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IN THE JOURNALISTIC frenzy that led up to the final "Seinfeld" episode, there were many savvy media watchers who proclaimed it the greatest sitcom of all time. Yet with an audience of 76.3 million viewers, it would have been decisively beaten in the ratings by the 80.5 million who watched the last episode of "Cheers" in 1993 and pulverized by the 106 million viewers who tuned in for the concluding episode of "M*A*S*H" in 1983.

Three No. 1 shows — yet an audience decline of 30 million. This took place even when the number of television households grew from 83.3 million in 1983 to 99 million in 1998. Something is happening, but, contrary to what some analysts contend, that thing is most decidedly not the demise of network television. Even in the face of epochal audience erosion, network television is generating more

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Illustrations by Bryan Wiggins

BATTLE FOR YOUR ATTENTION

What entertainment companies must do to profitably capture audiences.

BY MICHAEL J. WOLF

revenue now than at any time in the past.

Once upon a not-very-distant time, media pundits had a knee-jerk answer to the question, "Where have all the audiences gone?"

"They've gone to cable," was the mantra. A logical, tidy answer — but one that left out so much that it was as if a chef, when asked what was in a delicious veal stew, simply answered, "Salt." In the current stew that is the entertainment world, the answer to where the audience has gone is: It has gone everywhere, and it has not stopped going yet.

Ours is a time when you can buy videos at the gas station; when Best Buy, a consumer electronics chain, offers more compact discs than Musicland; when sales of video games, a category that did not exist 25 years ago, are now neck and neck with the total United States box office gate of all the major studios; when the number of cookbook and food titles offered by Barnes & Noble Inc. is greater than the total number of titles in all categories at many independent neighborhood bookstores; when Vivendi, the French municipal water supplier formerly known as Compagnie Générale des Eaux, owns book publishers, an amusement park and Canal Plus (Europe's top pay-TV service and a leading online provider); when the Hughes Electronics Corporation, formerly a military contractor, redeploys its satellite troops to take on the cable giants with its own DirecTV; when more men get the news from the Internet than from Dan Rather; when more people visit Six Flags Magic Mountain each year than make the hajj, the annual pilgrimage to Mecca.

The growth of entertainment has produced intense global media competition in which victory lies in momentarily capturing the fleeting, fickle attention of consumers. In today's entertainment economy, it is a contest that is playing out in many different arenas: in your home, in your office, on your vacation, in your airline seat, at the restaurant where you eat, on the computer screen where you are surfing the Internet, in the megaplex at the mall, in the video arcade in the megaplex, in the Waldenbooks next door, on every commercial, in every advertisement and in every place that merchants and services have employed the techniques of the entertainment business to entice consumers.

It was not always that way.

EASY PASS ERA

William Shakespeare, who knew a great deal about creating events that would attract an audience, did not have the entertainment business in mind when he observed that the whole world is a stage. But the spread of outlets for entertainment content has brought what was formerly confined to the stage (or screen, radio or television) to new places and in new ways that have transformed the business model of the industry. Local monopolies and a few products that could deliver mass audiences once put the Hollywood studios, television networks, local newspapers and general market magazines in an unchallenged position; that is less and less the case.

The old model was predicated on few outlets and essentially a captive audience; most of all, it operated in an environment of scarcity of product in the face of mass demand. In television, there was a limited channel spectrum. Most markets were served by only a few channels (usually three major networks and a handful of independent local chan-

MASS ENTERTAINMENT WAS MADE UP OF A NUMBER OF WHAT I THINK OF AS FLYWHEEL BUSINESSES: THEY RAN THEMSELVES AND THEY MADE MONEY. IF YOU OWNED A COUPLE OF TELEVISION STATIONS, YOU MADE A LOT OF MONEY.

nels that usually showed ball games and old movies). Likewise, there was usually a monopoly newspaper in town and it got all of the retail and classified advertising. You probably had a choice of two or three movie theaters. If you were an actor, writer, major-league ballplayer or morning talk-show host, there was no free market, and there were no free agents to savage the bottom line.

