Media & Money: The Business of Film (Film S-208)

Yale Summer Film Institute 2018

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Tu, Th 7:00 PM – 8:30 PM

Overview
The Hollywood studios, later joined by the legacy television networks, have had almost exclusive control over the production and distribution of popular entertainment content for nearly 100 years. Recently, their business hegemony has come under serious competitive threat from digital technology that has completed the obsolescence of analog delivery and sponsored the proliferation of new consumption platforms. That dynamic is reordering the entertainment business and its routine modes of operation.

This course will examine the business of Hollywood from three perspectives: 1) the historical development of the studio structure from the founding of the business to the beginnings of the modern studio age, 2) the institutional and functional components of the modern studio business including its management, production, distribution, and economic models as well as the growth of new revenue windows and the competing independent film model, 3) the rise of digital platforms and content as they absorb and blur their distinction from traditional television and theatrical films in a great media convergence. We will pay particular attention to the ebbs and flows of technology, audience, and economic consolidation that have forged the trajectory of the business and how those factors are now being retooled in real time.

Required Work
- Class attendance
- In class presentation (Class #3 or #4)
- Midterm Exam (Class #5)
- One quiz (class #8)
- Final paper (Class #10)

Classes and Attendance
There are ten class sessions of 1.5 hours and attendance is mandatory.

This is not a film course, it’s a film business course and while we will reference films throughout, there are only two films that we will assign specifically for discussion. Each class will have several assigned lectures, other programs, and readings. It will be expected that you will come to class prepared to engage with the material and have questions as well as discussion points related to those assignments. Finally, I hope that
we will bring in at least one guest speaker to join us on-line during class time; details forthcoming.

**Grading**

Grades are based on the following criteria and weightings:

- 20% class participation / studio assignment / presentations
- 25% for the Midterm
- 25% for the Week 8 Quiz
- 30% for the Final Paper

**Final Papers**

Final paper topics will be selected from a list to be supplied during Class 5. **ALL PAPERS MUST BE RECEIVED ON OR BEFORE THE BEGINNING OF THE FINAL CLASS** (E-mailed papers will be accepted). You may write your paper on a topic of your choosing with instructor permission; papers should not exceed 10 pages in length. You will also be expected to share the highlights of your paper with the group during the final class.

**Course Lectures and Video Assignments**

The backbone of the class is contained in the lectures, topic-related videos taken from the internet, as well as two films* that will be used to illustrate certain class points in detail. We will have a Midterm during Class 5 covering Hollywood business history through 1980, so I would recommend that you take notes in respect to the videos to facilitate review. The test will include questions related to video material and assigned readings that may not be thoroughly covered in class.

*The two films are “The Squid and the Whale” (Class 6) and “Being Takei” (Class 8), a documentary about actor/activist George Takei. Both are available for download rental on numerous sites for $2.99 or less.

The reading assignments that are not contained in the assigned books are all arranged in folders by class number on the Canvas site (marked CAN). The readings are aimed to complement the online lectures and videos; do the readings, you will get more out of the classes, enhance your participation, and the class time will move quickly.

**Assigned Books**

Three books are recommended for purchase. “The Big Picture” by Edward J Epstein, which is particularly informative and readable; it can be purchased on numerous sites online (Amazon, etc). Additionally, I recommend the purchase of both “Streaming, Sharing, Stealing: Big Data and the Future of Entertainment” by Michael Smith and Rahul Telang as well as “Over the Top: How the Internet is Changing the Television Industry” by Alan Wolk; these we will be used extensively in our last three classes. The latter two can be purchase as Kindle downloads for $9.99 and $7.99 respectively.
Moguls and Movie Stars
The course is going to move quickly through the business history of Hollywood. The DVD series "Moguls and Movie Stars" provides a deeper examination of many of the issues we will touch on in class. There are four assigned episodes and two optional episodes, but I recommend that its worthwhile to see the entire seven-part series.

Weekend Box Office and Industry News
Reading the “trades” and the weekend numbers is key to an industry fueled by inside knowledge. We will begin each Tuesday session with a discussion of weekend box office results. You will also be expected to scan Deadline Hollywood (www.deadline.com) and Indiewire (www.indiewire.com) before each class period and depending upon the amount of material for a particular session, we may discuss relevant, interesting articles.

Class #1 [May 29] Introduction - A Snapshot of Hollywood & the Origins of the Film Business

First, we start with an overview of the course, key terms and business concepts to be used during class. We will look at the characteristics of the modern motion picture business today. What makes film different from other businesses?

