

# **SYLLABUS AND COURSE OUTLINE**

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## **BUSINESS OF SPORTS TELEVISION**

**ADV 378/PR 378**

**SPRING 2019**

**Tuesdays and Thursdays 12:30 – 2pm**

**Location: BUR 136**

**Instructor: Joel Lulla, JD**

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**Office Hours and location: By appointment in BMC 4.312**

**Graduate Assistant: Christian Washington**

**Moody College of Communication  
University of Texas at Austin**

**Title:**                   **Business of Sports Television**  
Course number: ADV 378/PR 378

**Description:**       This course will first examine the structure and economics of the television industry in general and then use this knowledge as a foundation to explore the particular structure and economics of sports television. The course will also examine case studies of certain important sports programming deals, with a focus on the corporate players behind these agreements and the reasons the deals were made. The basics of program production and the economics of the various distribution methods of sports television programming will be examined, including over-the-air, cable/satellite/telecommunications, mobile and streaming platforms. The course will be primarily lecture and discussion of important issues in sports television with guest speakers who play an important role in today's industry.

**Objectives:**       The student who successfully completes this course will ideally be able to:

1. Appreciate the history of sports television and the impact of this history on the current shape of the industry.
2. Understand the structure and economics of the various sports television distribution platforms.
3. Understand the basics of how sports television programs are produced.
4. Analyze the structure and economics of important current and past deals for sports programming.
5. Recognize the key corporate players in sports television and understand their motives and objectives in pursuing certain deals.

**COURSE OUTLINE**

**Approach:**

This course will be comprised of thirty (30) sessions (two sessions per week), including a mid-term examination and an examination on the last day of class (May 9), with each individual session being approximately seventy five (75) minutes in length. There will

mixture of lecture by the principal instructor and guests, group discussion, student presentations and in-class quizzes and examinations.

### **Class Preparation:**

1. It is expected that each student will be prepared to participate in informed and constructive discussions.
2. Reading assignments and homework must be done prior to attending class so that all students will benefit from an informed discussion of issues.
3. All written assignments are to be typed. Spelling, grammar, and punctuation must conform to professional standards. If your written assignments incorporate concepts that originated with others, you must acknowledge your utilization of these concepts pursuant to MLA citation standards.
4. All cell phones will be turned off prior to class and use of laptops is NOT permitted, except to take weekly quizzes on Canvas as discussed below. Students are encouraged to take notes using pen and paper.

### **Attendance:**

Students are expected to attend every class, which is critical to their success in the course and the success of the course itself. As noted below, a substantial proportion of each student's grade will be attributable to in-class activities. Students should be prepared to start the class session on time. If for some reason, a student is unable to attend class, that student is expected to inform the instructor or GA via email prior to class. Being absent or late for class may result in a reduction of a student's grade for the course. If a student misses a class for any reason, it is also the responsibility of the student to be informed of the materials covered during the class. Each student is encouraged to find a "class buddy" who can share information and assignments.

### **Academic Integrity and Standards:**

Students are expected to uphold the highest standards of academic honesty and integrity in all course activities and assignments. It is expected that there shall be no deception regarding the representation made by the student of his/her preparation, participation or performance.

Plagiarism is presenting another person's work as though it is one's own and is a form of fraud. Plagiarism includes (but is not limited to) the presentation of a sequence of words from another writer, utilized without proper attribution. It is critical that students properly acknowledge the work of others and that the acknowledgement be accurate and complete.

The remainder of the course requirements and policies relating to cheating and plagiarism are subject to the standard policies and procedures for all UT-Austin students as established by UT-Austin

### **University of Texas Honor Code**

The core values of The University of Texas at Austin are learning, discovery, freedom, leadership, individual opportunity, and responsibility. Each member of the university is expected to uphold these values through integrity, honesty, trust, fairness, and respect toward peers and community.

### **Documented Disability Statement**

The University of Texas at Austin provides upon request appropriate academic accommodations for qualified students with disabilities. For more information, contact Services for Students with Disabilities at 471-6259 (voice) or 232-2937 (video phone). Also, see <http://www.utexas.edu/diversity/ddce/ssd/>

### **Use of Canvas in Class**

In this class I will periodically use Canvas—a Web-based course management system with password-protected access at <http://courses.utexas.edu> —to give weekly quizzes to students, distribute course materials, to communicate and collaborate online, to post grades and to distribute assignments. You can find support in using Blackboard at the ITS Help Desk at 475-9400, Monday through Friday, 8 a.m. to 6 p.m., so plan accordingly. **Feedback Statement (to encourage students to respond to requests for their feedback)**

### **Use of E-Mail for Official Correspondence to Students**

Email is recognized as an official mode of university correspondence; therefore, you are responsible for reading your email for university and course-related information and announcements. You are responsible to keep the university informed about changes to your e-mail address. You should check your e-mail regularly and frequently—I recommend daily, but at minimum twice a week—to stay current with university-related communications, some of which may be time-critical. You can find UT Austin's policies and instructions for updating your e-mail address at <http://www.utexas.edu/its/policies/emailnotify.php>.

