B8253 Section 1
Immersion Seminar – Media and Media Tech

Course Overview

This half-course Immersion Seminar takes place over four Friday mornings and early afternoons.

Student attendance is mandatory. The course provides an analysis of key issues shaping the media industry over the next decade, organized around four conceptual themes and four industries.

The media sector is in the midst of dynamic change at all levels, exploring business models applicable to the digital economy more generally. It is heavily influenced by technological change, entrepreneurial innovations, and regulatory actions. The course will look to define the opportunities and the perils which lie ahead, as well as the managerial challenges and investor considerations.

For students interested in understanding the media and the digital economy, observe media companies in action, and anticipate the impacts, this is an important course.

Course Structure
There will be brief lectures, interactive dialogues, student presentations, and exposure to practitioners at major media firms.

The course will proceed as follows. We will explore in each week one conceptual theme, discuss it in class, and then explore it during the subsequent site visit at a major company that represents a category of the media business. The format will be:

1. At Columbia, Prof. Noam, in a brief lecture, will introduce
   a. the focus issue of the day
   b. the company and its industry.
2. We then proceed by a bus to the company. Often, lunch will be served at that location. (In other cases, a box lunch will be ready at Warren Hall, for a meal during the bus trip.)
3. At the site visit, one or two previously chosen and prepared student teams will make a presentation on how the focus of the day affects the company and industry, and how the company might deal with it. The specific topics are provided below.
4. The company representatives will respond to the student presentation, as well as make their own presentation.
5. Often, there will be a guided tour inside the company.
6. At the end of the course, the student team will prepare a paper fleshing out their recommendations and incorporating the insights they gained at the site visit, as well as from Prof. Noam’s lecture and from other sources. They will extend their assigned focus issue to the three other companies, though with much less detail.

Site Visits
The sessions will take place at company locations in the New York City area, for talks and
discussions with leaders from those companies. Buses will take students from campus to the site.
At the end of the visit, around 3:00pm, students take public transportation back to their
destination of the afternoon.

Industries & Companies

The four industries are (with the company to be visited):

- TV and Filmed Entertainment (NBCUniversal)
- Online Services (Google)
- Publishing (Wall Street Journal)
- Tech Startups (Gateway)

Focus Issues

Theme #1: The tradeoff of wide media conglomerate vs. specialized media company, in the
transition to online video.

A1. Making Vertical Integration Work. For a long time, media companies expanded
their scope of business by moving into other media activities and acquiring other companies. In
some cases, however, and partly pushed by activist shareholders such as Carl Icahn, media
companies such as Time Warner divested themselves of cable operations; telecom subsidiaries;
magazines, book publishing, music labels, and more. Others, in particular Comcast, went the
opposite way. As Time Warner became part of a sprawling communications company—AT&T, Comcastr acquired NBCUniversal and now also large parts of the Murdoch media operations. It
tried (but failed) to buy Time Warner Cable and Disney. So the question is: how real are the
synergy benefits of vertical and complementary mergers? What are the opportunities? The
potential problems? How can one make being part of a conglomerate most productive? This analysis should be applied, specifically, to the transition of TV and film media to online distribution.

This theme relates to the core courses in Finance and Strategy Formulation

Company visit planned: NBC (Comcast & NBCUniversal)

Theme #2: In understanding the demand for media products, digital technology is now giving us plenty of data, but do we also have the analytical tools, the cross-media integration of data, and the behavioral models?

B1. Big Data: beyond the hype. In recent years the concepts of Big Data and of Data Mining have garnered significant attention. Companies pursuing a data strategy have been highly valued. But is there a hype-cycle to this perspective? What are the limitations of Big Data Mining, in terms of what can actually be delivered; in terms of management focus; and in generating push-back? How can Big Data Mining become more effective and less controversial?

B2. Is Big Data a natural monopoly? Collecting data from many sources; storing it; processing and analyzing it; utilizing the results—these are all activities that are intensive in upfront fixed investment, and have low marginal costs. As a result, the economies of scale are high, and the barriers of entry for smaller rivals could be high. Is the implication that in the end, a handful of companies will dominate this sector globally? Or are competitive forces such that new ventures or in-house operations will find space? What is the likely emerging market structure in Big Data analytics? What then should be strategies for smaller firms? For established retailers and others? And what are the public policy approaches likely to emerge, and how can they balance economic efficiency with concern over corporate Big Brothers?
This unit connects to the core courses in Marketing and in Business Analytics

Site visit planned: Google

**Issue #3: How legacy media can morph into new media organizations**

**C1: How to gain Millennial customers.** The subscription base of the Wall Street Journal has basically stayed the same (about 2.4 million total) but print circulation has decreased from 1.9 million in 2009 to 1.036 million in 2018, while the digital circulation has increased from about 350,000 to 1.6 million. But young people use other ways to get news and information. What strategies could be used by the WSJ to grow the subscription base of Millennials? What are the media habits of Millennials, and what seems to appeal to them? In what ways can the younger generations be engaged and converted as customers for the *Wall Street Journal*? What are the implications for marketing? For advertisers? For the WSJ’s traditional readership? For journalists? Does the content need to be tweaked to attract a younger subscription base? What have been some successful strategies to attract a younger user base in other media that could work for newspapers?