Mass entertainment was made up of a number of what I think of as flywheel businesses: They ran themselves and they made money. If you owned a couple of television stations, you made a lot of money. If you owned a newspaper, you could count on the cash piling up. Newspaper families such as the Chandlers of Los Angeles, the Hearsts of San Francisco, the Pulitzers of St. Louis and the Taylors of Boston amassed fortunes that approached $1 billion in the days when millionaires were few and far between. Likewise, if you ran a motion picture studio, pretty much everything you put out eventually made some money.

The laissez-faire owner of any vehicle of mass media could simply count on inherent market growth to pull his product along with the rest of the industry. If any particular business began to feel a pinch for whatever reason, the captive audience, distributor or advertiser had no choice but to accede to a rise in prices. Tycoons unilaterally upped ad rates, subscriber fees, movie ticket prices, theme park admissions and so on. They did not have to worry too much about labor or distribution costs eating into profits, because labor had nowhere else to go to sell its craft. Distributors were totally dependent on content producers to fill the pipeline to their delivery mechanisms. Theaters needed John Travolta's follow-up to "Saturday Night Fever." Newsstands needed to satisfy the huge media appetite of Watergate addicts. Bookstores needed the next erotic tale from the overheated typewriter of Jackie Collins.

Our current oversupplied marketplace is light-years from the days when ownership of media outlets was a "sure thing." Twenty years ago, Warren Buffet, whose investments in media companies such as The Washington Post and Capital Cities/ABC helped him to amass one of the great fortunes of the century, used the metaphor of a toll bridge to describe the power that came with owning a market-dominant newspaper. Just like an unregulated toll bridge, a media company could raise its rates as high as it wanted. The arrangement so favored the content producers that these were easy businesses to manage profitably.

Today is a far cry from the media toll-bridge era.

NEW KIDS ON THE BLOCK

Entertainment and media players find themselves (as do other companies trying to capture the consumer's attention) in a challenging situation. While overall audiences have grown, they have simultaneously fragmented into smaller blocs. Consumers today face an avalanche of choices. This does not necessarily mean that those choices are all good ones. If you think there is nothing on television, a little time spent on the Internet makes television look like content nirvana.

None of this would be cause for concern among entertainment moguls if the growth curve of the entertainment industry were rising sharply. It is not. In the United States, traditional entertainment is a relatively mature business. Consumer spending is flattening. Price increases are wringing out as much additional revenue as they can. It is becoming clear that future growth will come either from a major hit, through global expansion

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Patrick Ewing, Madonna and the Price of Popcorn

The stars that lift companies' fortunes are representative of a fundamental shift in the balance of power in every aspect of entertainment. In two words: Talent rules.

Things have changed considerably from the days when Alfred Hitchcock arrogantly observed (and acted on the observation) that "I didn't say all actors are cattle. I said actors should be treated like cattle." Although I know many producers who still secretly share this view, they know that we live in a world in which star talent, famous talent, instantly recognizable talent has driven up the cost of doing business more powerfully than any other variable.

At the critical point where content connects with audience, talent is the indispensable mediator.

The underlying economics of this phenomenon were put forth more than 30 years ago, when William G. Bowen, then president of Princeton University, coauthored a pioneering study of creative costs that asked, and answered, the quirky question: Why do the prices of services such as haircuts, fine food, and Broadway theater tickets rise at the same rate, and why is that rate greater than that of price rises across the rest of the economy?

Mr. Bowen explained that while technological advances and administrative efficiencies can bring down the price of an automobile or a quart of orange juice, for example, there is no way to improve the efficiency of a man with a pair of scissors in his hands or an actor reciting a line from "Hamlet." These are creative skills that become relatively more valuable and therefore more costly as technology and administrative science rationalize other areas of economic life. While technological advances and financial consolidation lift the overall price index, businesses also pay a special premium for those creative, never-to-be-automated skills that remain outside their control.

Talent, known in movie terms as the "above the line" (everything else is known as "below the line"), used to account for one-third of the production cost of one movie. Today the ratio has been reversed.

