

# JUCCIS journal of creative industries and cultural studies

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Terry Flew & Paulo Faustino

**volume 9**  
August - December 2022



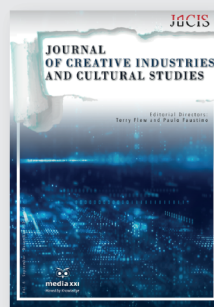
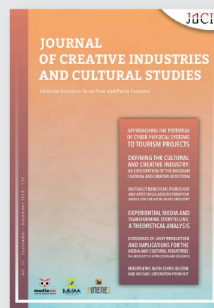
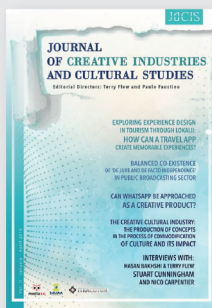
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**vol. 9**

Journal of Creative Industries and Cultural Studies—JOCIS

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4000-291, Porto, Portugal.  
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ISSN: 2184-0466 (Print)

ISSN: 2795-5540 (Online)



## **ABOUT THIS JOURNAL**

JOCIS is a Scientific Journal created by MediaXXI/ Formalpress in partnership with several international entities, such as International Media Management Academic Association (IMMAA), and also with the collaboration of the Centre for Research in Communication, Information and Digital Culture (CIC.Digital) of the Faculty of Arts and Humanities of the University of Porto and the Faculty of Social and Human Sciences of the University Nova of Lisbon. Co-directed by Terry Flew and Paulo Faustino, JOCIS is created, designed and peer-reviewed by a highly qualified international team of academic researchers and publishers with years of experience.

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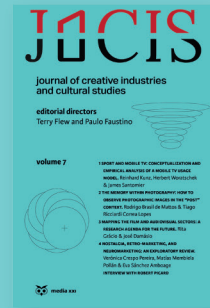
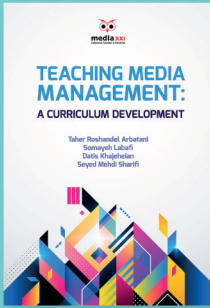
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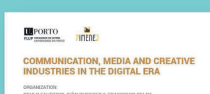
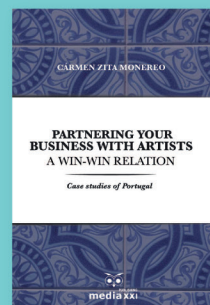
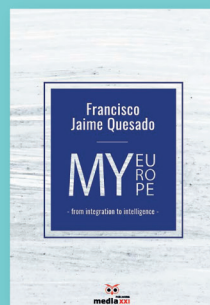
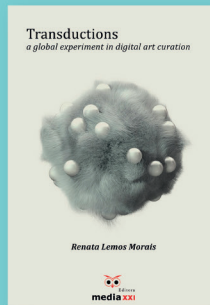
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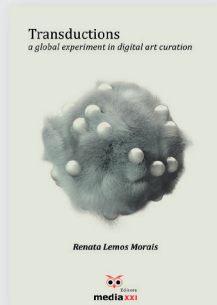
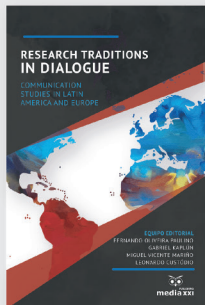
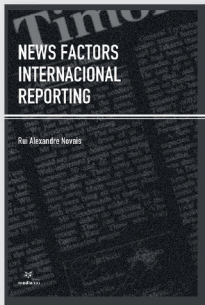
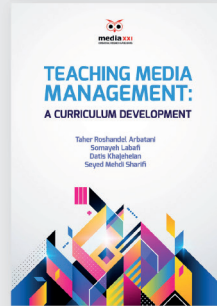
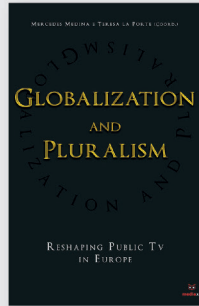
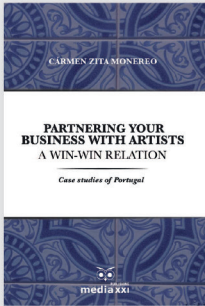
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**Journal of Creative Industries  
and Cultural Studies**

