

Contents

<i>List of Illustrations</i>	x
<i>Preface</i>	xi
1 Introduction	1
What is media economics about?	2
Macroeconomics and microeconomics	3
The firm in economic theory	4
Competitive market structures	8
Market structure and behaviour	10
What is so special about economics of the media?	11
Key economic characteristics of the media	13
Economies of scale	15
Economies of scope	16
Changing technology	17
2 Convergence and Multi-platform	19
The vertical supply chain	19
Changing market structures and boundaries	22
Digital convergence	25
Technological change, innovation and creative destruction	26
Multi-platform	29
A new cornucopia?	32
3 Corporate Growth and Concentration Strategies	34
Strategic responses to digitization	34
Managerial theories	38
Horizontal expansion	40
Diagonal and conglomerate growth	45
Vertical expansion	48
Transnational growth	51
4 Networks	53
Economics of networks	53
Broadcasting networks	58
Global networks in transnational publishing	61
Online content distribution	66

	Social networks and microblogging	69
	The changing role of networks in media economics	73
5	Demand: Push to Pull	76
	Mass to niche	76
	User empowerment	80
	Segmentation and branding	84
	Audience flow management	88
	Market failure in broadcasting	92
	Public service content provision	95
6	Economics of Content Supply	100
	Novelty and risk spreading	100
	Portfolios	102
	Repetition and formats	103
	Hollywood and risk	105
	Funding models: cost plus versus deficit financing	110
	Windowing	114
7	Copyright	121
	The economic origins of copyright	121
	Copyright and welfare losses	126
	Digitization and enforcement	127
	Globalization	128
	Territoriality and free trade areas	130
	Commercial models other than copyright	132
	Non-market alternative means of incentivizing creativity	136
	Adjusting copyright to the 'open' Internet	138
8	Media and Advertising	141
	The advertising industry	141
	Why does advertising take place?	143
	Are firms in control of their own markets?	145
	Informative versus persuasive advertising	146
	Advertising as a barrier to market entry	148
	Advertising and the performance of the economy	150
	The rise of Internet advertising	154
	The firm's advertising decision	159
9	Media Economics and Public Policy	165
	Free market versus intervention	166
	Support measures for media content	169

Protectionism	174
Concentrated media ownership	178
Promoting competition	180
Monopolies and technological change	183
Maximizing efficiency	188
PSBs and state aid rules	190
<i>References</i>	192
<i>Index</i>	213