### **Religious Holy Days**

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, I will give you an opportunity to complete the missed work within a reasonable time after the absence.

### **Behavior Concerns Advice Line (BCAL)**

If you are worried about someone who is acting in a disturbing manner, you may use the Behavior Concerns Advice Line to discuss by phone your concerns about another

individual's behavior. This service is provided through a partnership among the Office of the Dean of Students, the Counseling and Mental Health Center (CMHC), the Employee Assistance Program (EAP), and The University of Texas Police Department (UTPD). Call 512-232-5050 or visit <http://www.utexas.edu/safety/bcal>.

### **Emergency Evacuation Policy**

Occupants of buildings on the UT Austin campus are required to evacuate and assemble outside when a fire alarm is activated or an announcement is made. Please be aware of the following policies regarding evacuation:

Familiarize yourself with all exit doors of the classroom and the building. Remember that the nearest exit door may not be the one you used when you entered the building.

If you require assistance to evacuate, inform me in writing during the first week of class.

In the event of an evacuation, follow my instructions or those of class instructors.

Do not re-enter a building unless you're given instructions by the Austin Fire Department, the UT Austin Police Department, or the Fire Prevention Services office

### **Q drop Policy**

The State of Texas has enacted a law that limits the number of course drops for academic reasons to six (6). As stated in Senate Bill 1231:

"Beginning with the fall 2007 academic term, an institution of higher education may not permit an undergraduate student a total of more than six dropped courses, including any course a transfer student has dropped at another institution of higher education, unless the student shows good cause for dropping more than that number."

You can find advice, models, templates, and other resources for designing your course syllabus on the DIIA website at <http://www.utexas.edu/academic/diia/>

### **Grading and Evaluation:**

Individual assessment will be based on attainment of up to 100 points with the number of points assigned to each means of grading and method of evaluation as listed below:

<i>In-Class quizzes, attendance</i>	<i>40% (40 points)</i>
<i>Class Participation and Presentation</i>	
<i>Midterm Exam</i>	<i>30% (30 points)</i>
<i>Last Day Exam</i>	<i>30% (30 points)</i>

**In Class Quizzes shall be given by use of Canvas.** It is expected that a quiz will be given weekly on the reading materials that were assigned for that week, usually that week's issue of Sports Business Journal. Those in attendance on the date the quizzes are given will receive a minimum of 1 point for participating in the quiz and receiving a minimum of one correct answer on that quiz. **Please note that you may not be able to participate in the quiz unless**

you have your smartphone or laptop with you in class (which may be used for quizzes only). Also please note that unless you are in attendance, you will not be able to earn points from that day's quiz toward your final grade. Therefore, attendance is very important.

**In-Class Presentation:** Students will be paired in groups of two or three and each group will make a short presentation to the class about an aspect of sports television of interest to that group.

**Midterm Exam.** A Midterm exam shall be given on March 14. It will consist of a number of multiple choice and/or true/false, profit/loss calculations and similar type questions and will cover material assigned and lectures given through the date of the exam.

**Last Day Exam.** An exam shall be given on the last day of class, which is May 9. It will consist of a number of multiple choice and/or true/false, profit/loss calculations and similar type questions and will cover material assigned and lectures given throughout the entire semester.

### **Grading**

Course grades will be made according to the following grading scale:

Under the plus/minus grading system of the university, grades will be calculated as follows: 100-94=A; 93.9-90=A-; 89.9-87=B+; 86.9-83=B; 82.9-80=B-; 79.9-77, C+; 76.9-73=C; 72.9-70=C-; 69.9-67=D+; 66.9-63=D; 62.9-60=D-; 59.9-0=F.

### **Required Reading Materials**

*Miller, James Andrew and Shales, Tom, **ESPN: Those Guys Have All the Fun (Inside the World of ESPN)**, Little Brown, 2011*

*Arledge, Boone, **Roone: A Memoir**, HarperCollins, 2003*

Students will also be expected to stay current with breaking news about the sports television industry, both on their own initiative and by checking Canvas for reading assignments that I will add based on current developments. Students will be required to subscribe to the on-line edition of *Sports Business Journal*, which is available on-line weekly commencing Monday mornings and must be read in its entirety each week prior to that Tuesday's class.