**VOL. 9  
AUGUST – DECEMBER 2022**



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## TABLE OF CONTENTS

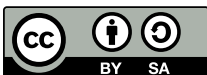
|  |            |
|--|------------|
| <b>FOREWORD</b>  | <b>16</b>  |
| BY ILHEM ALLAGUI   |            |
| ARTICLES   |            |
| <b>1) CULTURE AND CONFLICT: THE FRAMING OF NEWS IN THREE NATIONAL U.S. NEWSPAPERS</b>                                  | <b>24</b>  |
| BY ANGELA POWERS & JENNIFER GODBERSEN  |            |
| <b>2) SOME MAJOR QUESTIONS FOR RESEARCH IN INFORMATION-COMMUNICATION TODAY</b>   | <b>48</b>  |
| BY BERNARD MIÈGE   |            |
| <b>3) MEDIA BUSINESS TRANSFORMATION IN THE WORKPLACE: CREATING A CULTURE OF INNOVATION</b>                             | <b>66</b>  |
| BY RICHARD A. GERSHON  |            |
| <b>4) THE QUALITY AND VARIETY OF INFORMATION IN THE DIGITAL AND TRADITIONAL MEDIA: COMPETITION AND COMPLEMENTARITY</b> | <b>88</b>  |
| BY MARCO GAMBARO   |            |
| <b>THE 2022 IMMAA CONFERENCE IN PORTO</b>  | <b>112</b> |
| BY FELIPE MENEGOTTO  |            |
| <b>CALL FOR PAPERS. IMMAA CONFERENCE 2023. MEDIA TRANSFORMATION. A ROAD MAP FOR THE FUTURE</b>                         | <b>120</b> |
| AL AKHAWAYN UNIVERSITY IN IFRANE, IFRANE, MOROCCO, OCT. 20-22, 2023  |            |
| <b>REGULATING PLATFORMS</b>  | <b>125</b> |
| BY TERRY FLEW  |            |
| REPORT   |            |
| <b>CREATIVE INDUSTRIES AND CREATIVE ECONOMY: TAKING STOCK AND MOVING FORWARD</b>                                       | <b>129</b> |
| BY DINARA TOKBAEVA   |            |
| <b>INDEXATION INFORMATION</b>  | <b>135</b> |

# Foreword

*The big techs keep  
gaining momentum.  
Is it time for a new  
research agenda?*

**Recommended citation:** Allagui, Ilhem (2023). "Foreword to JOCIS 9". Journal of Creative Industries and Cultural Studies (JOCIS), v. 9, pp. 16-23.

<https://doi.org/10.56140/JOCIS-v9-1>



BY ILHEM ALLAGUI<sup>1</sup>

The dominance of social media platforms, applications, and new communication channels, in addition to the blend of commercial and social interactions and the integration of information, misinformation, and news, all compel us to think more broadly and creatively about the discipline of communication sciences.

As we move into the third decade of the twenty-first century, people, communities, and institutions are becoming more dependent on the Internet and data technologies to use in various contexts, including societal, commercial, professional, and technical. Yet, concerns regarding profitability, equity, surveillance, data protection, infrastructure, and regulation, among many others, prove our inaptitude to fully grasp the multidimensional consequences of information and communication technology integration in societies. In the literature, academic and professional events, there has been a resurgence of interest in examining and understanding the development of information and communication technologies. As we keep harnessing a culture of innovation and as people become increasingly immersed in the praxis of new technologies and applications, among the challenges ahead of us is appreciating the purpose of increased digital connectivity and identifying research questions and methodological approaches appropriate to the ever-developing media and technological environments, including the metaverse,

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artificial intelligence, and virtual reality.

