

**NEW YORK UNIVERSITY**  
**Stern School of Business - Undergraduate Division**

**ENTERTAINMENT AND MEDIA INDUSTRIES**

Instructor: Bob Tuschman  
Course: MKTG - UB 40  
Location: UC-21  
Email: btuschma@stern.nyu.edu  
Telephone: 917-428-2083  
Dates: Weds 3:15 - 4:45  
Office Hours: TBA

**COURSE DESCRIPTION:**

This course is designed to provide a framework for understanding the fundamental workings of the entertainment and media industries. The focus is on recent activities in the following key sectors: film, television (including cable and streaming), publishing, music and theater. We will explore the sweeping trends that are affecting all these industries: digitization, globalization, audience fragmentation, and changing means of monetization. We'll also look at the strategies and business models that are succeeding ... as well as those that aren't.

**COURSE OBJECTIVES:**

- To become familiar with the key concepts, terms and principles that apply to the entertainment industry
- To understand the prevailing forces and trends that are altering the industry.
- To analyze the activities of key players in the entertainment industry through case studies, newspaper articles, lectures and discussion
- To learn to think critically, clearly and creatively about the issues and challenges facing the entertainment and media industry today.

**REQUIRED COURSE MATERIALS:**

1. XanEdu Course Pack

Four HBS cases to be purchased (via Keycode) from the NYU Bookstore:

*The CW: Launching a TV Network*  
*The Walt Disney Studios*  
*Spotify*  
*Grand Central Publishing*

To purchase: Buy a Keycode from the NYU Bookstore in person or online at [bookstores.nyu.edu](http://bookstores.nyu.edu). Use your keycode to access the document from [www.xanedu.com](http://www.xanedu.com).

2. Newspaper Articles: As indicated in the syllabus. There may be new, more current articles added to the reading list in the course of the class.
3. OPTIONAL Textbook: *The Definitive Guide to Entertainment Marketing*, Lieberman & Esgate, Financial Times/Prentice Hall, 2013. For those that want a solid reference book on the industry.
4. RECOMMENDED: Check in with these two industry trade staples for news:

Hollywood Reporter: <http://www.hollywoodreporter.com>

Cynopsis: <http://www.cynopsis.com>

#### COURSE EVALUATION:

Grades will be determined as follows:

|   |     |
|---|-----|
| Case Analysis 1                               | 15% |
| Case Analysis 2                               | 15% |
| Final Team Presentation                       | 20% |
| Final Team Paper                              | 30% |
| Class Participation<br>(including Attendance) | 20% |

#### FINAL TEAM PRESENTATION & PAPER:

For the final presentation, the class will break into groups of approx 4 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 ups, newspaper/magazine/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 to avoid it?
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 FOR 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.

### INSTRUCTOR POLICIES:

#### CLASS PARTICIPATION:

This course is built on the active in-class participation and contributions of every student. As in the media business itself, your success depends on consistent, vibrant, intelligent and positive contributions every time we are together. You will be graded on your participation, including: preparation, knowledge, smart questions and insights, as well as a respectful and positive demeanor.

#### CLASS ATTENDANCE:

Absence and/or tardiness will lower your class participation grade significantly unless absence is due to an illness or emergency with appropriate written documentation - and is not necessarily excused. Class attendance will be taken at the beginning of every session via a circulated attendance sheet. If your name does not appear on the sheet, you will be considered absent. If you come to class too late to sign the form on time, you will receive a half-credit for that class. Signing for another student is not tolerated.

#### COMPUTERS/PHONES:

Phone use of any kind is not permitted in this class. Computer notebooks/tablets may be used for note taking only. Absolutely no email/web/social media/gaming/etc.

#### CLASS PREPARATION:

We will discuss each week's readings in the class session in which it is listed. Therefore, it is crucial that you complete all designated readings PRIOR to that class. This homework, and your intelligent and critical reflection on it, will form the basis of our in-class discussions every week.

Due to the focus on current media events, additional readings or media may be assigned to the schedule as they become relevant, and some readings or media currently listed may be swapped out for more current information as we get closer to the assignment date.

#### CASE STUDY WRITE UPS:

NOTE: All students are required to read and be prepared to discuss all cases. However, each student will only write up 2 cases.

LAST NAME A-L *THE CW: LAUNCHING A TV NETWORK* and *SPOTIFY*.

LAST NAME M-Z *THE WALT DISNEY STUDIOS* and *GRAND CENTRAL PUBLISHING*.

