

MKT 499: The Art & Science of Creating and Marketing Blockbusters

Fall 2016 Syllabus

Tuesday/Thursday 10:00AM to 11:50AM Place: JFF 240

Adjunct Professor: Gene Del Vecchio

Office Hours: Tuesday/Thursday 12 Noon to 1PM (office TBD)

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COURSE DESCRIPTION

Blockbuster entertainment franchises such as *Star Wars* and *Frozen* are responsible for the movie industry's well-being. One study discovered that the top 5% of films (typically the blockbuster franchises) account for nearly all movie industry profits. Importantly, these blockbuster franchises also keep many other industries afloat, including toys, videogames, publishing and even apparel. Sales of merchandise for films like *Star Wars* and *Toy Story* were over 5 times the amount of money these films made at the box office. Because of this, it's critical to understand how to create, recognize, and market blockbuster entertainment franchises in ways that will inspire great interest among consumers of entertainment. This means understanding consumers' deep emotional desires and fantasies, and how to satisfy them via enticing stories, characters, merchandise, music, and play, all marketed in an astute way that generates intense awareness, interest, and purchase.

The disciplines used to gain this understanding are intensely interdisciplinary and includes psychology, sociology, storytelling, pop culture, economics/finance and marketing.

LEARNING OBJECTIVES

The overall goal of this class is to help tomorrow's marketers and storytellers use both art and science to create, recognize and market blockbuster franchises, most notably in film and television but with insights applicable to video games, toys, and more. More specifically...

- To understand the business of creating, marketing, and managing massive entertainment franchises in both a domestic and global marketplace.
- To understand the target consumers who enjoy entertainment, inclusive of their demographics, rational and emotional benefits derived from entertainment.
- To understand how to translate this knowledge into impactful storytelling (via narratives, characters, environments, etc) that can easily extend into other platforms of toys, video games, etc.
- To understand how to craft business strategies, marketing strategies, and marketing tactics that not only entice, but are financially sound while adding franchise partnerships from fast food to CPG.
- To enhance critical thinking/reasoning skills (and use of the USC-CT problem solving process) and the associated primary and secondary research tools to help drive key decisions regarding target audiences, product components, and marketing components (e.g. positioning, advertising, promotions, and distribution.).
- To apply this knowledge in an experiential context to create new story ideas that have blockbuster franchise potential, to invent marketing approaches to help bring them to life, and to communicate such in an effective way.

The ultimate goal is to help future business executives enter the entertainment industry with an understanding of how to identify and market those story ideas that have blockbuster franchise potential, and for storytellers

to understand how to craft narratives that lend themselves to franchises that can extend to platforms such as video games, toys and such. This learning will help students increase the odds of success by combining art, science, and business savvy that is at the core of *marketable artistry*.

STUDENTS: This class is meant for undergraduate students interested in entertainment from either the business/marketing side or the storytelling side. It's meant to be interdisciplinary, mixing future entertainment executives and storytellers as would occur when creating blockbusters in the real world. It's open to USC students at Marshall, Annenberg, and Cinematic Arts.

TEXT (REQUIRED & OPTIONAL MATERIALS)

Required Texts:

- *Creating Blockbusters* by Gene Del Vecchio. Pelican Publishing. 1st edition. 2012
- *Marketing to Movigoers* by Robert Marich. Southern Illinois University Press. 3rd edition.2013
- Course Reader/Case Studies (in bookstore as "MKT 499 Marketing Special Topics"):
 - ✓ Harvard Business School Case (9-899-041) 1998: DISNEY'S "THE LION KING" (A): THE \$2 BILLION MOVIE
 - ✓ Richard Ivy School of Business Case (W12144) 2012: PARAMOUNT PICTURES: THE TRANSFORMERS DILEMMA
 - ✓ Kelley School of Business (BH 254) 2007: ARE MOVIE THEATERS DOOMED
 - ✓ Ivey Publishing (W14451) 2014 : THE MARKETING OF A BOLLYWOOD FILM
 - ✓ Harvard Business School Case (N9-511-097) 2011: MARVEL ENTERPRISES INC.
 - ✓ Harvard Business School Case (9-610-036) 2011: WARNER BROTHERS ENTERTAINMENT
 - ✓ Harvard Business Case (9-507-050) 2011: THE CW: LAUNCHING A TELEVISION NETWORK

