

COMM 431
Global Strategy for the Communications Industry
Fall 2005

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Course description: This course looks at how firms in the communication industry are competing in the international arena. It focuses on the global strategies of companies across a variety of industry sectors: broadcasting, film, telecommunications, the Internet, video games, and the music industry. The main goal is to analyze the similarities and differences in these strategies, and understand which strategies work in which sectors, which don't, and why. The course starts by looking at the basics of communication and information technology markets, how they work, how they are organized, and the technological and political-economic forces shaping them. We will then look at specific industries, based on real-world examples of how companies such as Sony, eBay, Sega and Qwest are expanding internationally and adjusting to the new dynamics of the global communication marketplace. Lastly, we will examine two important issues for communication and information technology firms: how to manage intellectual property worldwide and how to factor in cultural differences across markets.

Career relevance: As the revolution in communication technologies creates truly global markets, the ability to understand the international dimension of the commercial decisions with which organizations are confronted has become a critical managerial skill. Whether you pursue a career in Hollywood, an Internet start-up, advertising, or the non-profit sector, you will be faced with decisions that cut across political, economic, and cultural borders. How should you expand internationally? How important is having locally-produced content? What are the regulatory and cultural barriers that need to be considered in your strategy? This course intends to give students the analytical tools to address these types of questions by providing an understanding of the global forces shaping communication and information technology markets (understood broadly) and how firms are adapting their international strategies to these changes.

Class structure: While the readings and lectures are intended to build your analytical strengths, the core of this course is in the discussion around the case studies, since they represent the kind of real-world situation you are likely to face in your career (but let's make this clear from the start: you must do the readings and attend lectures in order to contribute intelligently to the discussions). Of our two weekly meetings, the Monday meetings will be more lecture-based, while the Wednesday meetings will be primarily dedicated to the case studies (although we may need to make adjustments to this plan as the semester unfolds). Collaboration between students on the preparation of case studies (both in and out of class) is essential. I will also do my best to bring relevant guest speakers to the class (don't expect Hollywood celebrities, just regular folks dealing first-hand with the issues we will be discussing).

Course requirements: There are five requirements for the course:

1. **Class participation.** Students are expected to make informed contributions to class discussions and in-class activities. What does it take to make *informed* contributions? First and foremost, doing the readings before class. Second, I strongly encourage students to follow the ICT industry news.
2. **Take-home mid-term.** There will be a short take-home mid-term. It will be handed out on Wednesday, October 5 and will be due the next class (Monday, October 10). No late mid-terms will be accepted.
3. **Case study presentation.** Student will work in groups to present and lead discussion on the weekly case studies (the size of the groups will depend on the number of students in the class). Each group will be assigned one case study. Cases will be assigned on a first-come first-served basis. You are required to email me with your first, second, and third preferences for the case study by the end of the third week of classes (September 9).
4. **Class project.** Students will work in groups on a project in which they are expected to develop a case study about one of the industry sectors covered in class (again, the number of students per group will depend on the number of students in the class). A one page synopsis of the project should be submitted by September 28. The groups will present their projects to the class in the last two weeks of classes. Presentations must be business-like (30 minutes suggested), and include visual aids and a written report (12 double-spaced pages suggested).
5. **Final exam.** There will be a take-home final exam similar to the mid-term exam. It will be handed out in the last class (November 30) and will be due Wednesday, December 7. Under no circumstances late exams will be accepted (I mean it).

Important dates to remember:

Assignment	Due by
Case study preferences	September 9
One-page project synopsis	September 28
Take-home mid-term	October 10
Class project	November 21, 28, or 30
Final exam	December 7

Grading: Requirements will be weighed as follows:

Class participation	10%
Take-home mid-term	20%
Case study presentation	20%
Class project	30%
Final exam	20%

Course material. There is one required book, available at the USC bookstore and elsewhere:

Cairncross, Francis (2001). *The death of distance*. Boston: Harvard University Press. **NOTE: Make sure to buy the 2001 edition, not the older one.**

There is also a course reader (also available from the USC bookstore) and a few readings you will download from the Internet.

The course website is available through the TOTALe (formerly Blackboard) system. The address is <http://learn.usc.edu> (**note: do not type "www"**). You login with your USC username and password. All course materials and announcements (including lectures) will be made available through the course website.

A brief announcement from the Office of Civil Rights: Students requesting academic accommodations based on a disability are required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from the DSP when adequate documentation is filed. Please be sure the letter is delivered to me as early in the semester as possible. DPS is open Monday-Friday, 8:30-5:00. The office is in Student Union 301 and their phone number is (213) 740-0776.