Producers know they need name talent to have a chance of getting any recognition in the marketplace. And talent does not exclusively mean the Mel Gibson, leading-man type of talent. Sports stars, screenwriters, video game designers — anyone with a unique or at least rare crowd-pleasing gift has been the beneficiary of this shift in the power relations of the business. Here are some examples:

I estimate that for every ticket the New York Knicks sell at Madison Square Garden — at an average price of $47.50 — Patrick Ewing receives $21. This is a case, and not an isolated one, of a so-called franchise player making as much as the franchise.

For every Madonna compact disc that Maverick/Warner Bros. sells, Ms. Ciccone receives about $4. Michael Stipe and R.E.M. wrested $80 million out of Warner Bros. Records Inc. in part because the company needed to send a signal, albeit a very expensive one, that the company would do what it had to do to support its flagship acts in a time of management bloodletting.

The $600,000 per episode that Michael Richards was paid to be

Jerry Seinfeld's second banana in the last year of that show could have paid the costs of the cast and crew and the production costs of the first six episodes of "The Mary Tyler Moore Show" with enough change left over to buy a nice house.

Rupert Murdoch's estimated $300 million purchase of the Los Angeles Dodgers is more than 1,200 times what Branch Rickey, John Smith and Walter O'Malley paid to take control of the then-bankrupt ball club from the Brooklyn Trust Company. To be sure, part of that price reflected the value of the brand as a trophy for the purchaser and as a marquee property for Fox Sports Network. At the same time, we were once again seeing a case where a famous brand was accorded the same stature in the entertainment economy that fans have lavished on famous people, and thus carried a big price tag.

Because talent costs have risen eighteenfold in the years since free agency was instituted, sports franchise owners have had to ask more for television rights and broadcasters have had to charge more for advertisements during sports events as part of a widening spiral of cost increases that has driven up the value of teams much faster than the general rise in costs in the rest of the economy. To put this into perspective, at the rate of inflation exemplified by the price of the Dodgers over the last half-century, a $2,000 Chevrolet from the era of that first Dodgers purchase would now cost you $1.9 million.

Although sports may be an extreme case, the inflation of talent-driven costs is nearly universal in all products that contain any entertainment content. Top screenwriters are pulling down salaries in the mid-seven figures, directors dealing in the low eights and stars, with the right deal and the right picture, walking away with more than $100 million. In book publishing, Stephen King recently asked for a $17 million advance for "Bag of Bones," whereas Ernest Hemingway received only $16,000 for "A Farewell to Arms." (Ultimately, Mr. King decided to take a reported 50 percent of the profits along with a "small" advance of $2 million.)

As long as consumers are drawn by big-name stars, skilled athletes, top directors and best-selling authors, the price of talent will be high. If entertainment companies want audiences at their movies, viewers for their television shows, fans at their games, buyers for their compact discs and readers for their books, then they will have to pay what it costs to stand out in today's aggressively competitive marketplace. It might not always work, but it is a likelier bet.

At some point there may well be a limit to how far content producers can raise prices, but the direct cost to the consumer is only part of the story of rising costs. The chief subsidizer of the entertainment business is, and will continue to be, advertising. Like talent, it is a variable that has moved way ahead of the price inflation curve, and therein lies a paradox. SB

