- *On the Media (Podcast)*
- *Variety*
- *Deadline.com*
- *The Wrap*
- *Cynopsis*
- *TechCrunch*
- *TheVerge*
- *The Wall Street Journal*
- *The New York Times Business*
- *Wired Magazine*

**COURSE EVALUATION**

**Grading**
Grades will be determined on the following basis:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases (20% each)</td>
<td>40%</td>
</tr>
<tr>
<td>Class participation</td>
<td>20%</td>
</tr>
<tr>
<td>Final Team Paper</td>
<td>20%</td>
</tr>
<tr>
<td>Final Team Presentation</td>
<td>20%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>
CASE STUDY WRITE-UPS
All students are required to read and be prepared to discuss all cases. However, each student will only write up two cases:

- Last Name A-L: The CW: Launching a TV Network and Spotify
- Last Name M-Z: Legendary Entertainment and Grand Central Publishing

1. All hard copies of case study write-ups are due at the beginning of the class in which they are due.
2. If you know you will be absent during that class, make alternative arrangements prior to class.
3. All case write-ups are to be typed, double-spaced, 12-point type font; maximum length is 2 pages of text, plus one optional, additional page containing charts or exhibits.
4. Structure your paper by answering the questions listed (under the assignment) in the syllabus. All students should come to class prepared to discuss the cases, even if they did not have to hand in a written assignment.
5. Learn to write concisely and clearly. You will be evaluated not only on the effectiveness of your arguments, but also on the clarity of expression of your thoughts.
6. Always be sure to spell check and grammar check.
7. Endeavor to add insights to illuminate the broader trends, forces or reasons behind events described in the case. Do not just repeat information verbatim from the cases.
8. When you are asked for recommendations clearly and persuasively express the reasoning that led you to your conclusions.
9. Use the data in the case to support your conclusions, but feel free to provide any additional outside information you find that helped inform your thought process.
10. Any assignment turned in after the class in which it is due will be considered late and will receive a lower grade.

ASSIGNMENTS

<table>
<thead>
<tr>
<th>CASES/ASSIGNMENTS</th>
<th>DUE DATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>The CW</td>
<td>9/18</td>
</tr>
<tr>
<td>Legendary Entertainment</td>
<td>10/2</td>
</tr>
<tr>
<td>Spotify</td>
<td>10/30</td>
</tr>
<tr>
<td>Grand Central Publishing (A)</td>
<td>11/7</td>
</tr>
<tr>
<td>Final Project*</td>
<td>12/4</td>
</tr>
</tbody>
</table>

*Indicates entire class hands in the assignment

FINAL TEAM PRESENTATION AND PAPER
For the final presentation, the class will break into groups of approximately 4-6 students. Each group will focus on and analyze one current company in the entertainment/media landscape that faced a make-or-break moment in its business due to factors such as launching new products, changing technologies, evolving consumer tastes, new or stronger competitive players, national
or world events, etc. You will use publicly available company documents and annual reports, analyst write-up, newspaper, magazines, online articles, interviews, etc. to document and analyze the before, during and after of these key decisions. Use these guidelines:

1. **State of the Industry**: What was the prevailing state of their business and their industry before this event.
2. **Approaching the Crossroads**: What brought them to their crossroads? Was it inevitable, or could they have done something differently?
3. **Chosen Solutions**: What key decisions/steps did they take to resolve it? Do you agree with their choice? What else could they have done?
4. **Outcome**: What was the result of their decision? How did it change their business? Did it change their competitors or industry?
5. **Prospects of the Future**: What are their key strengths and weaknesses now? What are their prospects for growth in the next few years? What would you do if you were them to position themselves for growth?

Every member of the group must present an (approximately) equal portion of the project and will be graded on their individual contribution as well as the overall quality of the group presentation.

Please note that you will be asked to anonymously rate the contribution of each of your group members on a scale of 1-10.

**INSTRUCTOR POLICIES**

**Attendance/Lateness:**
- Students are expected to attend each class and actively participate in class discussions.
- Absences and Tardiness will lower your class participation grade. Missing class, being late, or leaving early will adversely affect your grade.
- Class will start promptly. Please be on time. Late students disrupt the learning environment.
- Late assignments will be downgraded. No work will be accepted beyond one week after the due date unless there are extraordinary circumstances and pre-approval.
- Please be sure to always spell check and grammar check your work.

**Computers and Phones**
- Please do not use your notebook computer or phones during class. The slides from class presentations will be given to you.

**Cheating/Plagiarism:**
- The Stern School of Business Honor Code governs conduct in the course:
  - “I will not lie, cheat, or steal to gain an academic advantage, or tolerate those who do.”

**Class Preparation:**
We will discuss each week’s readings in the class section, which is listed. Therefore, it is crucial that you complete all readings prior to each class. This homework and your critical reflection on it will form the basis for our in-class discussions each week. Also,
try and keep up on key developments in the media and entertainment industries during the semester.

