

# Part I

## Products, Markets, & Consumers— The Business and Economics of Entertainment

This first part of our book is intended to lay out the foundations for successfully marketing and managing entertainment products. We assume that you, the reader, command a sound general managerial knowledge already, and we want to enrich this knowledge with key insights on the characteristics of entertainment that make the business of movies, books, games, and music such a fascinating matter.

Understanding entertainment's characteristics is essential for developing marketing strategies that do entertainment products justice and help to avoid not only costly missteps, but also *schadenfreude* by some industry traditionalists who consider *Entertainment Science* (with its data and analytics) as a threat rather than an opportunity. As we have argued before, learning about what kind of marketing strategies are effective in the context of entertainment is possible, but not by simply transferring knowledge from other industry contexts—only by carefully adapting it to the specifics of entertainment.

In the following chapters, we will thus shed light on such specifics with regard to the products that are intended to entertain people, the economic markets on which they are offered, and the business models through which financial value can be generated with entertainment. We will then also distill the core insights that consumer researchers have gathered over the last decades. Building on the pioneering work by Morris Holbrook and Elisabeth Hirschman on hedonic consumption, we integrate what is known from diverse fields and advance it toward a comprehensive understanding of entertainment consumer behavior.

But before we begin, give us a moment to investigate the subject of our investigation, our “labor of love”: what is entertainment after all, and why is it worth spending much time studying and managing it?