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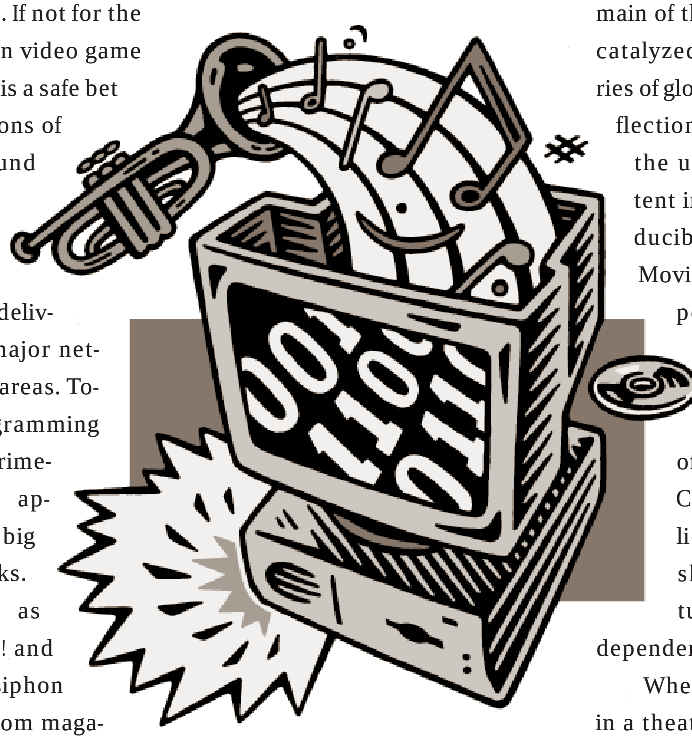
into less mature markets or as diversification into other industries. And always, like an insistent background theme, there is technology: It offers potential growth, but its every advance brings more players crowding around the trough.

In every platform there is more product: more sitcoms, more books, more music by more artists, more magazines, more movies. Annually, there are 10,000 more books published today than five years ago. In 1997, nearly 30,000 albums were released by the major music labels and independents — of which fewer than 2 percent sold more than 50,000 copies. Close to 900 new magazines were introduced just in 1997. In 10 years the number of feature films released by the major motion picture studios has increased by almost 80 percent. The old two-feature movie house on Main Street has been replaced by two or three mall-based multiplexes that offer a dozen new movies each. There are entirely new, content-hungry platforms that did not exist in the mid-century heyday of the mass-audience vehicles. If not for the advent of the $5.5-billion video game industry, for example, it is a safe bet that some of those billions of dollars would have found their way into traditional amusements. Cable television was originally just a way to deliver the content of the major networks to outlying rural areas. Today it is a rival programming venue that attracts a prime-time audience share approaching that of the big four broadcast networks. Internet portals such as America Online, Yahoo! and Infoseek are poised to siphon off advertiser dollars from magazines, newspapers and television. At one time, Disneyland and Disney World were the prime destination theme parks in the nation. Now other family destinations compete for the same tourist dollars: Branson, Mo.; Williamsburg, Va.; Las Vegas, Nev. Other rivals include Universal Studios and Six Flags, as well as such new museums as the Rock and Roll Hall of Fame, Binney & Smith's Crayola Factory, Kellogg's Cereal City USA and Hormel Foods' Spamtown USA.

There are also significant new players who have come out of the most unlikely businesses and gravitated toward the heat and light of entertainment. Take the Microsoft Corporation, for example. Who would ever have thought that classic dweebs — the authors of the codes that tell a computer how to store data — would become showbiz players?



Sensing that content and media are indeed the wave of the future, Bill Gates has invested billions of dollars in MSNBC, the Comcast Corporation and Time Warner Cable's Road Runner (a high-speed Internet access service). Microsoft introduced the Sidewalk city guides to compete with local newspaper and city magazines in providing up-to-date service features. Even though we have come a long way since Microsoft's most interesting content was the autoexec.bat file, there are many who breathe a sigh of relief that even Microsoft has found its share of frustration at reaching audiences with its content (such as its cybermagazine Slate).

A MESSAGE TO MARSHALL MCLUHAN

The entry of pure technology companies into the formerly exclusive domain of the entertainment giants has catalyzed a seemingly unending series of global mergers. This is just a reflection in the economic realm of the underlying principle of content in the Digital Age: It is all reducible to ones and zeroes. Movies, music, books or newspapers can all be expressed in the same binary code. Discrete forms of media are just different dialects of the language of computers. Content is becoming a very liquid asset. To update Marshall McLuhan's famed dictum: The message is now independent of the medium.

