

COMM 209: Communication and Media Economics (4 units)

Instructor: Prof. Hernan Galperin

Term: Fall 2025

Schedule: Tuesday/Thursday 3:30-4.50pm

Location: ANN L105A

Office Hours: tbd

Office: ASC 332C

email: hgalperi@usc.edu

Zoom: usc.zoom.us/my/hernangalperin

Teaching Assistants:

Course Description: This course introduces macro and microeconomic principles for analyzing the communication and media industries. The course begins with a review of fundamental concepts in industrial organization and information economics, followed by an overview of the technological changes that continue to disrupt the media industries. In the second half of the course, these concepts are applied to analyze the different media sectors (broadcasting and streaming, motion picture, music, and so forth). The goal of this course is to familiarize students with fundamental economic concepts for understanding business strategies and the evolution of the media and communication industries.

Student Learning Outcomes: By the end of this course, students are expected to:

- Master fundamental concepts in information and media economics
- Be able to identify linkages between new technologies and transformations in the industrial organization of the media industries
- Be able to apply these concepts to analyze case studies
- Master key industry terms and concepts that will prepare them for careers in the industry.

Class Readings: There is no textbook or course reader. All course materials are available online or through Brightspace. Two books the course draws heavily from are:

- Cabral, Luis. 2024. *The Economics of Entertainment* (available [online](#) only).
- Lotz, Amanda. 2021. *Media Disrupted : Surviving Pirates, Cannibals, and Streaming Wars*. MIT Press (selected chapters available on Brightspace).

Students are expected to read the material before each class per the course schedule below.

Delivery modality and attendance policy: It is expected that students attend class (both lecture and discussion section) in person. Note that lecture slides and other class information will be posted on Brightspace shortly after each class. Classes will not be recorded nor livestreamed.

Laptop policy: USC Annenberg has a policy that requires that all students enrolled in an Annenberg class bring their own laptop device to campus. Please bring your laptop or tablet to class as we will

occasionally have activities in class that require each student to have a laptop. If you do not have a laptop, USC Information Technology Services provides loaner laptops. Laptops are expected to be used for taking notes and other course-related activities only.

Assignments and requirements: There are four class requirements, described below:

1. *Class participation.* Students are expected to make informed contributions to class, discussions sections and online activities. Having read/watched the required material before class is essential for making informed contributions.
2. *Midterm exam.* There will be an in-class midterm exam (closed book, no electronic devices). The goal of the exam is to demonstrate mastery of key concepts covered through week 7. There will be a midterm review session during class on Tuesday Oct 14, followed by the midterm on Thursday Oct 16.
3. *Group project.* This assignment is meant to simulate a situation students are likely to encounter in their professional careers. Students will work in groups (2 or 3 students per group) to prepare a presentation on a topic of their own choosing. Each group will research the topic, articulate the research with class readings, and present the findings to the class on week 13. Grading will be based on the group project grading rubric available on Brightspace.
4. *Final exam.* There will be an in-class final exam (closed book, no electronic devices). The goal of the exam is to demonstrate mastery of key concepts covered throughout the course. The exam will take place during finals period (exact date will be determined by the registrar's office).

Assignment Submission Policy: All assignments are due on the dates specified. Lacking prior discussion and agreement with the instructor, late assignments will receive a grade penalty that will vary depending on the assignment and the number of days from the due date.

Grade Breakdown:

Assignment	% of Grade
Class participation	10
Midterm exam	30
Group project	25
Final exam	35
TOTAL	100%

Course Grading Policy: In order to pass this class you will need to complete all of the assignments. Failure to complete one or more of them will result in an F in the class.

Grading Scale:

95% to 100%: A	78% to 81%: B-	62% to 65%: D+
90% to 94%: A-	74% to 77%: C+	58% to 61%: D
86% to 89%: B+	70% to 73%: C	54% to 57%: D-
82% to 85%: B	66% to 69%: C-	0% to 53%: F

Grading Standards

Letter Grade	Description
A	Excellent; demonstrates extraordinarily high achievement; comprehensive knowledge and understanding of subject matter; all expectations met and exceeded.
B	Good; moderately broad knowledge and understanding of subject matter; explicitly or implicitly demonstrates good, if not thorough understanding; only minor substantive shortcomings.
C	Satisfactory/Fair; reasonable knowledge and understanding of subject matter; most expectations are met; despite any shortcomings, demonstrates basic level of understanding.
D	Marginal; minimal knowledge and understanding of subject matter; more than one significant shortcoming; deficiencies indicate only the most rudimentary level of understanding.
F	Failing; unacceptably low level of knowledge and understanding of subject matter; deficiencies indicate lack of understanding.