**C2: How traditional publishers can reshape their product from text to add sound, video, and multimedia.**

In a bid to capture new audiences, publishers and startups have taken steps to create new content out of their traditional stories to try to engage users in a new way. For example, a startup by two Columbia graduates, called Audm, creates audio content of long form journalism narrated by professional voice actors. This allows users to hear the articles like a podcast rather than having to read them. Smart speakers (like Amazon Echo, Google Home etc.) have also allowed for new forms of content delivery, like abridged news updates from well-known news sources (like the Wall Street Journal). Similarly, video content is being created to augment and enhance
text-based stories. What are examples that have worked? How can publishers create, market, and monetize these forms of content delivery? What are ways to leverage it into generating new subscribers? What are the implications of this new form of content for journalists and journalism in general? How can publishers like the Wall Street Journal protect this content from being redistributed without compensation by competitors? Should this new content (video or audio) be included in the subscription, or made available separately?

This unit connects to the core course in Managerial Economics and in the Global Economic Environment

Site visit planned: Wall Street Journal

Theme #4: Is small beautiful?

**D1: Is small beautiful?** From a 1980s orientation on big firms as the engine of growth and innovation, the pendulum has swung to an emphasis on startups and SMEs. But has that perspective gone too far? What can startups achieve, and where are they lagging? How can one combine the benefits of both approaches? What models and practices have worked?

**D2: The New York Advantage.** For several years, New York has been lagging behind Silicon Valley in technological innovation. More recently, NYC has been catching up. Looking at NYC-based digital companies that have been successful, or relocated some of their activities to NYC, what are factors for success? What might be concrete steps, if any, by government and the business community to strengthen this? By way of comparison, what has worked for technology startups in other countries?

This theme relates to the core courses in Strategy Formulation and in Managerial Economics.

Company visit planned: Gateway, an innovation platform that offers programming and services for promising startups and excelling scaleups (Sweden sponsored)
**Group Presentations**

Students will be assigned into groups around the focus issues and companies. Each class visit will include a presentation on the topic and company selected for the day. At the site visit itself, the same team will provide an assessment of how they see the company is affected by the focus issue of the day, and what it should do. We discourage presentations that give a lengthy overview of the company (or industry) to its own managers. They should walk out of the meeting with value-added from the presentation.

Onsite student presentations will cover:

- The history and background of the issue (briefly)
- The relevance of the issue to the company and to the industry (briefly)
- Existing options and opportunities, relating to the issue, for the company going forward

Company participants will then respond and address the issue, too, and describe what changes they foresee, including the impact those changes will have on the future of media, and the media sector as a career.

**Course Schedule**

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<th>Readings</th>
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<td>Diversification</td>
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<td>NBCUniversal</td>
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Assignments and Grading

Requirements for the course are: attend class and participate in class discussions (30%), group presentation to site visit host (40%), and a final paper a week after class ends (30%).

Final Paper

In the final paper, flesh out their presentation at the site visit, briefly broaden their treatment of their focus issue to the other three companies, and discuss the implications of this issue to management of media companies. A team paper should be about 10 pages in length, not including figures and tables. In the alternative, an individually authored paper should be about 5 pages. It should be framed as a consulting recommendation to the firm.

Faculty Leader

Eli Noam is Professor of Economics and Finance at the Columbia Business School and its Garrett Chair of Public Policy and Business Responsibility. He served for three years as a Commissioner for Public Services of New York State, and was appointed by the White House to the President's IT Advisory Committee. He recently served as President of the International Media Management Academic Association. He is the Director of the Columbia Institute for Tele-Information, a research center focusing on management and policy issues in communications, Internet, and media. He has also taught at Columbia Law School, Princeton University’s Economics Department and Woodrow Wilson School, the Swiss universities of St. Gallen and Fribourg, and the University of Pennsylvania, and he is active in the development of electronic distance education. Noam has published 30 books and over 300 articles in economics journals, law reviews, and interdisciplinary journals, and served as a regular columnist for the
Financial Times online edition. His recent books and projects include: Who Owns the World’s Media? (Oxford); Media Ownership and Concentration in America (Oxford); Peer-to-Peer Video (Springer); Media Management (2-volumes, 2019); and the project: The Next Generation of Video: Cloud-TV.

Noam has been a member of advisory boards for the Federal government’s telecommunications network, and of the IRS computer system, of the National Computer Systems Laboratory, the National Commission on the Status of Women in Computing, the Governor’s Task Force on ned Media, and of the Intek Corporation. His academic, advisory, and non-profit board and trustee memberships include the Nexus Mundi Foundation (Chairman), Oxford Internet Institute, Jones International University (the first accredited online university), the Electronic Privacy Information Center, the Minority Media Council, and several committees of the National Research Council. He served on advisory boards for the governments of Ireland and Sweden, and is a member of the Council on Foreign Relations. He is a commercially rated pilot, served in the Israel Air Force in the 1967 and 1973 wars, and is currently a search and rescue pilot with the Civil Air Patrol (1st Lt.). He is married to Nadine Strossen, a law professor and national president of the American Civil Liberties Union for 18 years. He received the degrees of BA, MA, Ph.D (Economics) and JD from Harvard University, and honorary doctorates from the University of Munich (2006) and the University of Marseilles/Aix-en-Provence (2008).