

# **MEDIA ECONOMICS**

## **THOUGHT FOR THE DAY**

Money makes the world go 'round.

Anon.

### **STRUCTURE OF THE MEDIA BUSINESS**

**Monopoly:** One company controls most business

**Examples:** Microsoft, Newspaper ownership

**Oligopoly:** Domination by a few large companies.

**Examples:** Movie and record business

**Limited competition:** Competing entities are owned by major players.

**Examples:** Magazine chains

### **PERFORMANCE OF MEDIA ORGANIZATIONS**

**Direct pay:** which is what you do, when you buy CD's, magazines or books.

**Indirect pay:** Advertiser supported or industry subsidized.

**Economies of scale:** Lower prices due to mass production

### **TRANSITION TO INFORMATION ECONOMY**

Deregulation Trumps Regulation

Consolidation and Merger Mania

Flexible Markets, Downsizing and the Wage Gap

Global Markets and Specialization

Disney: A Study in Conglomeration

Synergy

### **Regulation: Pro and Con.**

Market Decides

Market Limits Choices

Government Regulates

### **Cultural Imperialism**

Q. What effect does all this have on our ability to produce and distribute media?

**Media Marketplace and Democracy**