Grading Timeline: Every attempt will be made to grade exams and post grades within two weeks. Grades will be posted on Brightspace. If you have concerns regarding a grade on a given assignment, you must appeal it in writing (by email) within one week of receiving the graded assignment. If you fail to inquire/notify of any discrepancy or contest a score within one week of the date the score is posted, no further changes will be made.

Course Schedule: A Weekly Breakdown

Important note to students: Be advised that this schedule is subject to change based on the progress of the class and guest speaker availability.

	Topics and key concepts	Readings/ material to review <u>before</u> class
Week 1 8/26 -8/28	Introduction: public goods, club goods and free riders.	Read: "The Economics of Entertainment" (chapter 1). Available here . Watch: "Public Goods and Asteroid Defense". Available here . Watch: "A Deeper Look at Public Goods". Available here .
Week 2 9/2 - 9/4	The demand for media. Demand elasticity. Inferior, normal and luxury goods.	Read: "The Economics of Entertainment" (chapter 2, up to p.32, ignore the math). Available here . Watch: "The demand curve" here . Watch: "Understanding the demand curve" here .
Week 3 9/9 -9/11	The supply of media. Fixed and variable costs. Returns to scale. The uncertainty principle.	Read: "The Economics of Entertainment" (chapter 3, up to p.58, ignore the math). Available here . Watch: "The supply curve" here . Watch: "Understanding the supply curve" here . Watch: "Fixed and variable costs" here .
Week 4 9/16 -9/18	Pricing in the media industry.	Read: "The Economics of Entertainment" (chapter 5, up to p.114, ignore the math). Available here . Watch: "Price Discrimination" here Watch: "Types of price discrimination" here .
Week 5 9/23 -9/25	Network effects and externalities. Lock-in and switching costs.	Read: "Information rules," chapter 5 (103-116, rest is optional) and chapter 7 (173-186, rest is optional). Available on Brightspace. Watch: "Network externalities" here .
Week 6 9/30 -10/2	Systems competition and standards.	Read: "Information rules," chapter 8 (227-237, rest is optional). Available on Brightspace. Watch/read: The end of Sony's Betamax video tape here .
Week 7 10/7 (no class 10/9 – recess)	Platforms and multisided markets.	Read: "Strategic Decisions for Multisided Platforms." Available on Brightspace. Watch: "Two-sided markets" here .
Week 8 10/14 -10/16	Review session: 10/14 In-class midterm: 10/16	
Week 9 10/21 -10/23	The Internet, piracy and content distribution. Streaming and OTTs.	Read: "Media Disrupted," chapter 1 (on Brightspace) Watch: Vertical and horizontal integration here .
Week 10 10/28 -10/30	Blockbusters and long tail strategies.	Read: "Blockbusters" (prologue and Chap. 1). Available on Brightspace. Read: "The Long Tail" (available here). Watch: tbd
Week 11 11/4 -11/6	Music, the star system and star power	Read: "Rockonomics" (chap 1). Available here . Read: "Media Disrupted," chapter 2 (on Brightspace) Watch: Rockonomics here .
Week 12 11/13 (no class 11/11 – holiday)	Hollywood and the movie business	Read: "Media Disrupted," chapter 4 (on Brightspace) Watch: tbd
Week 13 11/18-11/20	Group project presentations (online)	
Week 14 11/25-11/27	No classes (happy thanksgiving!)	
Week 15 12/2-12/4	Streaming services and broadcasting	Read: "Media Disrupted," chapter 5 (on Brightspace) Watch: tbd

Statement on Academic Conduct and Support Systems

Academic Integrity:

The University of Southern California is foremost a learning community committed to fostering successful scholars and researchers dedicated to the pursuit of knowledge and the transmission of ideas. Academic misconduct is in contrast to the university's mission to educate students through a broad array of first-rank academic, professional, and extracurricular programs and includes any act of dishonesty in the submission of academic work (either in draft or final form). This course will follow the expectations for academic integrity as stated in the [USC Student Handbook](#). All students are expected to submit assignments that are original work and prepared specifically for the course/section in this academic term. You may not submit work written by others or "recycle" work prepared for other courses without obtaining written permission from the instructor(s). Students suspected of engaging in academic misconduct will be reported to the Office of Academic Integrity. Other violations of academic misconduct include, but are not limited to, cheating, plagiarism, fabrication (e.g., falsifying data), knowingly assisting others in acts of academic dishonesty, and any act that gains or is intended to gain an unfair academic advantage.

Academic dishonesty has a far-reaching impact and is considered a serious offense against the university. Violations will result in a grade penalty, such as a failing grade on the assignment or in the course, and disciplinary action from the university itself, such as suspension or even expulsion. For more information about academic integrity see the [student handbook](#) or the [Office of Academic Integrity's website](#), and university policies on [Research and Scholarship Misconduct](#). Please ask your instructor if you are unsure what constitutes unauthorized assistance on an exam or assignment or what information requires citation and/or attribution.

