I. Course Description

In a few months you will be entering a new world. You will be journalists, working at large media companies, freelancing, or perhaps thinking about striking out on a new venture.

Do you understand how the economics of content work? Do you know how large media companies make their money? How much do you understand about the media industry? We may all be familiar with the struggles many news organizations face, but what about the opportunities on the horizon?

As you are no doubt aware, the journalism business has entered a period of unprecedented change and uncertainty. The business models that long supported top-notch news gathering are, in many cases, being eroded by the digital world, though sometimes in surprising and unexpected ways. Yet the appetite for news, information, entertainment and storytelling has exploded as technology has enabled new forms of creativity, connected communities as never before and allowed content and comment to travel to every corner of the globe instantly.

That paradox—shrinking profits but surging demand—is at the heart of this course.

The Business of News is intended to provide you with a roadmap for this industry. The class will explain how content is produced, distributed and monetized and how the Internet has changed the industry’s structure and competitive dynamics. It will also give you a basic education in business fundamentals that will help you be competitive in a job market that increasingly demands not just craft and dedication, but entrepreneurialism and innovation.

This course isn’t an attempt to cover all of business, to teach business reporting or to help you nail a job interview. It should, however, help you enter the journalism market with confidence and context. You will be asked to examine and analyze journalism as a product with consumers and suppliers and to think critically about how digital models shape the news that is produced.

In this class we will analyze different types of newsrooms—from broadcast to newspapers to online—with a focus on how legacy business models are faring in the digital present, the challenges publishers face and innovative responses from both established companies, startups and even non-profits. You will be asked to submit critiques on major questions we encounter along the way. As a final project, each student will select a media business, publication or property of his or her choice and write an analysis of its business model as if you were the new CEO presenting to the company’s board.

II. Overall Learning Objectives and Assessment
Students should emerge from Jour 547 with an understanding of how journalism content makes money and with the ability to analyze a news media business, its competitive position and its financial prospects. They should develop skills to evaluate different businesses and think creatively about new business opportunities. Most importantly, students should adopt the mindset needed to be newsroom innovators, thinking beyond just what stories should be told to how audiences can be better served and technology best utilized.

This class will center on informed discussion, not lecture, and we'll use your questions, answers and in-class exercises to gauge progress toward these outcomes.

III. Description of Assignments
You are required to complete all of the readings listed on the syllabus ahead of class time and we expect you to be able to discuss and analyze the readings in class. Additional readings, typically recent news articles or commentary, will also be given.

Students will be graded on the quality, originality and clarity of their work. We have high expectations for writing and little tolerance for grammatical lapses.

Homework assignments: Most weeks you will be expected to complete a short writing assignment of 300-400 words asking you to analyze a particular challenge or aspect of the news business. Assignments will be due in the instructor's inbox by 10 a.m. the day before class (Thursday). We expect to see critical thinking, clear writing and your opinions or predictions where relevant. Parroting the reading will be looked on unkindly. Excerpts of select submissions will be presented in class for commentary and discussion, so it's essential that your assignments be submitted before the deadline to give us a chance to read them.

We will display excerpts from some of your essays in class and may ask you to explain your ideas. Don't be worried if your essay does appear or disappointed if it doesn’t; we look for a wide range of comments, and can select only a few each week. Also, given the size of the class, we aren't able to provide feedback on every essay every week. But you are always welcome to ask us for feedback during office hours.

Final project: Each student will pick a news company or publication of their choice (perhaps one you want to work at, or an example of the kind of company you'd start as an entrepreneur) and conduct a thorough but brief analysis of its business model for content, how it is positioned relative to audience, advertisers and competitors. You'll also present a plan for how you'd lead the organization over the next several years if given the CEO title. Students will submit their analysis for grading but also present a shortened version to the class in our last week. We'll have much more information about this project when we meet for the first time.

IV. Grading Breakdown

Homework: 50%
Class discussion/participation: 15%
Final project: 35%
Total: 100%
Please provide a grading schema. The official Annenberg Schema is:

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<thead>
<tr>
<th>Grade</th>
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<tr>
<td>A</td>
<td>95 to 100</td>
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<td>A-</td>
<td>90 to less than 95</td>
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<td>B+</td>
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<td>B</td>
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<td>B-</td>
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Many weeks (including the first), you will be asked to file an essay of 300-400 words by 10 a.m. on the Monday before class. We will be looking chiefly at your judgment and thinking; we want to see how you analyze and present the issues at hand. Don’t just summarize or parrot the author’s points; we’re far more interested in your interpretation and analysis. We expect filings to be accurate, original, grammatical and logical. Don’t be reluctant to express your opinions.