At its foundation, innovation, as an idea, concept, process, and product, refers to doing things differently and creatively. New ideas and knowledge are created, produced, and distributed to generate value. In recent decades, thought leaders and the literature on social, technological, political, and cultural innovations preached new concepts to optimize resources, attain better goals, and improve practices, but many proved wrong spectacularly. For instance, Bill Gates' 1996 famous line, 'The content is king,' couldn't get any more wrong: it turned out that connectivity won over the content in the digital space. While his line advocates that profitability (in digital marketing) comes from content exposure, we know today that Internet usage is, first and foremost, social. The competition to capitalize on content got misdirected, and new questions around revenue streams, for instance, emerged. Not only did content monetization become challenging and uncertain, but also little did we know that news could become so pervasively fake, and information could easily be biased.

In his talk, *The return of the state into the digital economy* delivered at the virtual seminar co-sponsored by the Columbia Institute for Tele-Information (CITI) and the International Media Management Academic Association (IMMAA), Professor and Director of the Quello Center at the Michigan State University Johannes Bauer examined the return of the state to shape the digital economy and solve global problems of public interest, including digital equity, infrastructure, online hate speech, and the public good. He noted that by resorting to state interventionism, we address recent problems with withdrawn practices inspired by the past. While his talk dealt with the reconfiguration of the state's relationship to the digital economy, he pointed to a misalignment between the global momentum of the reign of big tech companies and the tools we use to study and address information and communication problems. Bauer argued that we failed the governance of the digital economy because we had been using a traditional, static, industrial-oriented perspective instead of a dynamic, systematic approach that engaged with the issues at hand. He advocated for reframing the problems and the questions when developing solutions. Researchers need to question and revisit the old frames when dealing with the new media and technology issues. To fully grasp the ongoing changes in media and new communication and information technologies, researchers are called to wear new lenses that enable them to reconfigure frameworks and better engage with the current dynamic and multidimensional context.

### THE ARTICLES IN THIS 9TH JOCIS ISSUE

In this spirit, this ninth edition of the JOCIS includes four articles that critically engage with the above-mentioned questions, a Terry Flew's book *Regulating Platforms* (Polity Press, 2022) review, a summary of the *Creative Economy Outlook 2022* report (United Nations, 2022), and the highlights from the 2022 IMMAA conference in Porto.

Bernard Miege's article invites us to think about today's research agenda in the field of communication sciences. His paper *Some major questions for research in information communication today* analyzes the discipline's development, the outputs of which are sectorial and fragmented, he says. He examines the power of the rise of the digital in societies and organizations, the dynamics of the current society's liberal capitalism, and the impact or aftermath of the tech giants on media (and) markets. He suggests revising the research methods to get to grips with the changing technological and media environment. For instance, he recommends the multi-dimensionality approach and the "medium-range" theorization that produces "sufficiently formalized elements of understanding, intermediate between observations coming from empirical research and conclusions coming from hypothetic-deductive hypotheses, but without pretending to universal validity for the results obtained," he notes. Miege suggests research programs that include establishing a relationship between historical and new media, reconsidering platforms' role in the cultural and information industries, and making regulation a research priority for the information-communication discipline.

Richard A. Gershon discusses the importance of innovation culture in the workplace; in his article *Media Business Transformation*, Gershon reminds us of the challenges of innovation and discovery in a highly competitive media environment. Businesses must cultivate a culture of innovation, he says. Those willing to experiment and take risks will learn better, even if they fail. Strategies that facilitate a culture of innovation include nurturing partnerships and collaboration, engaging in open communication, and cultivating the right kind of leadership.

Organizations that are ill-prepared for the new and disruptive transformations in their industries or global marketplace may fail. Using Sony, Blockbuster, and Kodak case studies, Gershon shows how easily even big and successful companies can fail if they're not abreast of technological changes in their environments. Thus, attributes like good risk management, experimentation, and external partnerships reduce risk and facilitate the repeatability and sustainability of product innovation.

