Platforms and Content: A Foundations Course
(MKTGB8611) - Half credit class
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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 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). 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 and Technology 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 course is a 1.5 credit course, planned to run in Term A of the Summer semester on Tuesdays and Thursdays between 10:20-11:50 pm. **The first class will be on Tuesday, May 23, 2022**. There is one make-up class on Friday, June 16, regular time.

The content is comprised of two distinct blocks. The first 6 classes will cover broad media platforms/ ecosystems and explore how they have been transformed by the digital revolution. In this section, we cover Broadcasting (Television and Radio), Video games, Search and Social networks. The next four classes are devoted to the four core content domains: Entertainment (film, books, music, etc.), Information (B2B media), News and Advertising. Class 11 will focus on 'format innovation' or 'concept development', a topic particularly relevant for the Media industry. Most classes will use a case study that we analyze in class, usually connected to a lecture/discussion. We end the course with a summary class including student presentations.

Class schedule

Sessions are between **10:20-11:50 pm Tuesdays and Thursdays**. **Classroom: Kravis 420.**

Date	Topic	Case	Assignment
05/23 Tue	Introduction	-	Will include watching documentary on the birth of Radio
05/25 Thu	Broadcasting 1: Radio	"Radio: Empire of the Air"	Bring your class-notes (Empire of the Air worksheet) on the documentary
05/30 Tue	Broadcasting 2: TV	Netflix	Read case/article Form groups (5-6 people/group)
06/01 Thu	Video games	Second Life	
06/08 Thu	Search	Google	Read case/article Choose/discuss industry topic
06/13 Tue	Social networks	Facebook	Read case/articles Prepare outline of industry analysis
06/15 Thu	Entertainment	Lady Gaga	Read case/article
02/16 Fri	B2B media	Symphony	Read case/article
06/20 Tue	News	The Economist	Read case/article Early submission of industry analysis
06/22 Thu	Advertising	Eyeo, AdBlock Plus	Read case/article
06/27 Tue	Innovation	Cirque du Soleil	Read case/article Prepare presentation
06/29 Thu	Summary / Presentations	-	Final date for submitting the Industry Analysis: **07/02**

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 the foundation). The second half of the class will consist of an assignment that includes watching a documentary together on the early history of the Radio industry. The assignment will constitute the case preparation for the next session.

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 "unbundling" on the TV industry.

4. Video games:
    We review the video game industry, again starting with its history. We will discuss the case of a struggling game platform, Second Life that has nevertheless operated as the first major 'metaverse' since the early 2000s. We will try to draw lessons for the booming popularity of a new generation of metaverses integrating blockchain and VR technology.

5. 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 how some of Google's core technologies form the basis for competitive advantage and whether these are strong enough to guarantee the profitability of the company for the next decades.

6. Social Networks:
    This class discusses the emerging social network industry. We will analyze the largest social network today: Facebook (and other subsidiaries of Meta). Special emphasis will be put on consumer behavior on social media and its implications for revenue models and competitive advantage in a context where a few successful challengers seem to emerge.

7. Entertainment content:
    This class will analyze industries based on content aimed at entertainment (books, music, film, etc.). These industries' history and industry dynamics are strongly linked to the evolution of some recording technology. Books, movies, music are all industries where recording allowed 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. We will illustrate these characteristics with a case on Lady Gaga.

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 messaging startup geared to the financial services industry.

9. News:
This class analyzes the case of *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:
Most consumer media markets are two-sided markets where a substantial source of revenue for media firms comes from advertising. This last class on consumer media content focuses on advertising. Advertising is undergoing a revolution with broad experimentation happening in literally all media markets. This class will review the fundamentals of advertising and will also touch on the agency business.

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 Cirque du Soleil.

12. Summary:
This last class will allow students to present a few Industry analysis project about niche media sectors that we did not cover during the semester (see details below). We finish the class with a short summary of the key take-aways from the course.

Class requirements and evaluation

Whether online or in person, 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%.

Attendance is mandatory but missing up to two classes is OK. Beyond two absences no H grade can be earned and beyond 5 missed classes the student fails the course. Class participation also means that students are required to read the material, with special attention to the assigned cases. Before each class (except Class 1) there is a small assignment that consists of responding to a case-related quiz (survey) on Canvas, which is an important preparation for productive class participation. Quizzes are not graded but

missing more than two of them has an impact on class participation grade. Note that each quiz closes before the corresponding class. The quality of student contributions (comments based on pieces of analysis brought to the case discussion) will be part of the evaluation of class participation.

After the course a short exam will be administered via Canvas. It will be available online during the exam period of approximately 10 days and will consist of a multiple-choice test based on questions related to some of the most fundamental concepts and information in the course. The exam will be open-book/ no internet.

Finally, an important part of the evaluation will be based on a short media Industry Analysis project. This is a group assignment. Each group is asked to pick a 'media industry'. This 'pick' may be from a predetermined list provided by the instructor or entirely free. In the latter case, it is best to pick a (few) concrete company(ies) of interest to you and define the industry from that company's perspective (identify its suppliers, customers and direct competitors). The goal is not to provide a full Company Analysis but to present 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 seek approval from the professor to make sure that the project is viable and interesting. The industry analysis will generally consist of (think of a slide or maximum two as deliverables for each of the following elements):
- Definition of current market size (local/global)
- Estimate of growth potential (stage of industry lifecycle, basic growth forecast)
- Description of supply chain(s) or value net (including complements suppliers)
- Identification of key players, market leaders (provide a landscape of industry participants)
- Industry analysis (use Porter, Greenwald or a similar framework): identify barriers to entry and sources of competitive advantage. What is the ROIC in the industry? Opportunities for entry and value creation. (Here you might need two slides).
- List regulatory issues/challenges and expected changes – if applicable
- Describe technological challenges/opportunities – if applicable.

The final deliverable is a set of (7-10) slides with the above points due by the end of the day on 07/02. Please, also note important landmarks for the project in the class schedule above (in red). 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 for your individual assignment and you are most welcome to meet about other issues related to the course or the Media and Technology Program in general. I do not have regular office-hours, meetings are scheduled by appointment. In normal times, I also suggest that we schedule a few lunches with small groups of interested students to discuss course and program related things.

See 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 case:

- 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 case:

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