



Introduction

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1.1 The Need for “Media Management”?

This book is a college-level version of a longer volume aimed at graduate courses and the professional market. The basics are shared because the subject matter and its significance are the same. Everybody understands the importance of the media and information sector. It is a growing and dynamic field, encompassing content creation, distribution platforms and technology devices. The information industry sector in 2017 accounted for about \$1.7 trillion in the USA and \$6 trillion worldwide, about 6% of global gross domestic product (GDP). As a share of “discretionary income,” the share of the sector is closer to 20%; as a share of “discretionary time,” it is an extraordinary 30%. Per capita media consumption in the USA is 2100 hours annually, which translates to 5.7 hours per day. And it is not only quantity that counts. Media industries are also a driver of change, leading in technological innovation, testing new organizational practices, and transforming societal institutions and culture. Thus, there is no dispute over the centrality of the sector in advanced and developing economies and societies.

1.2 Approaches to the Study and Teaching of Media Management

Media management has traditionally had a strong reliance on experience and “gut” feeling. But life-long experience in one segment of this increasingly overlapping environment does not suffice. Media companies require managers who have an understanding of a variety of industry segments and functions. And young entrepreneurs, too, must cover many bases to be effective and to be taken seriously.

Media activities are being taught and practiced all over the world. A large number of communications students end up on the business side of media companies. Basically, the subject matter can be thought of as a two-dimensional matrix. The vertical dimension is that of the various industries—music, film, the Internet and so on.¹ The vertical elements tend to be taught or written about by sectoral experts in the particular industry “silo.” Yet, one of the defining characteristics of the overall sector is its increasing convergence.² The second approach has been to consider the horizontal dimension of the matrix, proceeding along disciplinary and functional lines, such as marketing,

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2 Vogel, Harold. *Entertainment Industry Economics: A Guide for Financial Analysis*, 10th ed. New York: Cambridge University Press, 2014; Van Tassel, Joan and Lisa Poe-Howfield. *Managing Electronic Media: Making, Marketing, and Moving Digital Content*. Burlington, MA: Focal Press, 2010; Albarran, Alan B. *Management of Electronic and Digital Media*. Boston: Wadsworth, 2013; Chaturvedi, B.K. *Media Management*. New Delhi: Global Vision Publishing House, 2009; Turow, Joseph. *Media Today: Mass Communication in a Converging World*. New York, Routledge, 2013; Lavine, John M. and Daniel B. Wackman. *Managing Media Organizations*. New York: Longman, 1988; Pringle, Peter K. and Michael F. Starr. *Electronic Media Management*, 5th ed. Boston: Focal Press, 2006; López, Juan Torres. *Economía de la Comunicación*. Madrid: Grupo Zero, 1985; Hollifield, C. Ann, Jan LeBlanc Wicks, George Sylvie, and Wilson Lowery. *Media Management: A Casebook Approach*, 5th ed. New York: Routledge, 2015.

1.4 · Outlook

financing or human resources across industries.³ Such approach follows the disciplinary specialties of their authors and are thus rarely interdisciplinary or holistic across business functions.

1.3 Outline of the Book

It is the goal of this book to overcome the limitations of this matrix and apply the major dimensions of a business curriculum—from finance to production to marketing to accounting, and more—to the entire media and information sector. In the process, communications students benefit from a business-oriented summary, while more generally oriented business students are introduced to the media and information sector. Both approaches afford a look at the main players and their challengers.

The book could be subtitled: *Management Study in a Nutshell*. It takes most major components of a business program, simplifies them, summarizes them, and applies them to the media and information sector. It covers these tools and approaches in a non-technical way. There are few equations. There are no prerequisites, though an introductory course in economics would probably help in terms of mindset.

1.4 Outlook

This leaves the question: Why be a manager in the media and information sector? It is a difficult business with an uncertain career path. Yet,

it is also an endlessly interesting, fascinating field that generates great enthusiasm. Creativity meets management. Imagination meets technology. Arts meet investment. Left brain meets right brain. Youth meets wealth. Media create the entertainment that forms our fantasies, shapes our styles and sets our role models. It provides our analysis of the world around us. It is the trendsetter that affects our tastes. It represents sweet imagination, seductive opportunity, rich possibilities, style, opportunity, fortune and fame.

The good news is that for those interested in the information resource—how to produce it, how to distribute it, how to use it—the present is the most exciting period, ever. The bad news is that it is also a period with the greatest uncertainty and risk ever. What does it take for success in the media business? Creativity, innovation and performance, of course. But that is not enough. It requires an understanding of technology, money, markets, audiences, pricing, global business, economics, managerial accounting, government relations, and the ability to nurture and lead talent. Our aim in this book is to help those in the media, information and media technology sector to become creative managers and managerial creatives. The purpose of this book is to make young managers in this field more knowledgeable and less blinded by hype. It aims to make the reader a more effective, more productive and more responsible participant.

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3 *Marketing and Distribution*: Eastman, Susan Tyler, Douglas Ferguson, and Robert Klein. Eds. *Media Promotion & Marketing for Broadcasting, Cable & the Internet*. Burlington, MA: Focal Press, 2006; Marich, Robert. *Marketing to Moviegoers*. Burlington, MA: Focal Press, 2013; Ulin, Jeffrey C. *The Business of Media Distribution: Monetizing Film, TV, and Video Content in an Online World*. Burlington, MA: Focal Press, 2013.

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