V. Assignment Submission Policy
A. All assignments are due on the dates specified. Lacking prior discussion and agreement with the instructor, late assignments will automatically be given a grade of F.
B. Assignments must be submitted via email to kingsley.smith@gmail.com by 10 a.m. the day before class. **Put the text of your essay into the email field itself, rather than sending attachments.** Be sure to include your name in the email, not just your email address. We will use time stamps on your emails to determine if they were filed before deadline.

VI. Required Readings and Supplementary Materials

**Required Text**


Other assigned readings appear in the homework section for individual lectures.

**Recommended Texts**

In addition to the assigned readings, there are many other books and websites that provide background and live news on the future of the news business. If you have the time and interest, here are some books you might review:

- For a good summary of the way the Internet has changed the economics of publishing and other business, see Chris Anderson’s *The Long Tail: Why the Future of Business is Selling Less of More* or Clay Shirky’s *Here Comes Everybody.*
- For insight into the impact Google has had on the news business, and an interesting read about the company itself, see Ken Auletta’s *Googled* or John Batelle’s *The Search: How Google and Its Rivals Rewrote the Rules of Business and Transformed Our Culture.*
- For a good introductory summary to the news business as it exists today, see Ken Doctor’s *Newsonomics: Twelve New Trends That Will Shape the News You Get.*

The following websites are among the most followed by news industry folks:

- Columbia Journalism Review at [www.cjr.org](http://www.cjr.org)
- Reflections of a Newsosaur at [http://newsosaur.blogspot.com/](http://newsosaur.blogspot.com/)
- NYU Prof Jay Rosen’s [www.pressthink.org](http://www.pressthink.org)

VII. Laptop Policy

Effective fall 2014, all undergraduate and graduate Annenberg majors and minors are required to have a PC or Apple laptop that can be used in Annenberg classes. Please refer to the Annenberg [Virtual Commons](http://www.niemanlab.org/).
more information. To connect to USC’s Secure Wireless network, please visit USC’s Information Technology Services website.

**Add/Drop Dates for this course (Session 207)**

**Last day to add:**
Tuesday, January 20, 2015

**Last day to drop without a mark of “W” and receive a refund:**
Tuesday, January 20, 2015

**Last day to drop with a mark of "W":**
Monday, February 23, 2015

**End of session:**
Friday, March 6, 2015

**VIII. Course Schedule: A Weekly Breakdown**

*Important note to students: Be advised that this syllabus is subject to change – and probably will change – based on the progress of the class, news events, and/or guest speaker availability.*

**Week One (Friday, Jan. 16, 10 a.m – 1:10 p.m.)**

What should journalism cost?

In this introductory lesson we’ll start by examining why journalism can be both expensive (to advertisers and publishers) and free (to consumers) at the same time. Why is it that some news (sports on ESPN) is wildly pricey while other news (NY Times coverage of Iraq) is virtually free of charge? That in some countries newspapers are growing while in the U.S. they are shrinking? What determines the value, and price, of news?

We’ll look at what makes the media a special economic case, how money is usually made from it (advertising and subscriptions) and how these models have been disrupted by the Web. We conclude with a brief examination of the opportunities that digital media present and some of the news companies taking advantage of them.

**Homework:**

Read: The Schibsted Harvard Business School case study.

"Competition Demystified" Caps 1-2

"The Story So Far" Tow Center, Columbia University, Cap. 1


**Assignment:** Evaluate Schibsted’s approach to the Internet challenge, and tell us what made it effective or ineffective. **Send an essay of 300-400 words to your class Gmail address by 10 a.m. on Thursday, Jan. 15.**

**Week Two (Friday, Jan. 23, 10 a.m – 1:10 p.m.)**

Print media and the Web

Newspapers and magazines have long formed the bedrock of newsgathering resources and, until relatively recently, of news consumption. How do they make money in print and online? Who are their advertisers
and what role does circulation play in their revenue? We'll also examine the challenges that newspapers faced at the dawn of the digital age, their widespread decision to offer free online content and the recent rise of alternative models such as paywalls and native advertising.