Assigned Viewing:

Class Lectures 1.1- 1.3
“Peepshow Pioneers” Episode 1 from Moguls and Movie Stars
(Optional) “The Birth of Hollywood” Episode 2 from Moguls and Movie Stars

Assigned Reading:

Epstein “The Two Hollywoods” pp. 3-23

Class #2 [May 31] The Edison Trust and the Birth of Hollywood

We review the early movie business with attention to the birth, maturation and decline of the studio system. How did the business begin and what were the forces that shaped the early business. What was the Trust and what lead to its decline and the beginnings of the studio system?

- Studio reports assigned
Assigned Viewing

Class Lectures 2.1 - 2.3
“The Dream Merchants” Episode 3 from Moguls and Movie Stars

Assigned Reading

Litman, Barry “Business History of the Industry” pp 7-21 and “Famous Anti-Trust Cases” pp 61-73 in *The Motion Picture Mega-Industry* (CAN)
Stanley, Robert “The Celluloid Empire” pp 1-49 (CAN)

Class #3 [June 5] The Rise and Fall of the Golden Age Studios

What were the business models of the Golden Age of Hollywood? Did they work? What lead to the studio system’s decline? How did the studios survive the advent of television in the 1950’s to maintain relevance?

- Presentation: Students present ten-minute in-class reports on a specific studio assigned in the previous class.

Assigned Viewing

Class Lectures 3.1 - 3.3
“Brother Can You Spare A Dream” Episode 4 from Moguls and Movie Stars
(Optional) “The Attack of the Small Screens” Episode 6 from Moguls and Movie Stars

Assigned Reading

Bassinger, Jeanine “One Hundred Years of American Cinema” pp 179-257 (CAN)
Stanley, Robert “The Celluloid Empire” pp 115-173 (CAN)

Class #4 [June 7] From Small Screen Challenge to Modern Hollywood

We will complete our examination of the historical development of the studios and turn to their modern incarnations. How did the studios survive the disastrous 1960s and reclaim their relevance in the 70s? What lead to the corporate consolidation in the 1980s and beyond?

- Complete studio reports (if necessary)
Assigned Viewing

Class Lectures 3.4 & 4.1
“Fade Out, Fade In” Episode 7 from Moguls and Movie Stars

Assigned Reading

Hoppenstand, Gary “Hollywood and the Business of Making Movies” in Litman, Barry
The Motion Picture Mega-Industry pp 222-241 (CAN)
Wyatt, Justin “Marketing the Image: High Concept & Development of Marketing” from
High Concept pp 109-154 (CP)
(Optional) "Why Are Movies So Bad? or the Numbers" Kael, Pauline (CAN)

Class #5 [June 12] Hollywood Today/ The Integrated Studio

How do the studios function today? How are they organized? What is their approach to
programming and distribution and how do those functions relate? What is the role of
film executives and studio managers? What is “development” and how is film greenlit
for production?

• Final Paper Topics Distributed
  Midterm Exam – Short answer and multiple choice (approx. 45 minutes)

Assigned Viewing

Class Lectures 4.2- 4.5
Conversation with Fox CEO Stacey Snider- Recode 2017
https://www.recode.net/2017/3/21/14960612/video-watch-stacey-snider-ceo-20th-
twentieth-century-fox-movies-code-media
Hollywood Reporter- The Studio Executives Roundtable 2015
https://www.hollywoodreporter.com/video/hollywood-reporters-full-uncensored-
studio-836960
CNBC- Katzenberg on Disney-Fox Merger 2017
https://www.cnbc.com/video/2017/12/15/jeffrey-katzenberg-disney-fox-deal-will-go-
down-as-dividing-moment-in-the-media-landscape.html

Assigned Reading

Epstein. Chapters 6 & 7 "Development Hell" & "The Greenlight"
Follows, Stephen “How Movies Make Money: $100m+ Hollywood Blockbusters”
www.stephenfollows.com or (CAN)
“How Disney Milks Its Hits for Profits Ever After” Wall Street Journal 6/8/15 (CAN)
Boliek, Babette “Media merger basics: A primer on Fox, Disney, Comcast, Sky, AT&T, and
Time Warner” American Enterprise Institute March 12, 2018
http://www.aei.org/publication/media-merger-basics-a-primer-on-fox-disney-comcast-
sky-att-and-time-warner/

Class #6 [June 14] Hollywood Today/ Indies

Studio filmmaking has a bold challenger- the business of American independent film-
films made outside of the studios. Today, independent film has become its own
industry, separate but inextricably linked to the studios. What forces have led to the
structure of the independent sector- how is the growth of the indie sector tied to the
growth of ancillary markets? By embracing independent films and their business
models, the studios dealt the movement a crippling blow, will it be saved by the rise of
the streaming services?