Whether you see "Men in Black" in a theater, on video, on digital versatile disk, on high-definition television, on a compact disc, in a video game or over the Internet, the digital content remains the same. The same digital language captures Will Smith's performance of the title track and Entertainment Weekly's story on the movie's special effects (which were also created in digital language). Digital technology is thus uncoupling entertainment products from any specific medium and making them portable across multiple platforms. In a world where most content moves at the speed of light, there is an even greater need to be available in every medium and every platform in order for any new product to have a chance against the competitor's blockbuster multi-platform effort. Technology — such as digital books, virtual reality games and interactive stories — will create even more opportunities for the exploitation of the same product. The allied impulse to release the book, the movie, the video games and the Burger King commercials has received great reinforcement from this underlying technological transformation. (Although we have not yet figured out a way to digitize a Double Whopper.)

Digital technology has unified media and brought a qualitative change in the entertainment business, but it is just the latest in a series of changes that technology has wrought in the years between the invention of radio and the advent of the Internet. From an economic perspective, the most important aspect of this is that every new technology has meant new and greater sources of income. Thus, the VCR greatly increased the size of the revenue stream of a successful feature. When you see ads telling you that the home video of "Aladdin" is available, it is part of a well-thought-out marketing plan. The Walt Disney Company knows that every seven years the sixth-grade class that graduates from grammar school is replaced by a whole new group entering kindergarten, and it re-releases "The Little Mermaid" or "Jungle Book" videos to coincide with that cycle. In the music business, the advent of the compact disc platform brought a tremendous, one-time-only windfall as consumers rebuilt their music libraries by replacing records with CD's. In both instances — movies and music — billions of dollars of income were directly attributable to migra-

tion of content to new platforms.

In the long run, while digital technology has opened up new markets, created new exploitations of entertainment products and created efficiencies of time and cost, it has also raised the ante and consumers' expectations from the last "wow" project to the next one. In a contest in which a company is only as good as its next production, the most recent special-effects-heavy blockbuster requires that the next one be even more elaborate. Once Steven Spielberg showed us dinosaurs running through sun-dappled meadows and James Cameron gave us a passenger's-eye view of the last seconds of the Titanic, George Lucas knew that the "Star Wars" prequel, "Episode I — The Phantom Menace," would have to take us to faraway galaxies even more convincingly. In like fashion, Disney's animated "Tarzan" would have to go one step further than the intricate mass battle scenes of "Mulan."

AIMING FOR WOW

The distributors of formerly distinct media are now all in the same business: cramming digital information into the airwaves and the copper, fiber-optic and coaxial pipes to the home. Thus the networks and the telephone, cable and satellite companies are all simply different digital paths to the same destination — our home screens.

Those screens may be computers or televisions, but in the future I am convinced that the difference between the two will marginalize. When AT&T and Tele-Communications Inc., proprietors of two of the world's largest embedded bases of wires into the home, join forces to deliver video, voice and data, or when Rupert Murdoch's News Corporation invests billions to lock up satellite delivery in Britain, China, India and Latin America, it is simply the corporate response to the new digital reality. Liberalized regulations (both domestic and international) have further spurred the process of growth and acquisition.

Most of the traditional telecommunications companies are now positioning themselves to buy their way into the content side of the business. It is as if the post office were to begin to get into the letter-writing side of the business.

Part of the entertainment industry's response to this fact of life has been a corresponding consolidation, or centralization, of its businesses so that the formerly separate areas of creative development, production, distribution and technology are joined in a few global media behemoths. Time Warner Inc., News Corporation, Viacom Inc., the Seagram Company's Universal Studios Inc., Disney, the General Electric Company, Bertelsmann A.G., Microsoft and America Online are some of the content entities that have the heft to interface with the delivery giants. They are the companies with the financial wherewithal to make the increasingly large bets that will pay off in the only things that keep media companies in business: hit products and the means to deliver them. This increase in the size of the entertainment battlefield and the necessity to amass the broadest set of outlets for their content is propelling entertainment captains to claim a beachhead in as many markets as possible. Their only option is growth.