Homework:

Read:
"Free Ride" Caps 1 and 4


Assignment: Describe a strategy the Rocky Mountain News could have used to build a successful online business that generated revenue. Send your response of 300-400 words to your class Gmail address by 10 a.m. on Thursday, Jan. 22.

Week Three (Friday, Jan. 30, 10 a.m – 1:10 p.m.)
Broadcast Past, Present Future

For decades, television was the truly impregnable fortress of the media world. Three networks ruled the airwaves. Today, cable stands out as perhaps the only segment of the media world doing better than it did before the Internet arrived. Yet huge shifts are taking place in the market for video programs and video news with incumbents like CNN and NBC struggling to adapt.

As in week two, we begin by examining the existing business structure of television news and the relationship between programmers, carriers, consumers and advertisers. We'll look at the cable ecosystem and the emergence of YouTube and other online platforms as well as how print and digital newsrooms have also started video production.

Homework:

Read:
"Free Ride" Cap 2.

"Competition Demystified" Cap. 10


Assignment: Explain how you would adapt a broadcast station, network or news show for the online world. Send your response of 300-400 words to your class Gmail address by 10 a.m. on Thursday, Jan. 29.

Week Four (Friday, Feb. 6, 10 a.m – 1:10 p.m.)
Online Media

In this class we examine how online journalism is disseminated, how audiences are measured and how websites collect data. We’ll define terms like unique viewers, click-through rates and pageviews and examine different online content models including blogs, aggregation and curation sites, mobile apps and user-generated content. We’ll pay special attention to search engines and walk through the process of search optimization. Finally, we’ll examine how social media such as Facebook, and platforms such as YouTube, are impacting the current efforts of both established newsrooms and startups.

Homework:

Read:

"Free Ride" Caps 5-6

"The Story So Far" Tow Center, Columbia University, Cap. 2
http://www.cjr.org/the_business_of_digital_journalism/chapter_two_traffic_patterns.php

"Video Now" Tow Center, Columbia University

Assignment: Select the publication to focus on for your final project and submit it with a brief (one paragraph is fine) argument for your choice by 10 a.m. Thurs. Feb 5.

Week Five (Friday, Feb. 13, 10 a.m – 1:10 p.m.)
Advertising

Advertising continues to provide the backbone for most news media and though some outlets are shifting toward consumer-supported models, it’s essential that students understand the role advertisers have traditionally played in supporting the news. This class will look at both analog advertising (print, for example) and digital, where search and display ads dominate and have come to dramatically shape the content that’s economically viable on the Web. We’ll define metrics like the CPM and learn the basics of search and display advertising.

Homework:

Read:

Google Harvard Business School case study

"Free Ride" Cap 3.

Assignment: No assignment. Research your final project.

Week Six (Friday, Feb. 20, 10 a.m – 1:10 p.m.)
Emerging business models

In our second-to-last class before final presentations we’ll examine some of the newer business models to emerge from journalism. Primary among those is the metered paywall, which newspapers have turned to en masse to recoup some of the user revenue they’ve lost as offline subscribers have turned to free content online. Native advertising, a fancy term for content paid for by advertisers, is on the rise but raises ethical
and financial concerns. Other newsrooms, mainly local ones, have looked to the non-profit model while startups have used crowdfunding to pay for newsgathering.

Guest speakers: Navigating the new journalism careers
Recent Annenberg alumni discuss the skills that are in demand with newsrooms.

Homework:

Read:

*Free Ride* Cap 8-9

NY Times Paywall case study

**Assignment:** Do you think the paywall strategy employed by the Times will succeed? Why or why not? **Send your response of 300-400 words to your class Gmail address by 10 a.m. on Thursday, Feb. 19.**

Week Seven (Friday, Feb. 27, 10 a.m. – 1:10 p.m.)
Journalism innovation and startups

In our final session before class presentations (exam week) we survey some of the innovative, and occasionally disruptive, startups reinventing both how journalism is produced and how it is consumed. Sites like Buzzfeed, HuffPo and Mashable have changed the equation for any newsroom looking to launch online. While the first mobile-native newsroom, Rupert Murdoch's *Daily*, was a flop, new entrants such as the Atlantic's Quartz, and apps like Flipboard and Circa, are iterating rapidly to find a sustainable model. YouTube has given rise to online video channels that are valued in the hundreds of millions of dollars. Students will have a chance to use the skills and framework they've learned along the way to analyze these new models in the context of changing consumer tastes and technology.