**Class Participation:**
- It is essential that everyone contribute to the class discussions. You are expected to have read all the assignments for the day's class.
- Class participation will be graded on the quality of the interaction and will be measured against these criteria:
  - Are you prepared
  - Extent of knowledge
  - Ability to get to the heart of the matter
  - New insights
  - Building on statements of others

**Stern Undergraduate College Policies**
At NYU Stern, we strive to create courses that challenge students intellectually and that meet the Stern standards of academic excellence. To insure fairness and clarity of grading, the Stern faculty has agreed that for elective courses the individual instructor or department is responsible for determining reasonable grading guidelines. Approximately, 25-35% of students will receive an A or A- grade. The goal of the class is to have all the students master the material and receive grades that reflect this intent.

**Academic Integrity**
The entire Stern Student Code of Conduct applies to all students in enrolled in Stern courses and can be found here:
- [http://www.stern.nyu.edu/portal-partners/current-students/undergraduate/resources-policies/academic-policies](http://www.stern.nyu.edu/portal-partners/current-students/undergraduate/resources-policies/academic-policies)
- And the NYU Disruptive Behavior Policy:

**Students with Disabilities**
If you have a qualified disability and will require academic accommodation of any kind during this course, please be sure to notify me at the beginning of the course and provide a letter from the Moses Center for Students with Disabilities.
**COURSE SCHEDULE AND ASSIGNMENTS**

<table>
<thead>
<tr>
<th>Session 1: Sept. 4</th>
<th>Introduction and Course Overview</th>
</tr>
</thead>
</table>

**TOPICS TO BE COVERED:**
- Course introduction
- Framework for the course, review syllabus, overview of assignment

<table>
<thead>
<tr>
<th>Session 2: Sept. 11</th>
<th>The Business of Entertainment</th>
</tr>
</thead>
</table>

**TOPICS TO BE COVERED:**
- Overview of media and entertainment industries
- Trends, forces and challenges across the sectors of media and entertainment.
- The Five Forces.
- The “Experience” economy.
- Competition for leisure time, content creation and consumption.
- Key marketing issues.
- Growth by sector, trend, major players and centers.
- Industry Consolidation and Dynamics.

**READING MATERIALS:**
- See NYU Classes

**DELIVERABLES:**
- Come prepared to discuss readings.

<table>
<thead>
<tr>
<th>Session 3: Sept. 18</th>
<th>Television 1--The Broadcast Networks and Syndication</th>
</tr>
</thead>
</table>

**TOPICS TO BE COVERED:**
- The Television Ecosystem.
- Understanding Ratings and Revenue.
- Changing Viewership patterns.
- “The Schedule”: still relevant?

**READING MATERIALS:**
- Case: *The CW: Launching A Television Network (HBS)*
- See NYU Classes

**DELIVERABLES:**

*Case Analysis for The CW: Launching a Television Network*
- All students should be prepared to discuss this case.
- Those students whose last names begin with the letter A-L should write the case and be sure to specifically answer the questions below:
### Session 1: Sept. 4  Introduction and Course Overview

1. What are the major challenges in launching a new network? Who are their constituents?
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 run and why?
4. What are the best time slots for each of the three shows and why? (be sure to use the slots highlighted in the case)

*(Note: For this write-up, be certain to answer each question fully)*

### Session 4: Sept. 25  Television 2—Cable, Streaming and OTT

**TOPICS TO BE COVERED:**
- New Niches, New Content and New Players.
- New Business Models

**READING MATERIALS:**
- See NYU Classes

**DELIVERABLES:**
- Come to class prepared to discuss readings

### Session 5: Oct. 2  Film Industry 1: The Major Studios

**TOPICS TO BE COVERED:**
- Industry Overview, structure and economics.
- Understanding production, distribution and exhibition.

**READING MATERIALS:**
- Case: *Legendary Entertainment (HBS)*
- See NYU Classes

**DELIVERABLES:**
- All students should be prepared to discuss this case.
- Those students whose last names begin with the letter M-Z should write up the case and be sure to specifically answer the questions below:

**Case Analysis for Legendary Entertainment**

1. What limitations do you see to the applied analytics group’s attempt to revolutionize the motion picture business?
2. Should the applied analytics group work on projects for other movie studios or expand to other industries? Be sure to examine each option fully.
3. Why do movie studios rely so heavily on television advertising? What other options should they consider and why?
### Session 1: Sept. 4  
**Introduction and Course Overview**

4. What difficulties do you anticipate that the applied analytic group will encounter as they expand to foreign markers?
5. Was Dalian Wanda’s purchase of Legendary Entertainment a good strategic move? Why? *(You’ll have to do some research for this one).*

---

**CLASS DOES NOT MEET ON OCTOBER 9TH**

### Session 6: Oct. 16  
**Film Industry (cont.): The Independents**

**TOPICS TO BE COVERED:**
- The Role of Independents.
- Financing and the economics of Indies.
- New Players.

**READING MATERIALS:**
- *See NYU Classes*

**DELIVERABLES:**
- Come prepared to discuss readings.

---

### Session 7: Oct. 23  

**TOPICS TO BE COVERED:**
- History/Industry Structure.
- Rights, Royalties and Revenues.
- Trends, Forces and Changing Platforms.