The same liberalized regulatory environment that has unleashed the telecommunications companies, leaving them free to enter the content business, has also affected pure entertainment companies. In television, which is still the driving wheel of the entertainment economy, the end of the financial interest and syndication rules allowed the networks to reap the huge syndication profits previously reserved for independent production companies. The so-called fin-syn rules barred networks from owning the shows they broadcast. With their repeal, the next generation's must-see TV is likely to be developed, owned and syndicated by a major network. There will still be a role for the independent production of television programming. By themselves, the networks cannot field the broad set of concepts they need to feed into their yearly pilot schedules. However, they will likely produce commodity programming (such as movies of the week) and will at least own stakes in most of their shows. Furthermore, recent liberalization has enabled these same networks to increase their ownership of local stations. Whereas the old regulations effectively allowed 12 network-owned-and-operated stations, the new regulations left some networks with as many as 25 "O and O's." The newly created Paxnet boasts 80 stations.

The upsurge of broadcast network revenues has been surpassed by the growth spurt of the cable networks. The result is a rush by other entertainment companies to get into more and more television. Disney's purchase of Capital Cities/ABC in 1995 followed General Electric's acquisition of NBC. Not willing to be shut out because the three major networks were locked up by other companies, Rupert Murdoch shattered a 40-year status quo with the introduction of Fox Television. Time Warner and the Tribune Company have joined forces in the fledgling Warner Bros. network. The need to control underlying entertainment assets led to Barry Diller's acquisition of USA Network. In cable, Ted Turner cloned his success with CNN and TBS by creating other cable networks, namely TNT and the Cartoon Network. Not wanting to cede the children's cable market to Mr. Turner and Viacom's Nickelodeon,

WHILE DIGITAL TECHNOLOGY HAS OPENED UP NEW MARKETS… IT HAS ALSO RAISED THE ANTE AND THE CONSUMERS' EXPECTATIONS FROM THE LAST "WOW" PROJECT TO THE NEXT ONE.

Rupert Murdoch created the Fox Family Channel, and the Discovery Channel entered the same arena with Discovery Kids and Animal Planet. The good news is that with the entry of all these new players, television revenues went from $26.2 billion in 1987 to an estimated $51.5 billion in 1997. The downside of the story is that most incumbents' share has correspondingly gone down. All in all, this race for dominance has led to an increase in the number of traditional entertainment options but has also made it increasingly difficult for entertainment companies to capture the consumer's attention.

Over the past five years, media

mergers have come in wave after wave. Though they are far from over, the blush of pride that follows a takeover victory has led to a time of re-evaluation. Most media companies have begun to re-examine their portfolios to see if yesterday's hoped-for good fit makes sense within their current strategy. Some companies will be even more determined to squeeze out the last drop of value from businesses that are working well together. Just as surely, some of the same entertainment companies that spearheaded the growth-by-acquisition movement will now see the time as right to spin off businesses that do not really fit their evolving strategies. The victors will be better-focused companies that are more capable of winning the battle for attention.

> THERE WERE MORE THAN 500 FILMS RELEASED IN 1997 IN THE UNITED STATES, ALMOST 100 TIMES THE 5.2 FILMS THE AVERAGE AMERICAN SEES EVERY YEAR.

FEEDING THE MACHINE

Financing acquisitions has been one of the many drains on corporate coffers. Keeping up with technology, which was hardly an item in the glory days of the era of media scarcity, is a big and growing line item on the balance sheet. Finally, to capture and hold the attention of consumers, companies are also devoting a greater proportion of their resources to gambling on creating hits, as production costs often appear to have left the gravitational field of fiscal good sense.

The effects on every company's creative, financial and organizational assets have been profound. For example, there are now 62 half-hour comedy shows on television, up from 36 a decade ago. It would be hard to find room for a new hit even if all of the product was good. However, as we all know, more hours on the schedule does not necessarily mean more good products. Steve Allen has observed that at any one time there are 50 good comedy writers in America. His advice, basically, was that if you find a good comedy writer, treat him or her like gold. As many comedy producers have confirmed to me, "comic DNA," or whatever is the material that makes one person funny and another boring, is apparently in short supply in the human gene pool. So with more than 600 writers working on the current crop of sitcoms, it is no wonder that their output often has the strength of water that has been passed through the same coffee grounds too many times.