Assigned Viewing

Class Lectures 7.1 & 7.2
“The Squid and the Whale” Feature Film available on iTunes, Amazon, etc. for rental
Vimeo - Steven Soderburgh Keynote Speech at SF Film Fest 2013
https://vimeo.com/65060864

Assigned Reading

Levy, Emanuel “Cinema of Outsiders” pp 13-51 (CAN)
“How Do You Define an Independent Film in 2014?” Indiewire, January, 2, 2014 (CAN)
Tzioumakis, Yannis “American Independent Cinema in the Age of Media Convergence”
Chapter 9, pp 257-290 in American Independent Cinema (CAN)
Perren, Alisa “Maxed Out: Miramax and Indiewood in the New Millennium” Chapter 8
in Indie, Inc: Miramax and the Transformation of Hollywood in the 1990s University of
(Optional) “LAFF: Mark Gill on the Indie Film Crisis” Thompson on Hollywood Variety
6/21/08 (CAN)
Class #7 [June 19] Marketing Part 1: In Search of an Audience: Theatrical Marketing and Distribution

How do films find their way to an audience? How are they distributed? What are the determining factors leading to success or failure? How has distribution evolved over time and how do the many distribution media today function smoothly to maximize economic returns? How does the film’s US box office prescribe success in other media?

Assigned Viewing

Class Lectures 5.1 - 5.4

Assigned Reading

Epstein, “The Creation of Audiences” pgs. 177-191
Friedman, Robert “Motion Picture Marketing” in The Movie Business Book, Squires, Jason (ed) pp 284-299 and (CAN)
Faughnder, Ryan “Hollywood is suffering its worst-attended summer movie season in 25 years” Los Angeles Times, August 30, 2017


First, we will conclude our discussion of distribution and breakdown the numbers to understand how films succeed or fail. What is the significance of Epstein’s “studio as clearinghouse” concept? What are “net profits” and why doesn’t anyone care about them? Where do the talent agencies fit into the picture for power and profit?

Then we will turn to an overview of the traditional windowing of media content and how digital fits into that pecking order and changes the profit equation. Various digital content issues are explored including the models of video on demand and streaming-ad–supported, transactional and subscription- and the assumptions underlying each. What happens when digital content producers defy the rules.

Assigned Viewing

Class Lecture 6
“Being Takei” Feature Documentary available on iTunes, Amazon, etc. for rental
Class #9 [June 26] The Convergence of Content

In a continuation of the prior class, we will resume our examination the strategies employed by digital content producers and distributors and how those may conflict with the entrenched power structures in Hollywood. We will examine television content, platforms and networks in relation to the business of the mega-studios and also as the frontline of media convergence. How has the streaming model affected television? Is there even a meaningful distinction between Netflix, HBO and the legacy networks? Are Hollywood films next to be blurred into the digital realm, leaving the movie theaters behind? Does the relentless franchising of motion pictures eventually spell its own demise?

* Second Quiz - short answer and multiple choice (approx. 45 minutes)

Assigned Viewing

Bloomberg - Netflix bets big on "Bright" 2017

Hollywood Reporter - The TV Executives Roundtable

Recode - Conversation w Netflix CEO Reid Hastings 2017
Assigned Reading

“The State of Traditional TV: Updated with Q2 2017 Data” Marketing Charts 12/13/17
https://www.marketingcharts.com/featured-24817
Wolk, Alan “The Television Industry Today” Over the Top: How the Internet is Changing Television Section 1
Smith, Michael and Telang, Rahul Streaming Sharing Stealing: Big Data and the Future of Entertainment Part 1 “Good Times Bad Times”
Auletta, Ken “Outside the Box; Netflix and the Future of Television” The New Yorker February 3, 2014 (CAN)

Class #10 [June 28] The Hollywood Future: New Media Forms and New Opportunity?

We will begin the class with each of you sharing brief highlights of your final papers- then we will continue to wrap up any issues related to the current push toward convergence with an eye to the future.

Not unlike other times in film history, the business is now undergoing wrenching changes in technology, audience and cost structure that are reshaping the way the film entertainment is regarded and consumed. Will the filmmaking form as we know it remain relevant in the future? Are we heading toward VR and immersive entertainment? Easy to consume short form content? Do theaters become disrupted by premium video on demand and subscription based services?

Assigned Viewing

Google Talks- VR & Cinema 2016 https://www.youtube.com/watch?v=t3xDgONMdIM

Assigned Reading

Epstein, “The Once and Future Hollywood” pp 337-352
Elberse, Anita, Blockbuster, Chapter 5 “Will Digital Technology End the Dominance of Blockbusters?” pages 150-186 (CAN)
Bilton, Nick “Why Hollywood As We Know It Is Over” Vanity Fair 1/29/17 (CAN)

*****FINAL PAPERS ARE DUE********