MARSHALL LEARNING GOALS

Emphasis will be placed on the USC Marshall School of Business learning goals as follows:		
Goal	Description	Course Emphasis
1	Our graduates will understand types of markets and key business areas and their interaction <i>to effectively manage different types of enterprises</i>	High
2	Our graduates will develop a global business perspective. They will understand how local, regional, and international markets, and economic, social and cultural issues impact business decisions <i>so as to anticipate new opportunities in any marketplace</i>	High
3	Our graduates will demonstrate critical thinking skills <i>so as to become future-oriented decision makers, problem solvers and innovators</i>	High
4	Our graduates will develop people and leadership skills to promote their effectiveness as <i>business managers and leaders</i> .	Moderate
5	Our graduates will demonstrate ethical reasoning skills, understand social, civic, and professional responsibilities and aspire to add value to society	Moderate
6	Our graduates will be effective communicators <i>to facilitate information flow in organizational, social, and intercultural contexts</i> .	Moderate/High

PREREQUISITES: None.

GRADING POLICIES & DETAILS

Grades will be based upon two exams (mid-term and final), team invention sessions, an individual project, and class participation. When combined, these have a total of 400 points possible as shown below.

Assignment	Type	Tot Pts = 400	% of Grade	Date
Mid-Term Exam	Individual	100	25%	Oct 6th
Final Exam	Individual	100	25%	Dec 13. 8-10am
Team Invention Sessions	Team	100 (4@25 each)	25%	Sept 13/Oct 4/Oct 25/Nov 10
Individual Project	Individual	60	15%	Nov 15 Due
Class Participation	Individual	40	10%	On-going

EXAMS: Mid-Term and a Final Exam(100 pts each/25% of grade each)

2 Exams (a Mid-Term and a Final) will be administered during the semester. Each has a possible 100 points and will account for 25% of your grade (50% of grade in total). Both may include multiple-choice, true/false and matching type question (no free response). They will include material covered in lecture and the text. The Final Exam will be heavily weighted to the information and theories discussed over the second half of the semester, but it may include some items from the first part of the semester.

TEAM INVENTION SESSIONS (100 pts/25% of grade)

Students will be placed into “company teams” comprised of approx 5 students per company team. During the course of the semester, the company teams will tackle 4 challenges to invent new franchises or marketing approaches based upon the previous lectures and readings. Each project is worth 25 points, so the 4 assignments total to 100 points and represents 25% of your grade. A student must be present to be awarded points given to his or her team.

Think of your team as story and marketing consultants to a major studio. Most of the team projects will be completed in-class so that students don't have to arrange out-of-class meetings. A 5 minute oral presentation of your team's "solution" to the assignment will occur at the end of that day's class. A discussion will follow regarding which solution has the greatest "blockbuster franchise" potential that motivates consumers of entertainment.

Since you are generating ideas, you should be aware of the university policy regarding ownership of intellectual property (your ideas) which can be found here: https://policy.usc.edu/files/2014/02/intellectual_property.pdf

INDIVIDUAL ASSIGNMENT PROJECT (60 pts/15% of grade)

This project is an individual student's effort to use the knowledge gained throughout the semester to invent a new film franchise idea, inclusive of a brief story description and characters. You will then be required to create a marketing/business program inclusive of marketing objectives, positioning, a communications plan, distribution plan, synergy plan, alliance partners plan, and estimated financials. It will include a type written paper of no more than 3 pages single spaced (in Word), and a 3 to 5 minute PowerPoint presentation that summarizes the franchise concept and marketing/business elements. Extra pages devoted to any visuals (e.g. ad units, synergy ideas, and proposed merchandise/alliance ideas) are in addition to the 3 pages.

CLASS PARTICIPATION (40 pts/10% of grade)

Each student is expected to participate in positive and respectful class discussion which will account for 10% of your course grade. The professor will take into account the quality and quantity of in-class participation/discussion particularly for the assigned cases.

Students will be expected to have prepared a USC-CT Problem Solving Process framework (forms to be supplied by the instructor) for each case before class and to hand it in at the beginning of class. This counts toward participation.

- **U:** Uncover the various potential problems, challenges & opportunities vis-à-vis organizational goals.
- **S:** Select the most critical problem(s), challenge(s) and/or opportunity(ies). Prioritize.
- **C:** Create a multitude of potential solutions.
- **C:** Choose the solution(s) that has the potential to be the most effective.
- **T:** Translate your solution(s) into an effective implementation plan.