Questioning the quality and variety of information available online, Marco Gambaro reflects on the information flow through the Internet. In

his essay *The quality and variety of information in the digital and traditional media: Competition and complementarity*, he discusses the production and consumption of online news and stories while pointing to their value for political and economic considerations.

In her empirical study *Culture and Conflict: The Framing of News in Three National U.S. Newspapers*, Angela Powers discusses three media organizations' practices that impacted the news coverage of the Black Lives Matter movement. Using the content analysis approach, Powers shows the differences in coverage among the newspapers studied (the *New York Times*, *USA Today*, and *Wall Street Journal*) and discusses how the liberal-leaning newspaper engages in sensational coverage while the conservative newspaper prioritizes the contextual elements of coverage. In addition to compatible/incompatible language used in their stories, the newspapers differentiate themselves by the news sources they use, which shapes their stories and, thus, their biases, Powers argues.

Along with these conversations about the new economy, a summary of the report *Creative Economy Outlook 2022* (United Nations, 2022) sheds light on national creative economy plans and strategies of 33 countries, proving that the creative economy became a global driver of social, political, and economic opportunities and sustainable development.

A review of Terry Flew's new book *Regulating Platforms* (Polity Press, 2022) engages with the study's key points. The book examines the current extended reach of digital platforms and the role they play politically, socially, and economically; "*Regulating Platforms* is indeed a must-read for all those who live, think, and breathe in the twenty-first century at a time when a large part of society has become intensely reliant on the Internet, either for creating content, getting informed, and sharing opinions or for the development of creative industries. Above all, it is mandatory reading for researchers, scholars, and thinkers of media and communication, who wish not only to understand the current context but also to think ahead in the pursuit of solving problems," the reviewer notes.

This volume of JOCIS concludes with the highlights of the 2022's International Media Management Academic Association conference, held in Porto, Portugal, on October, 21-22. Hosted by the Faculty of Arts and Humanities of the University of Porto and led by Professor Paulo Faustino, the conference welcomed a community of eminent scholars, professionals, and early-career academics, including Ph.D. students. Read the summary to learn about the sessions, the keynote talks, the visit to the Porto Innovation Hub, and other news.



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# *Articles*

1

*Culture and  
Conflict: The  
Framing of News  
in Three National  
U.S. Newspapers*



## ANGELA POWERS

PROFESSOR OF JOURNALISM AND MASS COMMUNICATION

## JENNIFER GODBERSEN

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### **ABSTRACT**

**OVERVIEW:** This research addressed how corporate political leanings of media organizations impacted journalistic coverage of issues of conflict and culture.

**PURPOSE:** The purpose of this study was to identify how national newspapers with different editorial stances framed protest news coverage of the cultural issue of Black Lives Matter in order to attract audiences and differentiate their products. Journalists are influenced not only by what they see and hear at the scene of a news story but by the work practices and management decisions of their news organizations and parent companies.

**METHODOLOGY:** Three national newspapers were chosen for analysis. Computational and manual content analyses of news stories were conducted to identify differences in word usage, story bias, and source usage. Newspaper stories on Black Lives Matter were collected at the height of coverage in Spring 2020 following the death of George Floyd and again in Spring 2021 surrounding the trial of Derek Chauvin, the police officer held responsible for the death. This timeframe provided an opportunity to measure differences in institutional and journalistic content decision-making in news stories during the heat of cultural exchanges.

**FINDINGS:** Analysis of newspaper coverage of the cultural movement indicated differences in coverage existed among newspapers where the liberal-leaning newspaper was more likely to engage in more sensational coverage, while the conservative newspaper engaged in more contextual coverage.

**KEYWORDS:** civility, social media, journalism, news, Black Lives Matter, peace journalism.

**RECOMMENDED CITATION:** Powers, Angela (2023). "Culture and Conflict: The Framing of News in Three National U.S. Newspapers". *Journal of Creative Industries and Cultural Studies (JOCIS)*, v. 9, pp. 24-47.