## **Course Plan**

### **Session 1 (Jan 22): Orientation to Class and Review Syllabus**

- Review texts and additional resource material including SBJ.
- Discuss what students can expect of the class and what I will expect from the student

### **Sessions 2 and 3 (Jan 24 and 29): Introduction to Broadcast Television**

- Discussion of structure of broadcast television, including network-affiliate system, dayparts, syndication, and those time periods on local stations which are programmed by the networks and those which are programmed by the local stations themselves.
- Discuss basic business model of broadcast television and reasons that broadcast or “free” television is not free anymore for the great majority consumers due to retransmission fees.
- Examine the formula for determining whether a sports event on broadcast television will be profitable.

### **Session 4 (Jan 31): Introduction to Cable Television**

- Discuss structure of cable television and similarities and differences with the structure of satellite television and television services offered by telecommunications companies such as AT&T and Verizon.
- Discuss basic business model of cable television and concept of subscriber/carriage fees.
- Examine concept of a la carte programming and danger it presents to cable business model
- Contrast business models of broadcast television and cable television.

### **Case Study: The Conan O’Brien Move from NBC to TBS**

- Although The Conan O’Brien Show is not sports television, a discussion of its move from NBC to TBS instead of FOX is illustrative of the differing economics of broadcast and cable networks

- Discuss local station recapture and syndication issues, prime time pre-emption, and affiliate compensation problems that led to O'Brien's move to TBS

### **Session 5 (Feb 5): Super Bowl Commercials**

- Discussion and Analysis of Commercials from Sunday's Super Bowl Telecast on CBS

*Assignment for this Session: **Review all Super Bowl Ads on YouTube or similar platform***

### **Session 6 (Feb 7): ESPN**

- Introduction to ESPN, its networks and platforms
- Discuss basic business model of ESPN
- Discuss basic business model of Longhorn Network and SEC Network
- *Readings for this session: **ESPN: Those Guys Have All the Fun**, Chapter 1, pages 1-58.*

### **Session 7 (Feb 12): ESPN (continued from Session 6)**

- Continue discussion from Session 4 on ESPN, its business model, networks and platforms
- Discuss current assets and properties, including events owned by ESPN such as X Games and college bowl games
- Case study: ESPN's 15 year/ \$2.25B deal in 2008 for SEC rights and how that deal was financed by the increased value of ESPNU. Contrast the ESPN agreement with the SEC with CBS's 15 year/\$825M agreement for SEC rights.
- *Readings for this session: **ESPN: Those Guys Have All the Fun**, Chapter 2, pages 59-101*

### **Session 8 (Feb 14): Guest Speaker: Dan Beebe, Former Big 12 Commissioner**

### **Session 9 (Feb 19): Sports Event Rights Contracts**

- Review model contract between a television network and a sports event owner for the network's license of the right to telecast a sports event
- Discuss important terms of rights contracts
- Examine and contrast different types of compensation in rights contracts, e.g., rights fee contracts, barter contracts and time buys.



- *Readings for this session:* **Model contract between ESPN and Event Organizer on Canvas.**

#### **Session 10 (Feb 21): Abridged History of Sports Television**

- Review beginnings of sports television
- Discuss career and influence of Boone Arledge on sports television industry today
- *Readings for this session:* **Roone, A Memoir**, Chapters 3-4, pages 23-61 and Chapters 7-8, pages 99-139

#### **Session 11 (Feb 23): Introduction to Industry Players**

- Discuss the major sports and non-sports assets and basic corporate strategy of key media players, including Disney, 21<sup>st</sup> Century Fox/News Corp, Comcast, CBS, Time Warner, AT&T/DirectTV and Verizon.
- *Readings for this session:* **To be posted**

#### **Session 12 (Feb 28): Intercollegiate Sports Rights**

- Discuss television contracts for “Power 5” and mid-major conferences, CFP and non-CFP bowl games.
- Examine sales of third tier telecast rights of individual universities to sports management companies such as IMG and Learfield.
- Examine weakening of the American Athletics Conference (formerly the Big East Conference)
- *Readings for this session:* **To be posted**

#### **Session 13 (Mar 5): Case Study: The Big 12 Conference--The Rise and Fall and Rise and Fall and Rise of the Big 12**

- Examine origins of Big 12 in 1994.
- Discuss period from May of 2010 through the present, including defections of Nebraska, Colorado, Texas A&M and Missouri along with additions of TCU and West Virginia.
- Discuss the Big 12’s cable television contracts with Fox and ESPN and the influence of television, including The Longhorn Network, on recent events affecting the Big 12.

