

Colorado College – Department of Economics & Business
EC355: Media Economics
Block 2 – Fall 2019

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Office Hours	M-F 1:00 PM – 2:00 PM, and by appointment
Class Time	9:00am – noon, M – F, Palmer 221

Course Description and Objective

Media economics is a field that looks at how economic issues impact the media and how media informs decision-makers including individuals, firms, and governments. This course will look at three subjects in media economics (1) the economics of media organizations and market structures (2) government policy and regulation of the media (3) the effect of media on behavior in society. We will be looking at both historical and contemporary issues. and students will be responsible for presenting and guiding many of our discussions.

Prerequisites

Microeconomic Theory II (EC 301) is required. Additionally, Statistics (MA 117 or MA 217) or Econometrics (EC 303) are not required, but may be helpful.

Email and Office Hours

I encourage you to come to office hours throughout the semester to discuss the material from class, your individual and group assignment, and any topics that you want to discuss. We are talking a little about a lot of topics and office hours are an open time for dialogue about media economics, but also any help I can offer in thoughts about research, jobs, and movie recommendations.

Before sending an email please see if the syllabus has the answer. Note that if you send me a late-night email I may not see it until the next day. Finally, I commit to respectful and formal email exchanges, I ask that you do the same.

Reading and Participation

You should think of this course as a guided reading group. Expect to spend several hours a night reading and preparing for the next day's class. While I have planned material and activities for class most of this class will be discussion requiring you to have thought deeply about the material and be ready to engage with others.

I will assign a daily participation grade of 2pts – meaningfully contributed, 1pt – was present, and 0pts – was not mentally or physically present. Use of technology for unrelated reasons or being generally distracting to the class are some reasons to receive lower points. Your lowest participation point will be dropped. **The last day of class is required – absence without permissible documentation may cause a full two letter grade drop.**

Reading Summaries

After your reading each night you will write a 1 page summary for **EACH** reading. You will turn these in on Canvas by 8:00am on the day we discuss those papers. Upload a single PDF file for each day. Your summaries should address the following prompts which are most relevant to that reading:

- What is the primary thesis, argument or question the paper addresses?
- What is the setting (industry, product, policy) that the paper discusses? Why is that setting appropriate to address their thesis or question?
- Describe the primary theory or hypothesis, if there are multiple briefly describe each.
- Why is this paper important in terms of how people or markets act? Why is this paper important to policy?
- Many of the papers we read will have empirical elements and you should address the following questions in those cases:
 - Describe the data being used in the study
 - Describe the empirical strategy and how it relates to the author's hypothesis. Hint: often econometric analysis is a comparison between groups, time, geography, etc. describing what is being compared is an elegant way of showing your understanding of complex methodology.
 - What does the analysis of the data say about the author's hypothesis?
 - What are some of the author's empirical concerns?
- Are the findings of this paper generalizable to other settings?
- What questions do you have about this topic?

Your summaries will be graded on a scale of 0 – 2pts. Where 0pts is missing or fails to address most of the topics in the list above, 1pt for simple responses that restate the reading, 2pts for meaningful description that uses your own language and provide new insights into the paper. I will drop your lowest reading summary score.

Lead Paper Discussion

Each week you will be responsible for leading the discussion of one paper with a classmate. Your discussion should start with a 5-10 presentation of the key paper concepts including the following:

- What is the thesis question(s) the authors address?
 - Describe the setting/context of the paper and how it applies to the question
- What new terms do they use and how are they important to the paper?
- What is the empirical strategy used (if any) to answer the question?
- What are the primary conclusions of the paper.

You should aim for 45 minutes of discussion on your paper addressing the questions from the reading summaries and also any that you think are appropriate to the discussion. Good discussion starts with describing the elements of the paper and then may turn towards other applications and questions outside the paper. You may also start the discussion with your own presentation of the material using slides or (short) media activities like video clips or additional readings to add to the discussion.

You will be graded on a 0-2 scale. Where 0 pts is absent or just skimmed the paper, 1pt – discussion did not go beyond simple description of the paper, 2pts – lead a deep discussion of the material.

Exam

On Monday, October 7th we will have an in-class written exam with questions on the readings and topics from class. This will be a closed book exam and you will have the full 3 hours of class to complete it. There will be no make-up exams. **If you know that you are unable to come to class on October 7th drop the class now.**

Structure Conduct Performance Presentation

On Tuesday, October 1st you will give a presentation with slides that lasts exactly 10 minutes. You will choose a single piece of media (movie, live performance, signed Nolan Ryan baseball card, podcast, investigative journalism article, etc.) and research the **structure** of the market it exists in, the **conduct** of that market, and the current **performance** of the media and market you chose. The SCP model is a traditional approach to the economic analysis of industries and it's especially helpful in showing how the many moving parts of an industry interact. Your presentation will discuss the following elements:

- 1) You should spend up to 2 minutes of your presentation sharing something about the piece of media you chose. Why is interesting? What relevance does it have to your life/culture/politics/history? You may also use brief clips of audio or video to share as well.
- 2) Structure – The market for any good can be characterized by the type of competition it engages in. Who produces the piece of media you chose and what market does that producer engage in? How many other firms are there? How similar are the products they sell? How big is the market for this good and who are the main players? What types of barriers to entry (including fixed costs, regulations, etc.) exist?
- 3) Conduct – How is the piece of media priced and promoted? Are there any interesting strategic interactions between the producers in this market?
- 4) Performance – How have producers performed over time? Can you say anything about the economic welfare of producers and consumers? Are there any large changes coming to this market that you see? What about the existing structure, conduct, and performance of this market may lead to these changes? What questions do you have about this market that you'd like to learn more about?