Approximate points earned for class participation:

- ✓ 40 pts = Submits a USC-CT analysis and adds to quality discussion each time
- ✓ 30 pts = Submits a USC-CT analysis and adds to quality discussion most times
- ✓ 20 pts = Submits a USC-CT analysis and adds to quality discussion sometimes
- ✓ 10 pts = Rarely submits a USC-CT analysis and rarely adds to quality discussion

FINAL GRADES

As noted earlier, final grades are a result of points accumulated (total = 400pts) that is based on the two Exams (200pts total), the 4 Team Invention Sessions (100pts total), the Individual Project (60pts), and Class Participation (40pts). Final grades represent how you perform in the class relative to other students. Your grade will not be based on a mandated target, but on your performance.

MAKE UP EXAMS & EXTRA CREDIT

There are no make-ups on exams, team or the individual projects unless the student provides a documented medical excuse or other emergencies. A missed exam or project assignment is counted as a "0". There are no opportunities for extra credit.

EVALUATION OF YOUR WORK

The instructor will do his best to make his expectations for the various assignments clear and to evaluate them fairly and objectively. If you feel that an error has occurred in the grading of any assignment or exam, you may, within one week of the date that it has been graded, write the instructor a memo in which you request a re-evaluation of the work while explaining fully and carefully why you think it should be re-graded. Be aware that the re-evaluation process can result in three types of grade adjustments: higher score, no change, or lower score.

ATTENDANCE

You are expected to attend all classes. Not only will that aid learning, but your company team will depend upon you (just like in the real world). If you miss a day when team assignments are conducted, you will not be given points awarded by the team on that day. Attendance will be taken on occasion and can diminish the student's participation points. If you miss a class, you are responsible for getting notes from fellow students.

TECHNOLOGY POLICY

Laptop and Internet usage is not permitted during academic or professional sessions. Use of other personal communication devices, such as cell phones, is considered unprofessional and is not permitted. ANY e-

devices (cell phones, PDAs, I-Phones, Blackberries, other texting devices, laptops, I-pods) must be completely turned off during class time.

CLASSROOM BEHAVIOR/ETIQUETTE

The classroom is a professional learning environment and each student's behavior must reflect this. Students are expected to arrive on time, avoid disruptive entrances and exits, be prepared for class, be attentive, be respectful, and be engaged with instructor lectures and discussions (no work for other classes or reading non-class materials during class).

COURSE CALENDAR/READINGS/CLASS SESSIONS

Please note: The instructor reserves the right to make changes to the following syllabus for various reasons including the need to accommodate guest speakers, the speed of the class, adding new information/events worthy of discussion, unforeseen events, etc.

To fulfill on an interdisciplinary approach, the syllabus divides the class into three segments. The first segment details the principles of great storytelling. The second segment details the principles of great marketing. The final segment details key issues related to the business of entertainment.

Week	DAY	TOPIC	ASSIGNMENT
Week 1	Tues Aug 23	Overview of Blockbuster Principles + Types of Blockbuster Franchises Defined by Market Potential and Business Results	Required: Creating Blockbusters Ch 1/2/8
	Thurs Aug 25	Defining Your Target Audiences and Satisfying Emotional Needs	Required: Creating Blockbusters Ch 3/7, with review of Maslov Hierarchy of Needs and related research on age/gender needs.
Week 2	Tues Aug 30	Aligning with Culture and Trends	Required: Creating Blockbusters Ch 4/11
	Thurs Sept 1	Examination of Blockbuster Story Concepts, Positionings, Plots, Structure, Characters and Related Marketing Implications	Required: Creating Blockbusters Ch 5 & 6, plus a review of Aristotle's Poetics, and Vogler's The Writer's Journey (Hero's Journey).
Week 3	Tues Sept 6	Resolving Story Problems That Prevent Marketability (not enough action, not enough humor, not unique enough, etc., and how to resolve it to create "Marketability")	Required: Creating Blockbusters Ch 9
	Thurs Sept 8	Guest Speaker: A screenwriter, producer or director to speak about storytelling and its extension into franchises	Required: View the USC-CT Problem Solving Process here: https://vimeo.com/97885021 . Read Harvard Business School Case (9-899-041) 1998: DISNEY'S "THE LION KING" (A): THE \$2 BILLION MOVIE, and prepare a USC-CT analysis to hand in.
Week 4	Tues	Invention Session #1: Story ideas	Required: Student teams invent an