- *Readings for this session: To be posted*

#### **Session 14 (Mar 7): Case Studies: NCAA Basketball Tournament and Pac 12 Conference**

- Contrast prior NCAA Tournament contract with CBS and current contract shared by CBS and Turner
- Examine contract of Pac 12 Conference with ESPN and FOX and compare with Big 12 Conference contracts with ESPN and FOX
- *Readings for this session: To be posted*

#### **Session 15 (Mar 12): Audience Measurement (Ratings) and Commercial Sales and Sponsorships**

- Examination of AC Nielsen Co. and its methodology and metrics for measuring audience size and characteristics
- Discuss importance of ratings in determining advertising rates.
- Examine ratings histories for past sports events
- Discussion of Upfront market sales and scatter or spot market sales
- Examine sales of commercial units alone or in integrated packages across different platforms and metrics for pricing of units or packages
- Examine Title and Presenting Sponsorship packages
- *Readings for this session: To be posted*

#### **Session 16 (Mar 14): Mid-Term Examination**

#### **Session 17 (Mar 26): The BCS and College Football Playoff**

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- *Readings for this session: To be posted*

#### **Session 18 (Mar 28) Regional Sports Networks**

- Examine major RSN's around the country and their corporate owners
- Discuss business model of RSN's
- Examine formation and bankruptcy of CSN Houston
- *Readings for this session: To be posted*

### **Session 19 (Apr 2): League-Owned Cable Networks**

- Discuss business model and prospects for networks owned by professional sports leagues and college conferences, including NFL Network, MLB Network, Big Ten Network, Pac 12 Network and SEC Network.
- *Readings for this session:* **To be posted**

### **Session 20 (Apr 4): The ABC's of Sports Television Production**

- Discuss basics of how sports events are produced for television, including equipment, personnel, facilities, budgets and the role of on-air and off-air talent.

*Readings for this session:* **To be posted**

### **Session 21 (Apr 9): Guest Speaker: TBA**

### **Session 22 (Apr 11): Technology and Digital Media**

- Examine affects of mobile and internet platforms (e.g., Hulu and YouTube) on television business in general and the sports television business in particular.
- Discuss concept of “TV Everywhere” and what it means for both the television and internet exploitation of sports events.
- *Readings for this session:*

### **Session 23 (Apr 16): The Olympic Games**

- Discuss history of Olympics on television and rapid rights fee escalation
- Examine economics of 17 day multi-platform NBC Olympic telecasts
- Examine relationship of IOC and USOC and how it affects domestic television deals for the Olympics
- Discuss IOC and USOC sponsorship categories and requirements for Olympic telecasters to engage with these sponsors
- Examine reasons that sports such as skiing, figure skating, gymnastics, swimming and track and field are enormously popular with television audiences during the Olympics but are largely absent from the major networks during other times.
- *Readings for this session:* **To be posted**

**Session 24 (Apr 18): Guest Speaker: TBA**

**Session 25 (Apr 23): Case Studies: NFL, Golf, Tennis and Soccer**

- Examine network deals of the NFL, which is by far the most popular and lucrative sports television property in the US
- Discuss FOX's initial acquisition of NFL rights and role it played in making FOX the fourth major broadcast network as well as the affect that the 1990's loss of the NFL by CBS had on its non-sports programming, including "60 Minutes"
- Examine origins and economics of NFL Sunday Ticket and NFL Red Zone
- Examine different types of deal structures for PGA Tour events and major championship events
- Examine economic challenges of LPGA Tour telecasts
- Examine economic and production challenges of tennis tournaments
- Examine recent World Cup soccer negotiation and separate sale of US English and Spanish language rights
- *Readings for this session:* **To be posted**

**Session 26 (Apr 25): Important Industry Developments and Future Events:**

- Examine Comcast's acquisition of NBC.
- Examine ESPN's agreement to pay \$1.9B annually for NFL rights and new NFL deals with CBS, FOX and NBC and affects of these enormous rights fees on the rights fees paid for other sports
- Discuss migration of major sports events from broadcast to cable television such as NCAA basketball tournament, College Football Playoff, British Open golf , Wimbledon and US Open tennis.
- *Readings for these sessions:* **To be posted**

**Session 27 (Apr 30): The Longhorn Network**

- *Readings for this session:* **Longhorn Network Contract on Canvas**

**Session 28 (May 2): Racial and Ethnic Sensitivities, Ethics**

- Discuss ethics and how to comport oneself in business
- Discuss insensitive racial and ethnic comments of sportscasters, including those made concerning Jeremy Lin and Robert Griffin III
- *Readings for this session:* **To be posted**

**Session 29 (May 7): Course Wrap-up and Review for Examination**

**Session 30 (May 9): Examination**