[HTTPS://DOI.ORG/10.56140/JOCIS-V9-2](https://doi.org/10.56140/JOCIS-V9-2)

\*Research submitted for publication in *Journal of Creative Industries and Cultural Studies*. A special thanks to the Iowa State University Honors Program and the Dean's High Impact Award for Undergraduate Research in the College of Liberal Arts and Sciences for their support of this research.

## **CULTURE AND CONFLICT: THE FRAMING OF NEWS IN THREE NATIONAL NEWSPAPERS**

When covering cultural protest news, journalists are tasked with writing stories that inform and attract audiences, as well as provide fairness and balance in sensitive or difficult situations. This is challenging because, as Coleman (2011) states, America and many parts of the world are experiencing “intractable conflict” where encounters with the “other side” (political, religious, ethnic, racial or otherwise) are becoming more and more charged. Such intractable conflict in culture stifles information and understanding and promotes other views as being unreasonable, malicious, extreme, or even crazy.

This research analyzes how three national U.S. newspapers *New York Times*; *USA Today*, and *Wall Street Journal*, impacted the understanding of protest news as it came to dominate coverage across media platforms in the spring of 2020. Specifically, it addressed how editorial policy may have impacted word and source usage in news stories, as well as how journalists shaped coverage of the social movement of Black Lives Matter during the height of its controversy. To address this issue, differences in word usage and framing were compared among the newspapers with liberal, moderate and conservative editorial stances. The controversial Black Lives Matter movement of 2020-21 provided an ideal backdrop to better understand how newspapers compete by differentiating products in the framing of news and information on culture and conflict.

As journalists seek truth in the age of digital immediacy and corporate ownership, more understanding is needed regarding the how news content is evolving in coverage of cultural conflicts. According to De Michelis (2018) the media have an important role in cultural protest prevention by alerting policy makers – and the public opinion that influences them – to potential consequences. While graphic stories tend to take precedence, there is more that can be done to inform and create understanding. For example, the coverage of the Persian Gulf War highlighted the need for context to create understanding of centuries-old conflicts (Powers and Powers, 1991). Context was also needed in the coverage of health controversies to create understanding among stakeholders and the public (Powers, 1999). In recent years, discussions on civility in media have increased where media managers are concerned with covering protest news when incivility is on the rise (see Greenlee Summit, 2019). In 2020, the Black Lives Matter controversy gained momentum with the death of George Floyd and increased analysis into coverage of police violence (Aloe, June 4, 2020). Protest coverage of events such as Black Lives Matter was particularly challenging as journalists were often caught in

middle of organizational and societal demands. Journalists were influenced not only by what they saw and heard at the site of a news story but by work practices and how managers thought stories should be covered or framed. Powers and He (May 2020) found that media managers advocate for balance and responsibility by enforcing journalistic policies or ethics codes; however, these approaches often differ from newsroom to newsroom.

### **FRAMING CULTURAL NEWS**

The Project for Excellence in Journalism (Framing the news, 2020) found framing impacts public understanding, policy, and public opinion in a number of ways. Local papers tend to rely on traditional straight news accounts and try to explain how things work. National papers are more interpretative and try to put news into a larger perspective. Additionally, they found that news originates from decisions made in the newsroom rather than by events from the outside.

Given this information, analyzing the framing of news becomes increasingly important when covering sensitive issues or cultural conflicts. Furthermore, Entman (1993) says misunderstanding is quickly constructed with instantaneous coverage and biased story angles and interview sources. Hall Jamieson (2017) says while viewing of uncivil behavior promotes viewer interest, it negatively impacts political trust. Mutz (2007) believes uncivil discourse is emotionally arousing and catches our attention; however, he and others question the impact on culture and society, especially when news is unlimited geographically and instantaneous around the world (Gervais, 2015; Santana, 2015; Stroud et al., 2015).

Brooks and Greer (2007) were concerned that continuous framing of uncivil messages leads to polarity. Furthermore, they say when fairness eludes media, cultural harmony decreases. However, according to Thorson, Bragra and Ekdale (2010), when a news article was embedded in an uncivil blog post, the article's perceived credibility increased. Borah (2013) found that incivility increased perceptions of credibility of a news article; however, it still decreased political trust. Furthermore, in a study of online comments, Coe, Kenski and Rains (2014) found that uncivil comments were more likely to include statistics as evidence and were also more likely to more often receive reactions from readers in the form of thumbs-down ratings.