	Sept 13	(experiential learning)	idea for a new story-based franchise using story-based tools. Present ideas at end of class for discussion.
	Thurs Sept 15	Marketing Strategy	Required: Creating Blockbusters, Ch 10. Marketing to Moviegoers Intro & Creative Strategy Ch 1
Week 5	Tues Sept 20	Marketing Research/Analytics/Critical Thinking (Concept, positioning, ad research, test screenings, etc.)	Creating Blockbusters Ch 12 Marketing to Moviegoers Ch 2
	Thurs Sept 22	Traditional & New Media for Blockbusters	Marketing to Moviegoers Ch 3/4
Week 6	Tues Sept 27	Generating Publicity for Blockbusters	Marketing to Moviegoers Ch 7
	Thurs Sept 29	Guest Speaker: An entertainment executive in charge of Marketing/Media planning	Read Richard Ivy School of Business Case (W12144) 2012: PARAMOUNT PICTURES: THE TRANSFORMERS DILEMMA , and prepare a USC-CT analysis to hand in.
Week 7	Tues Oct 4	Invention Session #2: Marketing, Advertising, PR ideas (experiential learning)	Required: Student teams invent an marketing ideas for an upcoming film. Present ideas at end of class for discussion.
	Thurs Oct 6	Mid Term Exam	
Week 8	Tues Oct 11	Create Synergy: Promotional Tie-in	Marketing to Moviegoers Ch 5
	Thurs Oct 13	Create Synergy: Licensing/Merchandise	Required: Creating Blockbusters Revisit Ch 8 Marketing to Moviegoers Ch 6
Week 9	Tues Oct 18	Distribution & Exhibition for Blockbusters	Marketing to Moviegoers Ch 8/9
	Thurs Oct 20	Guest Speaker: An entertainment executive in charge of Franchise and/or Distribution	Required: Read Kelley School of Business (BH 254) 2007: ARE MOVIE THEATERS DOOMED , and prepare a USC-CT analysis to hand in.
Week 10	Tues Oct 25	Invention Session #3: Merchandise Ideas (experiential learning)	Required: Student teams invent merchandise ideas for an upcoming film. Present ideas at end of class for discussion.

	Thurs Oct 27	International Markets and Nuances	Required: Read Ivey Publishing (W14451) 20 : THE MARKETING OF A BOLLYWOOD FILM, and prepare a USC-CT analysis to hand in.
Week 11	Tues Nov 1	The Business of Blockbusters The money/the financing/the deal	Required: Read Harvard Business School Case (N9-511-097) 2011: MARVEL ENTERPRISES INC, and prepare a USC-CT analysis to hand in.
	Thurs Nov 3	Media Companies and Studios	Required: Marketing to Moviegoers Ch 10/11
Week 12	Tues Nov 8	Guest Speaker: A studio executive in charge of international and/or finance	Required: Read Harvard Business School Case (9-610-036) 2011: WARNER BROTHERS ENTERTAINMENT, and prepare a USC-CT analysis to hand in.
	Thurs Nov 10	Invention Session #4 (Full Franchise Development) (experiential learning)	Required: Student teams invent an idea for a new story-based franchise, and extend it thru franchise elements and marketing. Present idea at end of class for discussion.
Week 13	Tues Nov 15	The Keys to Career Success in Entertainment Individual Project Due in Class (3 page Word hard copy due in class + send Word doc and PowerPoint to professor via email)	Required: Read an actual film script (TBD) for blockbuster potential and generate 3 marketing ideas (before class) for the franchise.
	Thurs Nov 17	Individual Project Presentations (Oral)	
Week 14	Tues Nov 22	Individual Project Presentations (Oral)	
	Thurs Nov 24	Thanksgiving Break	
Week 15	Tues Nov 29	Guest Speaker: An entertainment executive at a television network.	Read The CW: Launching a Television Network. Harvard Business Case 9-507-050 and prepare a USC-CT analysis to hand in.
	Thurs Dec 1	Review & Catch up for Final Exam	
Final Exam	Dec 13 8-10am	Final Exam	

Academic Integrity and Conduct

USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one's own academic work from misuse by others as well as to avoid using another's work as one's own (plagiarism). 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. All students are expected to understand and abide by the principles discussed in the *SCampus*, the Student Guidebook (www.usc.edu/scampus or <http://scampus.usc.edu>). A discussion of plagiarism appears in the University Student Conduct Code (section 11.00 and Appendix A).