What is true for the small screen also holds true for the large: There were more than 500 films released in 1997 in the United States, almost 100 times the 5.2 films the average American sees every year.

All the marketing and promoting and beating the drum that comes with every release gets wearying on the troops: A company in any industry that indiscriminately churns out product in the hopes of covering its bets will quickly max out, and even burn out, the resources of creativity and enthusiasm that are necessary to make a hit. Indiscriminately dumping releases into the marketplace does not mean that something will hit. Right alongside the ability to generate a lot of product, I believe in an above-the-battle perspective that leads to retrenchment and focus. Val Azzoli, co-chairman and co-chief executive officer of the Atlantic Group's Atlantic Records, demonstrated this strategy by downsizing a bloated staff and slashing releases by more than half (to only 57 albums) in his first year at the helm. By backing fewer artists, but concentrating on those in whom he really believed (e.g., LeAnn Rimes, Brandy and Jewel), he helped the Atlantic label surge to No. 1 with a dominating 8 percent of the United States market.

WHERE LESS IS DECIDEDLY MORE

The fragmentation of the entertainment industry has made it almost impossible for advertisers to reach the levels of audience share they did in the days when Milton Berle consistently racked up Nielsen ratings of 80 and above. Smaller audiences should mean lower advertising prices, right? Not in Mondo Entertainment!

The mass audience remains a necessary element in making the number of impressions needed to break through the clutter of competing products. As this audience has become a rarer commodity, it has become more, not less, valuable. That is why media inflation has continued to rise over the last few years despite audience fragmentation. Because television is not what it once was, any company that advertises its products has to assemble an overall media plan that includes niche cable channels, local radio, Internet portals, special-interest magazines and more. This battle for attention on so many fronts brings to mind the once simple act of buying a slice of pizza. Gone are the days when Vinny down at the local pizza parlor asked, "You want me to put some sausage on it or just plain?" Nowadays I have a choice of 20 toppings, each of them at an additional cost, not to mention a selection of different crusts. The simple act of buying a slice of pizza, like the formerly simple act of buying mass impressions, has now become a menu of choices — and every choice raises the price.

At the same time that mass audiences are so coveted, targeted audiences are also increasingly valuable. Niche audiences offer a high level of commitment to a particular lifestyle, attitude, buying behavior and even set of beliefs. Advertisers can identify the group of people they want to reach when they purchase ads in niche media such as the Discovery Channel or Lifetime Television, or Maxim or Bride's magazines, or Auto

Trader. As they try to increase the efficiency of their advertising buys and associate their products with a lifestyle, interest group or certain trendsetters, these targeted impressions become highly valuable.

THE UPSIDE IS NOT A DOWNER

In all aspects, entertainment has become a more competitive and complex game. While this is a cause of anxiety, it is equally certain that there will be great new megacompanies, globe-spanning alliances and larger and larger forays by the creators of content into other businesses as the struggle to survive forces them to acquire entertainment assets. Only in this way can their products stand out from the cacophony of thousands of brands clamoring for the consumer's attention and money.

The wave of the future, then, is multinational, multimedia, technology-rich production and distribution companies that, through acquisition or strategic alliances, will be able to release, promote and distribute product on every platform. They will offer it on airlines in which they may or may not have invested, megaplexes they have helped build, theme parks they own outright. The day of the no-maintenance perpetual money machine is over. In the crowded, leveraged marketplace, companies will survive and flourish to the extent that they can move quickly, on a broad front, and with full familiarity with widely different business cultures and governmental structures.

More than ever these companies need nimble, decisive leaders who can dance on shifting sands without losing their footing. If the mogul had not existed, this is the era that would have invented this species of headline-grabbing, empire-building industry leader. Egotistical, focused, controlling, deeply intuitive and undaunted by failure, they are the absolute — and necessary — monarchs of the entertainment economy.

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