In this course, I encourage you to use artificial intelligence (AI)-powered programs to help you with assignments that indicate the permitted use of AI. You should also be aware that AI text generation tools may present incorrect information, biased responses, and incomplete analyses; thus they are not yet prepared to produce text that meets the standards of this course. To adhere to our university values, you must cite any AI-generated material (e.g., text, images, etc.) included or referenced in your work and provide the prompts used to generate the content. Using an AI tool to generate content without proper attribution will be treated as plagiarism and reported to the Office of Academic Integrity. Please review the instructions in each assignment for more details on how and when to use AI Generators for your submissions.

Course Content Distribution and Synchronous Session Recordings Policies

USC has policies that prohibit recording and distribution of any synchronous and asynchronous course content outside of the learning environment. Recording a university class without the express permission of the instructor and announcement to the class, or unless conducted pursuant to an Office of Student Accessibility Services (OSAS) accommodation, is prohibited. Recording can inhibit free discussion in the future, and thus infringe on the academic freedom of other students as well as the instructor. ([Living our Unifying Values: The USC Student Handbook](#), page 13).

Distribution or use of notes, recordings, exams, or other intellectual property, based on university classes or lectures without the express permission of the instructor for purposes other than individual or group study. This includes but is not limited to providing materials for distribution by services publishing course materials. This restriction on unauthorized use also applies to all information, which had been distributed to students or in any way had been displayed for use in relation to the class, whether obtained in class, via email, on the internet, or via any other media. Distributing course material without the instructor's permission will be presumed to be an intentional act to facilitate or enable academic dishonesty and is strictly prohibited. ([Living our Unifying Values: The USC Student Handbook](#), page 13).

Students and Disability Accommodations:

USC welcomes students with disabilities into all of the University's educational programs. [The Office of Student Accessibility Services](#) (OSAS) is responsible for the determination of appropriate accommodations for students who encounter disability-related barriers. Once a student has completed the OSAS process (registration, initial appointment, and submitted documentation) and accommodations are determined to be reasonable and

appropriate, a Letter of Accommodation (LOA) will be available to generate for each course. The LOA must be given to each course instructor by the student and followed up with a discussion. This should be done as early in the semester as possible as accommodations are not retroactive. More information can be found at osas.usc.edu. You may contact OSAS at (213) 740-0776 or via email at osasfrontdesk@usc.edu.

Student Financial Aid and Satisfactory Academic Progress:

To be eligible for certain kinds of financial aid, students are required to maintain Satisfactory Academic Progress (SAP) toward their degree objectives. Visit the [Financial Aid Office webpage](#) for [undergraduate](#)- and [graduate-level](#) SAP eligibility requirements and the appeals process.

Support Systems:

[Annenberg Student Success Fund](#)

The Annenberg Student Success Fund is a donor-funded aid account available to USC Annenberg undergraduate and graduate students for non-tuition expenses related to extra- and co-curricular programs and opportunities.

[Annenberg Student Emergency Aid Fund](#)

Awards are distributed to students experiencing unforeseen circumstances and emergencies impacting their ability to pay tuition or cover everyday living expenses. These awards are not intended to cover full-tuition expenses, but rather serve as bridge funding to guarantee students' continued enrollment at USC until other resources, such as scholarships or loans, become available. Students are encouraged to contact their academic advisor directly with questions about additional resources available to them.

[Counseling and Mental Health](#) - (213) 740-9355 – 24/7 on call

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

[988 Suicide and Crisis Lifeline](#) - 988 for both calls and text messages – 24/7 on call

The 988 Suicide and Crisis Lifeline (formerly known as the National Suicide Prevention Lifeline) provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week, across the United States. The Lifeline consists of a national network of over 200 local crisis centers, combining custom local care and resources with national standards and best practices. The new, shorter phone number makes it easier for people to remember and access mental health crisis services (though the previous 1 (800) 273-8255 number will continue to function indefinitely) and represents a continued commitment to those in crisis.

[Relationship and Sexual Violence Prevention Services \(RSVP\)](#) - (213) 740-9355(WELL) – 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender- and power-based harm (including sexual assault, intimate partner violence, and stalking).

[Office for Equity, Equal Opportunity, and Title IX \(EEO-TIX\)](#) - (213) 740-5086

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

[Reporting Incidents of Bias or Harassment](#) - (213) 740-2500

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office for Equity, Equal Opportunity, and Title for appropriate investigation, supportive measures, and response.

[The Office of Student Accessibility Services \(OSAS\)](#) - (213) 740-0776

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<https://annenberg.usc.edu/current-students/resources/annenberg-scholarships-and-awards>