Anderson et al. (2018) found that groups most affected by incivility in news stories on cultural and political issues were conservatives, and that liberals and moderates were less affected. This rise of incivility in the U.S. toward conservatives is also moving consumers to media that agree with their political views. Sydnor (2018) indicated that "as Americans place themselves



in increasingly homogeneous online communication networks, it seems probable that they will see more like-minded incivility and less disagreeable incivility.” The risk in surrounding yourself with like-minded individuals, however, occurs when antagonism and distrust for others are unreasonably heightened. The media that have the highest distrust among Republicans are CNN (58%), MSNBC (47%), New York Times (42%), and NBC (40%; Jurkowitz et al., 2021). The sources that have the highest distrust among Democrats are Fox News (61%), Sean Hannity (28%), and Breitbart (26%), (Jurkowitz et al., 2021).

Mourão, Kilgo, and Sylvie (2021) analyzed advocacy framing and found that while stories were initially focused on protest violence, coverage developed to become more legitimizing. Mourão, Kilgo, and Sylvie (2019) also compared the protest coverage following shootings and found that non-violent protests received overall less coverage than violent protests. They assert that peaceful protests have more difficulty gaining media coverage.

Mourão and Chen (2020) also compared protest coverage from professional journalists’ perspectives and found that reporters viewed social media as a space for personal expression where they could reveal more honest opinions, often challenging patterns of protest coverage identified in the literature. Nevertheless, they usually applied traditional ways of reporting to the online realm,

Mourão and Kilgo (2021) found in their study of the Black Lives Matter movement that news consumers were more likely to read, like, comment on, and share stories that featured a legitimizing frame. A delegitimizing frame consisted of riot and confrontation and placed a higher value on conflict and spectacle, including violence, deviant behavior, looting, and destruction of property, whereas, a legitimizing frame consisted of protest and debate and happened when media presented protesters as legitimate groups with valid grievances and demands.

## **TOWARD A MODEL OF LEGITIMATE CULTURE AND CONFLICT REPORTING**

According to Brown and Paul (2016), media can facilitate incremental progress by replacing malicious ideas, ideologies, and narratives with respect, safety, sharing, and common ground narratives. For news to diminish negative messages, they identify four means: opportunity, messaging, audience, and coordination. Opportunities include challenging misinformation and dissuading violence. Messaging includes discrediting hostile discourse. Audiences include

promoting “anti-bias,” and “anti-defamation” serve to cancel negative ideas. Coordination includes promoting the alternative message of longer-term peace. Inciting peace — just as inciting violence — requires coordination across a diverse group of stakeholders. Their research indicates that words and where they come from matter.

Ersoy and Miller (2020) suggest a journalism strategy for analyzing content. They identified dichotomous categories, including Compatibility and Incompatibility. **Compatibility** is when the media explore commonalities and promote dialogue. History and culture are highlighted. Conflicts are contextualized, and mistakes of both sides are reported. Responsibility for law and order is shared. Negative attributes are avoided. Concerns of aggrieved parties are reported. Violence is explained from a broad range. Mistakes of both sides are reported. **Incompatibility**, on the other hand, is sensational and occurs when media takes sides in protest news, treating one side as alien to our culture and not belonging. Deviant actions such as violence and property destruction are highlighted. Biasness prevails, and protest is told from primarily one perspective. Coverage is focused on disagreements. There are implications that victims belonging to particular political groups are unworthy.