1. All case studies are to be handed in hard copy form at the class in which they are due.
2. If you know you will be absent during that class, email me to make alternative arrangements.
3. All case studies should be double-spaced, 2-4 pages max (approx 800 -1000 words.)
4. Structure your paper by answering all questions listed below in the syllabus (where the case is assigned.) Everyone should be prepared to answer these questions in class.
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. Correct grammar and spelling count.
6. Do not just repeat information verbatim from the case. Add insights to illuminate the broader trends, forces, or reasons behind events described in the case.
7. When you are asked for recommendations on courses of actions or strategies, clearly and persuasively express the reasoning that led you to your conclusions.
8. 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.
9. Any assignment turned in after the class in which it is due will be considered late and will receive a lower grade.

#### 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. However, this curve will not reduce anyone's numeric grade. The goal of the class is to have all students master the material and receive grades that reflect this.

## ACADEMIC INTEGRITY

The entire Stern Student Code of Conduct applies to all students enrolled in Stern courses and can be found here: [www.stern.nyu.edu/uc/codeofconduct](http://www.stern.nyu.edu/uc/codeofconduct).

## GENERAL CONDUCT AND BEHAVIOR

Please familiarize yourself with Stern's Policy in Regard to In Class Behavior & Expectations: <http://www.stern.nyu.edu/portal-partners/current-students/undergraduate/resources-policies/academic-policies/index.htm>

And the NYU Disruptive Behavior Policy:

<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/bullying--threatening--and-other-disruptive-behavior-guidelines.html>.

## Students with Disabilities

If you have a qualified disability and will require academic accommodation of any kind during this course, you must notify me at the beginning of the course and provide a letter from the Moses Center for Students with Disabilities verifying your registration and outlining the accommodations they recommend.

## **CLASS SCHEDULE**

### **9/7 The Entertainment Industries: An Overview.**

IN CLASS: Welcome. Review of Syllabus and Assignments. Industry definitions. Competition for Leisure Time. Trends, Forces and Challenges across The Industries.

### **9/14 The Business of Entertainment.**

IN CLASS: Porter's Five Forces. Content Creation and Monetization. Target Audiences. Hit Driven Businesses. Industry Consolidation and Dynamics.

### **9/21 Television 1: The Broadcast Nets and Syndication**

IN CLASS: The Television Ecosystem. Understanding Ratings and Revenue. Changing Viewership patterns. "The Schedule": still relevant?

READ: *The CW: Launching A Television Network* (HBS)

(Optional) Lieberman, *The Definitive Guide to Entertainment Marketing*, 75-101

DUE: Case Analysis

1. What are the major challenges in launching a new network? Who are their constituents?
2. If both UPN and the WB were unprofitable, why were CBS and Time Warner eager to launch the CW? In what ways were they a good fit as partners?
3. In your opinion, which were the smartest strategies and tactics used to launch the CW?
4. Which show would you cancel, and in which time slots would you schedule the remaining three shows?

## **9/28 Television 2: Cable, Streaming/OTT**

IN CLASS: New Niches. New Content. New Players. New Business Models.

READ: "NBC Says Netflix Doesn't Yet Pose a Consistent Threat ..." (Adweek, 1/13/16)  
<http://www.adweek.com/news/television/why-nbc-says-netflix-does-not-yet-pose-consistent-threat-at-broadcasters-168985>

"Here's How Much Netflix is Digging into Network TV's Audience" (Fortune, 3/3/16)  
<http://fortune.com/2016/03/03/netflix-declining-tv-audience/>

"The Millennial Trends that are Killing Cable" (Forbes, 3/21/15)  
<http://www.forbes.com/sites/markhughes/2015/03/21/the-millennial-trends-that-are-killing-cable/#21734c8f4f8f>

## **10/5 Film Industry 1: The Major Studios**

IN CLASS: Industry overview, structure and economics. Understanding production, distribution and exhibition.

READ: The Walt Disney Studios (HBS)

(Optional) Lieberman, *The Definitive Guide to Entertainment Marketing*, Ch. 3

DUE: Case Analysis

1. How would you define Disney's brand and what competitive advantages has it conferred its studios vs. other studios? Are there disadvantages?
2. What is unique about Disney's size, and what are those competitive advantages?
3. What is a "tentpole" strategy, and what are its potential risks and rewards?
4. How has Disney negotiated the risks and rewards of pursuing big franchises?
5. Has (and if so, how has) Disney stayed relevant to viewers of all ages?

## **10/12 Film Industry 2: The Independents**

IN CLASS: The Role of Independents. Financing and the economics of Indies. New Players.

READ: "The World's Top Ten Most Innovative Companies in Hollywood" (Fast Company, 2/10/14)

<http://www.fastcompany.com/most-innovative-companies/2014/industry/hollywood>

"The 30 Most Powerful Film Producers in Hollywood" (Hollywood Reporter, 4/13/15)

<http://www.hollywoodreporter.com/lists/30-powerful-film-producers-hollywood-883194/item/michael-bay-brad-fuller-andrew-883173>

GUEST SPEAKER: TBA

## **10/19 The Music Industry 1: Fundamentals and State of the Industry.**

IN CLASS: History/Industry Structure. Rights, Royalties and Revenues. Trends, Forces and Changing Platforms.

