Course Description (Revised 1/12/15)

This four-unit, upper division course is part of the Annenberg School’s Media Economics and Entrepreneurship M2e initiative. It focuses on the regulatory, economic and cultural aspects of the entertainment industry in the United States, particularly cable television operators and programmers and their relation to online delivery. In addition, the course will explore the myriad aspects of Google as it relates to these businesses and as it creates an independent segment of leisure activity. This course is aimed at students who intend to go into the creative, policy or business sides of online and entertainment industries.

Learning Objectives

The goals of this course are:

- Familiarize students with the revenue and cost structures of the industries which compete for leisure time dollars
- Become proficient in examining and presenting data about a company or industry
- Analyze and write about a company or industry in a way that public policy and business leaders can use to make policy or investment decisions
- Understand the structure of the cable/broadband industries, and the role of a major disruptive Internet player, Google, on these businesses

Course Requirements and Attendance
Students are required to do all of the reading, attend all classes, complete all assignments, and participate fully in class discussion. Attendance is mandatory and will be taken each class meeting. Your grade may be affected by your promptness and level of attention during class lecture.

Personal computers and wireless Internet are a key part of today’s technological culture, but they also can distract you from the class discussion and dampen participation. Use computers for note-taking purposes only and avoid using other mobile devices during class time.

All assignments must be completed and handed in on time to avoid a grade reduction. If you are unable to turn in an assignment due to illness or a personal emergency, you must provide written documentation that will allow you to be excused, or discuss your situation with me in a timely manner.

**Required Readings and Supplementary Materials**

*Required*

Brenner, *Television Hugs, the Internet Kisses* (2005) (download)

Brenner, Price, Meyerson, *Cable Television and Other Nonbroadcast Video: Law and Policy* (2013) (chapters to be provided)


Add ’l Articles provided by professor


*Supplementary*


**Description and Assessment of Assignments; Grading Breakdown**

The final grade will be based on the following distribution and detailed below:
<table>
<thead>
<tr>
<th>Assignment</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Class participation</td>
<td>10%</td>
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<tr>
<td>Reading Questions submissions</td>
<td>15%</td>
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<tr>
<td>In-class industry/sector data presentation</td>
<td>15%</td>
</tr>
<tr>
<td>Google “Top Ten “Analysis</td>
<td>30%</td>
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<tr>
<td>Company/industry sector analysis</td>
<td>30%</td>
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**Class Participation**: Class discussion is a critical part of this course. Each individual is expected to be actively involved in class discussion. The primary assessment will be the quality of those contributions to the group effort.

Good contributions are: thoughtful, analytical, constructive to the group effort, topically relevant, linked to the readings assigned for that day

Poor contributions: simply restate what someone else has already said, take the discussion on a tangent, do not respect the other participants, and show that the individual has not done the assigned readings

If you have language difficulties or are extremely shy about participating, please see me about doing other assignments that can be evaluated as part of participation.

**Reading Questions**: student will submit by email by 3 pm the day of class (preferably before) 4 questions per week that demonstrate an understanding or further inquiry about the reading assignment that week (does not apply in weeks of no reading assignments)

**In Class Data Presentation**: student will present current data about that week’s industry segment to the class (student will be assigned a specific week to gather data); the presentation is to be shared with the class and discussed as to its importance and relevance to the weekly topic

**Google Top Ten Analysis**: student will prepare a paper listing the 10 most meaningful or controversial elements of Google’s services, its Terms of Service including its privacy policy, its search algorithm, and why these elements are on the list

**Company/Industry Sector Analysis**: student will prepare a maximum 1500-word analysis, directed to a regulator or company strategy officer, about a cable operator or programmer (e.g., Comcast, The Walt Disney Company, Mediacom, Time Warner Cable, Scripps, and Google) with recommendations as to investment or regulatory issues to address. Students may work individually or with one partner.