Students will be referred to the Office of Student Judicial Affairs and Community Standards for further review, should there be any suspicion of academic dishonesty. The Review process can be found at: <http://www.usc.edu/student-affairs/SJACS/>. Failure to adhere to the academic conduct standards set forth by these guidelines and our programs will not be tolerated by the USC Marshall community and can lead to dismissal.

Support Systems

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 students.

Students with Disabilities

The Office of Disability Services and Programs (www.usc.edu/disability) provides certification for students with disabilities and helps arrange the relevant accommodations. Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: ability@usc.edu.

Emergency Preparedness/Course Continuity

In case of a declared emergency if travel to campus is not feasible, the *USC Emergency Information* web site (<http://emergency.usc.edu/>) will provide safety and other information, including electronic means by which instructors will conduct class using a combination of Blackboard, teleconferencing, and other technologies.

Please make sure you can access this course in Blackboard and retrieve the course syllabus and other course materials electronically. You should check Blackboard regularly for announcements and new materials. In the event of an emergency, the ability to access Blackboard will be crucial. USC's Blackboard learning management system and support information is available at blackboard.usc.edu.

INDIVIDUAL ASSIGNMENT PROJECT

This project is an individual student's effort to use the knowledge gained throughout the semester to invent a new film franchise idea, inclusive of a brief story description and characters. You will then be required to create a marketing/business program inclusive of marketing objectives, positioning, a communications plan, distribution plan, synergy plan, alliance partners plan, and estimated financials. It will include a type written paper of no more than 3 pages single spaced (in Word 12 pt font), and a 3 to 5 minute PowerPoint presentation that summarizes the franchise concept and marketing/business elements. Extra pages devoted to visuals (e.g. ad units, synergy ideas, and proposed merchandise/alliance ideas) are in addition to the 3 pages.

Element to include...

1. EXECUTIVE SUMMARY -- A brief synopsis (preferably one short paragraph) of the franchise idea and its marketing program. (5pts)

2. THE CONCEPT/PRODUCT -- A sentence that describes the story idea, inclusive of the central character, his or her challenges, the character's goal, and the "world" within which he/she exists. (5pts)

3. THE POSITIONING -- Who is the effort directed toward (target audience), what is the genre you wish to emphasize (e.g. Sci-Fi, Fantasy, Horror, etc), the benefit to your audience (e.g. emotional pull), and key support points (e.g. elements such as cast/theme) that makes this truly different than other competitive franchises? Is this a 4-quadrant franchise/film? If so, tell how. If not, explain why you can justify alienating the other audiences. (10pts)

4. MARKETING PROGRAM – A summary of ...

- Marketing Objectives. Outline the various objectives of the marketing program, inclusive of the degree of awareness desired, imagery required, and the estimated total worldwide box office. Show how you arrived at B.O. estimates using procedures outlined in class. (5pts)
- Marketing Elements: Briefly explain each element and the rationale regarding why/how it supports the positioning and marketing objectives.
 - ✓ Communications/Promotion Plan: Recommend proposed venues (e.g. tv, print, radio, social media, pr, direct, promotions, etc), and the role each will play in the communications plan (use the contact strategy chart described in class). Include a sample theater poster and a TV commercial (3 frames, a beginning, middle, and end) and/or other ad units that illustrate the primary creative approach used. (10pts)
 - ✓ Distribution Plan: What is your initial launch distribution venues? What are any subsequent downstream distribution paths and the timing for each? (5pts)
 - ✓ Synergy Plan: Assume you are creating this effort within a large studio that has multiple entertainment division and provide at 5 ways to expand the potential of this idea across divisions. (5pts)
 - ✓ Alliance Partners Plan: List 5 outside alliance partners that will help make this a franchise (e.g. toys, video games, apparel, food/beverage, etc.) and provide a product example for each that is themed to the new franchise. (5pts)
 - ✓ Financials: What is your total marketing budget and how was it derived given your marketing objectives and B.O. goal/estimate? Use a method discussed in class. (5pts)

5. RESEARCH: Indicate the key research steps you will employ from concept to post-introduction to help you optimize your franchise's potential. (5pts)