**Guest speaker:** Josh Quittner, Head of Partnerships and Editorial at Flipboard.

Homework:

Read:

- Case study on the Long Beach Post. You can download it here: [http://tinyurl.com/3j8894g](http://tinyurl.com/3j8894g)
- Interview with Patch.com president: [http://tinyurl.com/4522u4k](http://tinyurl.com/4522u4k)

**Assignment:** No Assignment. Prepare your final reports and presentations.
Submit your final project by email before class. Students will conduct 10-minute presentations of their business analyses for the class as if they were the CEO presenting to the board.

IX. Policies and Procedures
Additional Policies

Internships
The value of professional internships as part of the overall educational experience of our students has long been recognized by the School of Journalism. Accordingly, while internships are not required for successful completion of this course, any student enrolled in this course that undertakes and completes an approved, non-paid internship during this semester shall earn academic extra credit herein of an amount equal to 1 percent of the total available semester points for this course. To receive instructor approval, a student must request an internship letter from the Annenberg Career Development Office and bring it to the instructor to sign by the end of the third week of classes. The student must submit the signed letter to the media organization, along with the evaluation form provided by the Career Development Office. The form should be filled out by the intern supervisor and returned to the instructor at the end of the semester. No credit will be given if an evaluation form is not turned in to the instructor by the last day of class. Note: The internship must be unpaid and can only be applied to one journalism class.

Statement on Academic Conduct and Support Systems
a. Academic Conduct
Plagiarism
Presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Section 11, Behavior Violating University Standards. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, http://policy.usc.edu/scientific-misconduct/

USC School of Journalism Policy on Academic Integrity
The following is the USC Annenberg School of Journalism’s policy on academic integrity and repeated in the syllabus for every course in the school:

“Since its founding, the USC School of Journalism has maintained a commitment to the highest standards of ethical conduct and academic excellence. Any student found plagiarizing, fabricating, cheating on examinations, and/or purchasing papers or other assignments faces sanctions ranging from an ‘F’ on the assignment to dismissal from the School of Journalism.’ All academic integrity violations will be reported to the office of Student Judicial Affairs & Community Standards (SJACS), as per university policy, as well as journalism school administrators.”

In addition, it is assumed that the work you submit for this course is work you have produced entirely by yourself, and has not been previously produced by you for submission in another course or Learning Lab, without approval of the instructor.

b. Support Systems
Equity and Diversity

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the Office of Equity and Diversity [http://equity.usc.edu/] or to the Department of Public Safety [http://capsnet.usc.edu/department/department-public-safety/online-forms/contact-us]. This is important for the safety whole USC community. Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report, or can initiate the report on behalf of another person. The Center for Women and Men [http://www.usc.edu/student-affairs/cwm/] provides 24/7 confidential support, and the sexual assault resource center webpage [https://sarc.usc.edu/] describes reporting options and other resources.

Support with Scholarly Writing

A number of USC’s schools provide support for students who need help with scholarly writing. Check with your advisor or program staff to find out more. Students whose primary language is not English should check with the American Language Institute [http://dornsife.usc.edu/ali], which sponsors courses and workshops specifically for international graduate students.

The Office of Disability Services and Programs [http://sait.usc.edu/academicsupport/centerprograms/dsp/home_index.html] provides certification for students with disabilities and helps arrange the relevant accommodations.

Stress Management

Students are under a lot of pressure. If you start to feel overwhelmed, it is important that you reach out for help. A good place to start is the USC Student Counseling Services office at 213-740-7711. The service is confidential, and there is no charge.

Emergency Information

If an officially declared emergency makes travel to campus infeasible, USC Emergency Information [http://emergency.usc.edu/] will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technology.

X. About Your Instructor

Kingsley Smith, an award-winning broadcaster, is the former News Director for KTTV in Los Angeles. For 25 years he’s worked in newsrooms in Dallas, St. Louis, Philadelphia and Los Angeles leading, creating, producing and managing news and information programs for on air and online. Kingsley now operates his own custom video production and marketing company creating original brand journalism and related content for small and large business, individuals, corporations and organizations. This custom video content is shared through targeted social media campaigns.