READ:

"How the Music Industry Created It's Own Worst Nightmare" (Forbes, 8/7/14)  
<http://www.forbes.com/sites/bobbyowsinski/2014/08/07/how-the-music-industry-created-its-own-worst-nightmares/#2fc5e9145364>

“The Death of Music Sales”

<http://www.theatlantic.com/business/archive/2015/01/buying-music-is-so-over/384790/>

David Byrne, “Open the Music Industry’s Black Box” (NYT, 7/31/15)

<http://www.nytimes.com/2015/08/02/opinion/sunday/open-the-music-industrys-black-box.html>

“Is Streaming Technology Saving the Music Industry?” (bbc.com 6/27/14)

<http://www.bbc.com/news/business-28023116>

## **10/26 The Music Industry 2: Digital Revolution**

IN CLASS: iTunes. Pandora. Apple Music. Spotify.

READ: Spotify (HBS)

“Five Ways Streaming Music Will Change in 2016”

<http://www.fastcompany.com/3054776/5-ways-streaming-music-will-change-in-2016>

DUE: Case Analysis

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

1. Why were the record labels initially resistant to digital forces, and why did they finally change?
2. Why did digital win? (Note: Feel free to add in your own observations.)
3. Is digital helping or hurting the Recording Industry?
4. What accounts for Spotify’s success?
5. If Spotify is so popular, why are they still unprofitable? What might they need to do change that?

POSSIBLE GUEST: Eric Besner, Head of Global Content Acquisition, Spotify

## **11/2 Publishing 1: The Book Industry**

IN CLASS: Acquiring Content. Industry Structure. Changing Platforms and Revenues.

READ: Grand Central Publishing (HBS)

DUE: Case Analysis

1. What factors about this book proposal could justify a million dollar bid from Grand Central? What factors argue against it?
2. What steps during acquisition, development and marketing does Grand Central Publishing take to insure it is making the right investments and protecting them?
3. How would you assess the role that agents play in publishing? To what extent do they work for and against the publishers?
4. Grand Central has three options before it: preemptively bid for Dewey, wait for the scheduled auction or pull out of the race. Which should they choose and why?

## **11/9 Publishing 2: Newspapers and Magazines in the Digital Era**

IN CLASS: Key Challenges Facing Publishing in a Digital Age.

READ: "How Sponsored Content is Becoming King" (NYT 7/24/16)  
<http://www.nytimes.com/2016/07/25/business/sponsored-content-takes-larger-role-in-media-companies.html>

"Is People Magazine Relevant in A Digital Age?" (WSJ, 2/22/15)  
<http://www.wsj.com/articles/is-people-magazine-relevant-in-a-digital-age-1424664618>

"How the Magazine Cover is Surviving .. in The Digital Revolution" (HuffPo, 6/16/15)  
[http://www.huffingtonpost.com/2015/06/16/magazine-covers-digital-revolution\\_n\\_7590566.html](http://www.huffingtonpost.com/2015/06/16/magazine-covers-digital-revolution_n_7590566.html)

"How Old School Publishers Can Win in The Digital Age" (Forbes, 10/5/14)  
<http://www.forbes.com/sites/gregsatell/2014/10/05/how-old-school-publishers-can-win-in-the-digital-age/2/#313257a77ebd>

POSSIBLE GUEST: Adam Moss, Editor of New York Magazine (not yet confirmed)

## **11/16 Theater and Live Events**

IN CLASS: The Economics of Broadway. Investing, Costs and Returns.

READ:

“Hamilton, Inc.: The Path to a Billion Dollar Broadway Show” (NYT, 6/12/16)

<http://www.nytimes.com/2016/06/12/theater/hamilton-inc-the-path-to-a-billion-dollar-show.html>

“So You’d Like to Invest in Broadway?” (Healy, NYT, 8/17/14)

<http://www.nytimes.com/2014/08/17/theater/rules-for-investing-in-a-broadway-production.html>

“The Business of Broadway” - Current Stats

<http://graphics.wsj.com/business-of-broadway/>

GUEST: Barbara Whitman, Broadway Producer, “Fun Home” “Fully Committed” “The Humans”  
“Hedwig and the Angry Inch”

**11/23 Thanksgiving. No Class.**

**11/30 Putting It All Together: Industry Mega Themes.**

IN CLASS: Understanding Company Reports. The Future of Entertainment? Getting a job in the industry.

**12/7 Final Presentations.**

**12/14 Final Presentations**