**READING MATERIALS:**
- *See NYU Classes*

**DELIVERABLES:**
- Come prepared to discuss readings.
### Session 1: Sept. 4  
**Introduction and Course Overview**

### Session 8: Oct. 30  
**The Music Industry 2: Digital Revolution**

**TOPICS TO BE COVERED:**
- Streaming and the Changing business of Music

**READING MATERIALS:**
- Case: Spotify (HBS)
- See NYU Classes

**DELIVERABLES:**
*Case Analysis for Spotify*
- All students should be prepared to discuss this case.
- Those students whose last names begin with the letter A-L should write up the case and be sure to specifically answer the questions below:

(Note: For this analysis, you will also need to access the previous week’s readings)

1. Why were record labels initially resistant to digital forces, and why did they finally change?
2. Why did digital win? (Note: Feel free to add your own observations.)
3. Is digital helping or hurting the recording industry?
4. What accounts for Spotify’s success?
5. How can Spotify improve its business going forward?

### Session 9: Nov. 6  
**Publishing 1: The Book Industry**

**TOPICS TO BE COVERED:**
- Acquiring content.
- Industry Structure.
- Changing platforms and Revenues

**CASE:**
- *Case: Grand Central Publishing*

**READING MATERIALS:**
- See NYU Classes
**Session 1: Sept. 4**  
**Introduction and Course Overview**

**DELIVERABLES:**
- All students should be prepared to discuss this case.
- Those students whose last names begin with the letter M-Z should write up the case and be sure to specifically answer the questions below:

*Case Analysis for Grand Central Publishing*

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 and indicate why?  
*(Note: For this write-up, be certain to answer each question fully)*

**Session 10: Nov. 13**  
**Publishing 2: Newspapers and Magazines in the Digital Era**

**TOPICS TO BE COVERED:**
- Key challenges facing publishing in the digital age

**READING MATERIALS:**
- See NYU Classes

**DELIVERABLES:**
- Come to class prepared to discuss readings

**Session 11: Nov. 20**  
**Theater and Live Events**

**TOPICS TO BE COVERED:**
- The economics of Broadway. Investing. Costs and Returns

**CASES:** None.

**READING MATERIALS:**
- See NYU Classes

**DELIVERABLES:**
- Come to class prepared to discuss readings

**Session 12: Nov. 27**  
**Putting it All Together: Industry Mega Themes and Trends**

**TOPICS TO BE COVERED:**
- Understanding company reports. The future of entertainment. Getting a job in the industry.

**CASES:** None.

**READING MATERIALS:**
<table>
<thead>
<tr>
<th>Session 1: Sept. 4</th>
<th>Introduction and Course Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• See NYU Classes</td>
</tr>
<tr>
<td></td>
<td>DELIVERABLES:</td>
</tr>
<tr>
<td></td>
<td>• Come to class prepared to discuss readings</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Session 13: Dec. 4</th>
<th>Student Presentations and Course Wrap-Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOPICS TO BE COVERED:</td>
<td></td>
</tr>
<tr>
<td>• Student presentations</td>
<td></td>
</tr>
<tr>
<td>• Key takeaways</td>
<td></td>
</tr>
<tr>
<td>• Course wrap-up</td>
<td></td>
</tr>
<tr>
<td>CASES: None.</td>
<td></td>
</tr>
<tr>
<td>READING MATERIALS: None.</td>
<td></td>
</tr>
<tr>
<td>DELIVERABLES:</td>
<td></td>
</tr>
<tr>
<td>• Final project papers due at the start of class.</td>
<td></td>
</tr>
<tr>
<td>• In-class student presentations</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Session 14: Dec. 11</th>
<th>Student Presentations and Course Wrap-Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOPICS TO BE COVERED:</td>
<td></td>
</tr>
<tr>
<td>• Student presentations</td>
<td></td>
</tr>
<tr>
<td>• Key takeaways</td>
<td></td>
</tr>
<tr>
<td>• Course wrap-up</td>
<td></td>
</tr>
<tr>
<td>CASES: None.</td>
<td></td>
</tr>
<tr>
<td>READING MATERIALS: None.</td>
<td></td>
</tr>
<tr>
<td>DELIVERABLES:</td>
<td></td>
</tr>
<tr>
<td>• In-class student presentations continued</td>
<td></td>
</tr>
</tbody>
</table>