The Annenberg School for Communication is committed to upholding the University's Academic Integrity code as detailed in the SCampus Guide. It is the policy of the School of Communication to report all violations of the code. Any serious violation or pattern of violations of the Academic Integrity Code will result in the student's expulsion from the Communication major or minor.

Class schedule

Week 1 (August 22). Introduction: The digital economy

- The Economist. Survey: The New Economy (read all articles). Available at <http://www.economist.com/surveys/showsurvey.cfm?issue=20000923>
- Cairncross, pp. 187-212 (chapter 8).

Week 2 (August 29). How ICT markets work.

- Shapiro, C., & Varian, H. (1999). *Information rules*. Boston: Harvard Business School Press. Chapter 1: The information economy (pp. 1-18).

Week 3 (September 5). The communications revolution.

- Cairncross, pp. 1-74 (chapters 1-3).

Week 4 (September 12). ICTs and development.

- ITU. (2003). World telecommunications development report (Chapter 4: ICTs and the millennium development goals). Available at http://www.itu.int/ITU-D/ict/publications/wtdr_03/
- Wade, R. (2002). Bridging the digital divide: New route to development or new form of dependency? *Global Governance* 8(4): 443-466.

Week 5 (September 19). Where it all begins: The telecommunications industry.

- Telecommunications industry survey. Available at <http://www.economist.com/surveys/showsurvey.cfm?issue=20031011> (read all articles).
- Noll, R. (1999). *Telecommunications reform in developing countries*. AEI-Brookings Working Paper 99-10 (p. 1-28, the rest is optional). Available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=181030

Case study: ENTel and the Privatization of Argentine Telecommunications

Week 6 (September 26). Where it is going: The Internet.

- Cairncross, pp. 75-98 (chapter 4).
- Clark, D., & Blumenthal, M. (2001). Rethinking the design of the Internet: The end-to-end arguments vs. the brave new world. *ACM Transactions on Internet Technology* 1(1): 70-109. Available at <http://portal.acm.org/citation.cfm?id=383034.383037>

Case study: Internet in China

Week 7 (October 3). E-commerce.

- Cairncross, pp. 99-153 (chapter 5-6).
- The Economist. Survey: E-commerce (read all articles). Available at <http://www.economist.com/surveys/showsurvey.cfm?issue=20040515>

Case study: E-commerce in Latin America

Week 8 (October 10). The global film industry.

- Veron, L. (1999). *The competitive advantage of Hollywood industry*. Center for International Studies, University of Southern California Working Paper. Available at <http://www.ciaonet.org/wps/vel01>
- U.S. Department of Commerce (2001). *The Migration of U.S. Film and Television Production* (pp. 1-32, the rest is optional). Available at www.ita.doc.gov/media/filmreport.htm

Case study: Sony and Columbia Pictures

Week 9 (October 17). The broadcast industry.

- Galperin, H. (2004). *New TV, Old Politics*. New York: Cambridge University Press, p. 3-24 (in reader).
- The Economist. Survey: Television (read all articles). Available at <http://www.economist.com/surveys/showsurvey.cfm?issue=20020413>

Case study: BSkyB.

Week 10 (October 24). The music industry.

- Lessig, L. (2004). *Free culture*. New York: Penguin Press (chapter 5: 62-79, the rest is optional). Available at <http://www.free-culture.cc/freeculture.pdf>
- Seabrook, J. (2003). The money note: Can the record business survive? *The New Yorker*, July 7, 2003.

Case study: RCA Records: The digital revolution

Week 11 (November 2). Intellectual property rights.

- Cairncross, pp. 213-263 (chapters 9-10).
- Samuelson, P., & Davis, R. (2000). *The digital dilemma: A Perspective on Intellectual Property in the Information Age*. Available at: <http://www.sims.berkeley.edu/~pam/papers/digdilsyn.pdf>

Case study: Finding the Balance: Intellectual Property in the Digital Age

Week 12 (November 7). Social implications of the digital economy.

- Cairncross, pp. 155-186 and 265-290 (chapters 7 and 11).
- Giddens, A. (1999). Runaway world lecture. Available at <http://www.lse.ac.uk/Giddens/pdf/10-Nov-99.PDF>

Case study: WorldSpace: Digital Radio for the Developing World

Week 13 (November 14). Digital imperialism?

- UNDP. (2004). *Human Development Report 2004: Cultural Liberty in Today's Diverse World* (read chapter 5, the rest is optional). Available at http://hdr.undp.org/reports/global/2004/pdf/hdr04_chapter_5.pdf

Case study: Exporting American culture

Week 14 (November 21). Project presentations. (No class on Wednesday November 23 due to Thanksgiving).

Week 15 (November 28). Project presentations.