Lynch and McGoldrick (2016) addressed opportunities for nonviolent responses to protest news by presenting stories with a range of voices, including non-elite sources, rather than interviewing a leader of one or more sides of the story. This approach challenges dominant accounts, resists propaganda, and highlights peaceful solutions which are often under way in a protest situation. Galtung and Lynch (2010) addressed the importance of avoiding dehumanization in protest coverage. Instead, they found that exploring the formation of protest news...who were the parties involved; what were their goals; what was the socio-political and cultural context of the protest news; and what were the visible and invisible manifestations of violence...created more balance in reporting. Reporting nonviolent initiatives at the grassroots level and following up stories covering resolutions also contributed to the reconstruction and reconciliation phases.

Harlow, et.al (2020) outlined a topology for analyzing protest news frames that further contextualize Compatible/Incompatible continuums. Frames included the Riot frame, which focuses on the violence of protestors through rioting, looting, or causing damage to public property or society. The Confrontation frame focuses on clashes between protesters and police or authorities, or the arrests of protesters. The Spectacle frame focuses on the emotions, drama, or unusualness of protests. The debate frame focuses on the social critique of the movement, characterized by the presence of protesters’ viewpoints and

demands. Findings indicated fewer conservative articles included the riot frame. Stories about socio-economic and human rights/justice protests had reduced the odds of using the confrontation frame. Stories about protests in Europe had decreased the odds of having a confrontation frame and increased the odds of having a debate frame. Furthermore, Elmasry and el-Nawawy (2017) found that protestors were directly quoted more frequently than police officers and government officials during spikes in protest activity.

Based on the literature, the following research questions were addressed on protest coverage of Black Lives Matter in 2020 and 2021:

RQ1: During the height of cultural protests in the streets of major cities in the U.S., how did word usage differ among national newspapers?

RQ2: How did source usage differ among newspapers on coverage of conflict?

RQ3: Comparing compatible and incompatible story coverage, how did word usage differ among stories and newspapers?

## **METHOD**

A computational analysis of news stories was conducted to identify key words and phrases included in stories. Text mining or automatic text classification was used to create systematic analysis of written content (Adeva et al., 2014). Furthermore, text-mining allowed for the analysis and detection of trends and behavior (Adeva & Atxa, 2007). This study utilized the text-mining tool of JMP Pro16, which is part of SAS (see Appendix A). JMP used the document term matrix (DTM) to develop indicator variables in the text (Klimberg & McCullough, 2016). The most frequent terms (words or phrases) in the news stories were identified, leading to an understanding of decision-making in protest news coverage.

In addition to computational analysis, a manual content analysis analyzed source usage and story bias. Ozaydin et al., (2017) indicate that machine learning and text mining can effectively enhance systematic reviews. Ersoy and Miller's (2020) compatible-incompatible continuum was used to measure overall bias in news stories where 1= low compatibility and 5=high compatibility. Examples of high compatibility were stories exploring commonalities and desires with wording such as "making a difference, gathering together, and hoping for change." An example of incompatibility was when a story focused primarily on the sensational and used wording such as "firecrackers, running, plumes of tear gas, and canisters clattering on the pavement." The manual content analysis also identified the number and types of sources used in each story, such as officers, lawyers, protesters, community organizers, business owners, and politicians.

After pretesting, the coder reliability for the manual content analysis was









| WORD USAGE BY NEWSPAPER |                |         |           |         |                     |         |
|-------------------------|----------------|---------|-----------|---------|---------------------|---------|
| Word                    | New York Times |         | USA Today |         | Wall Street Journal |         |
|                         | Count          | Percent | Count     | Percent | Count               | Percent |
| Protest/<br>Protester   | 584            | 8.14%   | 328       | 6.77%   | 115                 | 6.03%   |
| Floyd                   | 675            | 9.41%   | 542       | 11.19%  | 154                 | 8.07%   |
| Chauvin                 | 168            | 2.34%   | 217       | 4.48%   | 120                 | 6.29%   |
| Trump                   | 323            | 4.50%   | 128       | 2.64%   | 40                  | 2.10%   |
| Justice                 | 260            | 3.63%   | 260       | 2.00%   | 46                  | 2.41%   |
| Death                   | 307            | 4.28%   | 259       | 5.35%   | 95                  | 4.98%   |
| Violence                | 227            | 3.17%   | 138       | 2.85%   | 21                  | 1.10%   |
| Demonstrators           | 172            | 2.40%   | 64        | 1.32%   | 25                  | 1.31%   |
| Racism                  | 162            | 2.26%   | 128       | 2.64%   | 22                  | 1.15%   |
| Racial                  | 142            | 1.98%   | 93        | 1.92%   | 19                  | 1.00%   |
| Killed/Killing          | 120            | 1.67%   | 92        | 1.90%   | 47                  | 2.46%   |
| Peaceful                | 137            | 1.91%   | 87        | 1.80%   | 43                  | 2.25%   |
| Brutality               | 106            | 1.48%   | 50        | 1.03%   | 19                  | 1.00%   |
| Looting                 | 123            | 1.72%   | 50        | 1.03%   | 19                  | 1.00%   |
| Shooting                | 68             | 0.95%   | 61        | 1.26%   | 24                  | 1.26%   |
| Murder                  | 125            | 1.74%   | 126       | 2.60%   | 59                  | 3.09%   |