**WEEKLY READINGS AND TOPICS**

Jan 14: Overview of Economic Perspectives in Entertainment/Leisure Activities, Introduction to Google Industry structures and segments, valuation of industries, price discrimination

Reading: Vogel 3-69; Levy Prologue 1-8
Jan. 21: Cable Industry Overview/ Intro to Google Search Technology
Cable system architecture, set-top boxes, and alternative delivery sources
Brenner, Price, Meyerson Ch. I, Cable Technology (pages to be posted)
Vogel 228-259
Levy 9-68

Jan. 28: Program Creation Macroeconomics
Technology, admission cycles, production and distribution, assets, library transfers
Reading:
Vogel 71-113
Levy 69-166

Feb. 4: Motion Picture Finance: Distribution of Video from Big Screen to Apple Watch
Marketing, Distribution, Home Video, Profit Participations
Reading:
Vogel 114-177
Levy 167-212

Feb. 11: Financial Issues in Film, Television, and Broadband: What Do Participants Look for in Video Deals; You Tube Deals
Revenue recognition, inventories, amortization vs. expensing, profit participation arrangements, TV licensing
Reading:
Vogel 178-243
Levy 212-266
Feb. 18  Cable Content Policy, Market Issues
Retransmission consent, must carry, leased access, indecency

Reading:
Brenner, Price, Meyerson Chap. 6, 18 excerpts
Levy 267-314

Feb. 25: Internet Content Issues: Social Media, Broader Effects
Subscriber relation to internet, what causes stickiness, app selections, and bookmarks
Brenner, Television Hugs pp. 1-60
Levy 315-368

Mar. 4  Development of Internet on Cable Platform
Cable modem development, marketing, Network Neutrality, Competition to Cable Platform

Reading:
Brenner, Price Ch. 18
Brenner, Television Hugs 61-120
Brenner, Creating Effective Broadband Network Regulation, Fed’l Communications Law Journal
Levy:

Mar. 11:  Google: Friend or Foe to Cable Facilities: Guest Speaker
Facilities-based competition in cable, video and broadband; first amendment aspect of competitive providers, access to apartments, who owns the wiring, and why it matters

Reading:
Brenner, Price  Ch. 5 excerpts
Levy 369-388
Brenner, “Cable Television and the First Amendment” (Duke Law Review)

Mar. 18  SPRING BREAK
Mar. 25: **DVRs, Online Performance, You Tube, and Music Rights**

Rights required for online distribution; DVRs and other content storage technology

Reading:


Brenner Price, Ch. 17

You Tube article (to be distributed)

Apr. 1 **Google, Cable, and Online Gaming; Media Ownership**

Home videogames, coin ops; internet gaming; Nevada and regional gaming; profit principles; Sega Channel, other efforts to incorporate gaming into cable platform; who can own cable systems; merger history; relation between telephone companies, DBS and cable

Reading:

Brenner, Price, Meyerson 4:1-4:21

Vogel 381-447

Apr. 8 **Applying Marketing and History of Google to Google Terms of Service, Services, Algorithm, Privacy policies**

*Google Top Ten lists due this class*

Reading:

Current Google Terms of Service, review of Google’s services, investor information. Skim Ask.com terms of service

Apr. 15 **Content Unbundling on Cable and Online: A La Carte vs. Large Tiers of Programming**

Future of expanded basic service, basic service and a la carte networks, HBO Go and other “everywhere, anytime” services; effect of retransmission consent on a la carte

Reading:

FCC a La Carte Report (web address to be provided)

Brenner, Price, Meyerson 7:1-7:5; 7:34-7:55

McCain legislation

*Select industry or company for analysis assignment by this session— turn in selection*
Apr. 22 Financial and Policy Differences in Evaluating Industry performance; Recap

Debt/equity ratios, price/earnings ratios, book value of industries; what revenues are tied to online today; discuss final questions regarding student-generated analysis

Reading:

Vogel 525-534

Sample analysis of industry (to be distributed)

Apr. 29 Student Analyses Presentations

Oral presentation of analyses, with time limits for each presentation