You will be graded on the following:

10% prepared and uploaded materials on time

10% bibliography (the last slide of your presentation including all sources you used)

30% Professional and engaging slides

50% Content of your SCP analysis

Your slides are due by 8am Tuesday, October 1st on Canvas and bring your own computer if you plan to use any media beyond slides. I will provide a computer for presentations that are in powerpoint or pdf.

Group Project

In groups of 2 or 3 you will ask a research question pertaining to media economics and write a 12-15 page research paper on the question addressing the current research. You will also prepare a 20-minute presentation due Tuesday, October 15th. The question you choose can relate to any topic in media economics as long as no member of the group have previously researched the topic for a previous academic assignment. You will be graded as a group, but your individual grade will be weighted by feedback from your group. Refer to the assignment handout for more information.

Class Materials

- I will upload the required academic papers to Canvas. However, other assignments like the planet money podcasts you will need to find on your own. All of the materials we cover will be on the COURSE BIBLIOGRAPHY on Canvas.
- If you see/read something interesting that is related to this class send me an email and share it. I might talk about it in-class, pass it along to relevant presenters, or just send you a long email back about my thoughts. Please share!
- While we don't have a textbook for this class we will be covering topics (mostly) from the economics field of industrial organization. There is a good free textbook available here: https://works.bepress.com/jeffrey_church/23/. If you want a more technical description (or more examples/text) of topics from class this is a good resource.

Grading

15%	Participation
10%	Reading Responses
15%	Lead Reading Discussion
10%	SCP Presentation
20%	Exam
30%	Final Project

I retain the right to curve assignments and exams, however, any curve will never harm any student in the class (it must be a pareto improvement over the original allocation.) Letter grades will be assigned with the following minimum thresholds: A: 93%; A-: 90%; B+: 87%; B: 83%; B-: 80%; C+: 77%; C: 73%; C-: 70%; D: 60%; NC: below 60.

Honor Code

I expect for all students to abide by the Colorado College Honor Code¹. Honor codes are an important expectation for all students to attain the knowledge and skills to be successful

¹ <https://www.coloradocollege.edu/other/honorcouncil/>

during after their time at college. While I encourage you to work with other students your final work must be your own and should reflect your own understanding of the material.

ADA Accommodations

If you require any accommodations related to a disability to improve your experience, please let me know by the second day of class and provide the appropriate documentation. Additionally, if you have not already done so, please connect with Accessibility Resources (Armstrong 211, 719-227-8285), the office responsible for coordinating accommodations and services for students with disabilities.

****Several parts of this syllabus were adapted from Prof. Jessica Hoel at Colorado College.

Tentative Course Schedule:

Week 1	Topic	Due Readings/Assignments
1.Monday 9/23	Introductions, Mkt Structures	Syllabus!
2.Tuesday 9/24	Pricing	Marburger (1997), Campbell & Campbell* (2008), Powell & Lehe*, Planet Money ep. 468
3.Wednesday 9/25	2-Sided Mkts, Quality	Rysman (2009), Goldfarb (2014), Berry & Waldfogel (2010)
4.Thursday 9/26	Horizon. & Vertical Int.	Suzuki (2009), Gilbert & Ratliff (2009)
5.Friday 9/27	Consuming Entertainment	Kimbrough (2019), Ginsburgh (2003)
Week 2		
6.Monday 9/30	Product Differentiation	Waldfogel (2003), Sweeting (2010)
7.Tuesday 10/1	SCP Presentations	
8.Wednesday 10/2	Strategic Decisions	Hiller (2018), Planet Money ep. 691, Brown et al. (2012)
9.Thursday 10/3	Net Neutrality	Greenstein, Peitz, Tommaso(2016)
10.Friday 10/4	Digitization	Waldfogel (2017), Gilbert (2015)
Week 3		
11.Monday 10/7	Exam	
12.Tuesday 10/8	Social Outcomes	Readings will be selected by you all for these topics from a list I have put together. You'll choose in week 2!
13.Wednesday 10/9	Political Outcomes	
14.Thursday 10/10	Social Media	
15.Friday 10/11	Privacy & Future Media	
Week 4		
16.Monday 10/14	Reading Day	
17.Tuesday 10/15	Presentations	
18.Wednesday 10/16	Wrap-up discussion	Attendance is mandatory, failure to attend without documentation could lead to grade penalty.

Readings are available on Canvas. Check the Course Bibliography for more information.
Readings with asterisks do not need to be summarized.