Version of November 15, 2015.

**Topics Covered: in Spring 2015** Pricing Strategies for Digital Goods, Competition in Platform/Network Industries, Search and Competition, The Long Tail, Social Media, Data Mining and Business Intelligence, Online Privacy, Intellectual Property (mainly patents and copyrights) as digital strategy tools, Crowdsourcing and the changing nature of work. We also studied Security Strategy and Electronic Currencies, two topics that are increasingly important, and will also be covered in 2016.

**Class project:** The class group project in Spring 2015 focused on strategy analysis for an established company that either operates within or is about to enter a digital market. For student teams with interest in startups, there was the option for their project to put together the strategy and certain components of a business plan for a digital startup company.

**Course Summary and Objectives**
We are in the midst of an information revolution where information technologies are redefining business models, transforming industries, creating new markets, and generating a whole new “space” where new human communities, behaviors, norms, and regulation are just beginning to emerge. Information technologies are an increasing part of developing new products and services, of integrating business functions, and of managing customer relationships. IT-driven disruptions in business models are frequent.

In such a business environment, decisions about information technologies are increasingly central to business success. In more stable, “industrial age” industries of the past, business models were relatively stable, and the central basis for success with IT investments involved aligning them with complementary organizational and process changes. However, when IT transforms an industry, it realigns the industry’s structure and boundaries, and changes the fundamental business models that work.

The course is both theory and case oriented. The cases have been chosen to cover a range of industries and transformations of business models over the last ten years, and span search advertising, retailing, digital music, telecommunications, the IT industry, entertainment and gaming, and social networking. The objective is to end up with a framework that students will find useful in generalizing across contexts in which information technologies are changing the nature of business and the world. Considerable emphasis is placed on new emerging disruptions including social networks, platform competition, the long tail, data mining, crowdsourcing and the economic impact of search.

This course will not make you an IS technical specialist; its emphasis is on industry and managerial issues. However, through an overview of the technologies, activities, and applications of IS, this course
will help you to acquire an appreciation for the possibilities created by IT in tomorrow’s markets, organizations and society. We personally believe that every future executive needs to learn how to think about how IT transforms business, so we recommend it to students independent of their planned career path. Upon completion of this course you should have:

- An understanding of the major information technology enabled business models that have emerged over the past decade.
- An understanding of how information technologies change business models and how to anticipate these changes.
- An understanding of how information technologies transform industries, and a framework for thinking about how to predict whether IT will transform yours.
- A perspective on how information technology can create new markets and social structures.
- An appreciation of the many organizational consequences resulting from alignment (or lack thereof) of IT strategy and business models.

Readings
There is no textbook. The majority of the readings will be provided electronically via NYU classes as links or pdf files. Certain readings that may not be provided electronically will be handed out in paper form.

Expectations
Students are expected to be properly prepared for the class and to have thoroughly read the assigned readings and cases. Students are expected to participate actively in class discussion.

Course requirements
There are three requirements in this course:

1. **Assignments and Discussion Questions:** Each week, you will typically be assigned pre-class work a week in advance of the session. You will be asked to electronically submit answers to discussion questions before the class session begins. In addition, there will be a mix of individual and group assignments.

2. **Group Project: Strategy Analysis:** Your project will involve analyzing and formalizing strategy for a company operating in a digital market. It will involve analyzing the relevant market, identify disruptions the firm needs to face or may exploit, competitor analysis, analysis of the firm’s strategy including any intellectual property development and defense, and assessment of its likelihood of success.

3. **Post-class analysis:** You will be asked to reflect on, abstract and summarize crisply the main themes, insights and intellectual takeaways from the course, perhaps in order of significance to you personally.

4. **There may be an in-class or final Exam (TBD)**

Grading (TENTATIVE—THIS WILL CHANGE IF THERE IS AN EXAM)
Individual/Group Pre-Class Assignments: 25%
Participation in Class Discussion: 25%
Group Project: 30%
Post Class Analysis: 20%
### Pro Forma Class Schedule

**VERY PRELIMINARY**

Based on 2015 Schedule

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<thead>
<tr>
<th>Date</th>
<th>Session</th>
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<tbody>
<tr>
<td>S1 2/3</td>
<td><strong>The Technology of Transformation:</strong> Introduction, Course Overview, Technology Basics, How to think about Digital Disruption</td>
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<tr>
<td>S2 2/10</td>
<td><strong>Digital Markets I: Search:</strong> Search costs in Markets, Search Technology, Search and Digital Business Strategy</td>
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<td>S3 2/17</td>
<td><strong>Digital Advertising:</strong> The advertising ecosystem, ad-based revenue models, search and display advertising</td>
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<td><strong>Big Data:</strong> Data Mining, Business Analytics, Big Data</td>
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<td>S4 2/24</td>
<td><strong>The Long Tail:</strong> From a market of millions to millions of markets.</td>
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<td><strong>Social Marketing</strong> Social Networks, Social Marketing and the role of “influentials”</td>
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<td>S5 3/2</td>
<td><strong>Does IT Matter?</strong> IT and Business Value</td>
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<td><strong>Intellectual Property and Digital Strategy I:</strong> Patents in the Digital Domain</td>
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<td>S6 3/9</td>
<td><strong>Intellectual Property and Business Strategy II:</strong> Copyrights and Trademarks</td>
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<td>3/16</td>
<td><strong>SPRING BREAK</strong></td>
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<td>S7</td>
<td>3/23</td>
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| S9  | 4/6   | *Digital Markets III: Platform Strategies*  
Switching costs and lock-in, network effects, two-sided markets and platform competition. |
| S10 | 4/13  | *Digital Markets IV: P2P Markets and The Sharing Economy*  
Collaborative action, crowdsourcing, crowdfunding, Peer-to-peer markets, Disintermediation/reintermediation and the sharing economy |
| S11 | 4/20  | *Organizations in the Digital Age*  
Managing knowledge work; the changing nature of work in the digital economy. Social Impacts. Implications for business models. |
| S12 | 4/27  | *Student Presentations I*  
Topic TBA (based on student interests) |
| S13 | 5/4   | *Final Papers Due, Student Presentations II, Final Exam or Topic TBA, Course Recap* |