

**Global Strategy for the Communications Industry**  
**COMM 431**  
**Spring 2017**

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Course description: New communication technologies and the intensification of political and economic ties between nations have created a truly global communications industry. The traditional media companies in the US and EU are now part of large multimedia conglomerates with increasingly global reach. At the same, strong national and regional players have emerged following the privatization and liberalization of communication industries in Asia, Latin America, Africa and the Middle East. In midst of this increasingly complex environment, the Internet has disrupted the traditional organization of media markets, creating both challenges and opportunities for existing and new market actors.

This course surveys the technological, economic and political dimensions of the global communications industry. It seeks to provide students with concepts and analytical tools to understand the current organization of global media and telecommunications markets and the key drivers of change. The course begins with a review of fundamental concepts in communications industry strategy and industrial organization, followed by a discussion of the technological changes that have facilitated the globalization of the media and telecommunications sector. The rest of the course looks at how these forces materialize in different market segments and world regions.

Course requirements:

1. **Class participation.** Students are expected to make informed contributions to in-class and online discussions. What does it take to make *informed* contributions? First and foremost, to read the weekly assignments and attend class. Second, students are expected to contribute to the online discussion board by posting links to news articles or other types of content (reports, papers, books, etc.) relevant to the topics discussed in class. A minimum of two posts are expected from each student each week (starting in Week 2). One post will be an original contribution and the second will be a response to a post made by a fellow student or the class instructor.
2. **Group project.** Students will work in groups (2 students per group) on a case study that will be presented to the class. This involves researching a topic and presenting the findings to the class. Group assignments and topics will be finalized by Week 4. All groups are required to meet with the instructor at least once before their class presentation. Topics will relate to the media and telecommunications industry outside the US.
3. **Take-home midterm.** There will be a take-home midterm exam, covering the readings for the first part of the course.

4. **Final exam.** There will be a take-home final exam. This will be an essay-format exam, in which students are expected to apply what they have learned during the course to a specific case or situation.

Grading:

	<i>Points</i>	<i>% grade</i>
Class participation	50	10
Group project	125	25
Take-home midterm	125	25
Final exam	200	40
<b>Total</b>	<b>500</b>	<b>100</b>

*Grade ranges*

A	94.0% or higher
A-	90.0%-93.9%
B+	87.0%-89.9%
B	83.0%-86.9%
B-	80.0%-82.9%
C+	77.0%-79.9%
C	73.0%-76.9%
C-	70.0%-72.9%
D	60.0%-69.9%
F	59.9% or lower

Course material.

This is an advanced undergraduate course. As such there is no single textbook. Most reading assignments will be made available online or through Blackboard. The rest will be distributed in class.

Statement on Academic Conduct and Support Systems

**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* <https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions>. 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>.

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://adminopsnet.usc.edu/department/department-public-safety>. This is important for

the safety of the 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 <http://sarc.usc.edu> describes reporting options and other resources.

## **Support Systems**

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](http://sait.usc.edu/academicsupport/centerprograms/dsp/home_index.html) provides certification for students with disabilities and helps arrange the relevant accommodations. 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.

### Class schedule

#### **Week 1. Introduction to business strategy in the communications industry. (Jan 9)**

##### Required reading:

Shapiro, C., & Varian, H. (1999). *Information rules*. Boston: Harvard Business School Press. Chapter: 1. Available at <http://www.uib.cat/depart/deeweb/pdi/acm/arxiu/premsa/information-rules%20VARIAN%20SHAPIRO.pdf>

#### **Week 2. Pricing information. (Jan 16)** No class Monday Jan 16.

##### Required reading:

Shapiro, C., & Varian, H. (1999). *Information rules*. Boston: Harvard Business School Press. Chapter: 2.

#### **Week 3. Network effects. (Jan 23)**

##### Required reading:

Shapiro, C., & Varian, H. (1999). *Information rules*. Boston: Harvard Business School Press. Chapter: 7.

#### **Week 4. Communications industry: Organization and technological change. (Jan 30)**

Required reading: TBD

**Week 5. Communications industry: Regulation and deregulation. (Feb 6)**

Required reading:TBD

**Week 6. The Internet and the future of media. (Feb 13)**

Required reading:TBD

**Week 7. Long tail vs. blockbusters. (Feb 20) No class Monday Feb 20.**

Required reading:

Elberse, A. (2013). *Blockbusters: Hit-making, risk-taking, and the big business of entertainment*. New York: Holt. Chapters: Prologue and 1.

Anderson, C. (2004). *The long tail*. Available at <http://www.wired.com/wired/archive/12.10/tail.html>

**Week 8. Intellectual property and its critics. (February 27)**

Required reading:

Maskus, K. (2012). *Private Rights and Public Problems: The Global Economics of Intellectual Property in the 21st Century*. Washington D.C.: IIE. Chapters: 1. Available at [http://www.piiie.com/publications/chapters\\_preview/5072/01iie5072.pdf](http://www.piiie.com/publications/chapters_preview/5072/01iie5072.pdf)

**Week 9. Piracy and entertainment analytics. (March 6)**

Required reading: TBD

**Week 10. Digital platforms. (March 20)**

Required reading:

Hagiu, A. (2014). Strategic Decisions for Multisided Platforms. *MIT Sloan Management Review* 55 (2). Available in Blackboard.

**Week 11. Hollywood rules (March 27)**

Required reading:

Noam, E. (2010). Hollywood 2.0: How Internet Distribution Will Affect the Film Industry. Available at <http://quod.lib.umich.edu/d/dcbooks/8232214.0001.001/1:5/--media-technology-and-society-theories-of-media-evolution?g=dculture;rgn=div1;view=fulltext;xc=1>

**Week 12. Group project presentations. (April 3)**

**Week 13. Media concentration and globalization. (April 10)**

Required reading:

Arsenault, A., & Castells, M. (2008). The Structure and Dynamics of Global Multi-Media Business Networks. *International Journal of Communication* 2 (2008), 707-748. Available at <http://annenbergl.usc.edu/sites/default/files/2015/04/28/The%20Structure%20Manuel.pdf>.

**Week 14. Group project presentations. (April 17)**

**Week 15. Non-commercial media in the digital age. (April 24)**

Required reading:

Goodman, E., & Chen, A. (2010). Modeling policy for new public service media networks. *Harvard Journal of Law & Technology* 24(1). Available at <http://archive.cmsimpact.org/sites/default/files/documents/pages/24harvjtech111.pdf>