| WORD USAGE BY NEWSPAPER |                |         |           |         |                     |         |
|-------------------------|----------------|---------|-----------|---------|---------------------|---------|
| Word                    | New York Times |         | USA Today |         | Wall Street Journal |         |
|                         | Count          | Percent | Count     | Percent | Count               | Percent |
| Charged/<br>Charges     | 163            | 2.27%   | 107       | 2.21%   | 72                  | 3.77%   |
| Total                   | 7172           | 100.00% | 4844      | 100.00% | 1908                | 100.00% |

Similarly, Table 2 identified the phrases most frequently used in each newspaper. For example, Black Lives Matter was the most frequently-used phrase for all newspapers, accounting for 16.24% of NYT most frequently-used phrases, 22.39% for USA, and 19.55% for the WSJ. The phrase White House made up 13.84% of NYT most frequently-used phrases, 8.05% of USA most frequently-used phrases, and only 5.59% of WSJ most frequently-used words. Other notable differences included Law Enforcement (16.48 WSJ, 12.16 NYT, 11.57 USA), National Guard (WSJ 12.57%, NYT 7.99%, USA 5.53%), and Guilty verdict (WSJ 4.47%, USA 4.15%, NYT 0.80%).

Table 2: Comparison of Phrase Usage Among Newspapers

| PHRASE USAGE BY NEWSPAPER |                |         |           |         |                     |         |
|---------------------------|----------------|---------|-----------|---------|---------------------|---------|
| Phrase                    | New York Times |         | USA Today |         | Wall Street Journal |         |
|                           | Count          | Percent | Count     | Percent | Count               | Percent |
| Black Lives Matter        | 183            | 16.24%  | 178       | 22.39%  | 70                  | 19.55%  |
| Law enforcement           | 137            | 12.16%  | 92        | 11.57%  | 59                  | 16.48%  |
| White House               | 156            | 13.84%  | 64        | 8.05%   | 20                  | 5.59%   |



| PHRASE USAGE BY NEWSPAPER |                |         |           |         |                     |         |
|---------------------------|----------------|---------|-----------|---------|---------------------|---------|
| Phrase                    | New York Times |         | USA Today |         | Wall Street Journal |         |
|                           | Count          | Percent | Count     | Percent | Count               | Percent |
| Police brutality          | 98             | 8.70%   | 63        | 7.92%   | 16                  | 4.47%   |
| National Guard            | 90             | 7.99%   | 44        | 5.53%   | 45                  | 12.57%  |
| Tear gas                  | 77             | 6.83%   | 33        | 4.15%   | 9                   | 2.51%   |
| Black people              | 27             | 2.40%   | 21        | 2.00%   | 6                   | 1.68%   |
| Black men                 | 33             | 2.93%   | 18        | 2.26%   | 30                  | 8.38%   |
| African American          | 41             | 3.64%   | 23        | 2.89%   | 7                   | 1.96%   |
| Civil rights              | 56             | 4.97%   | 58        | 7.30%   | 18                  | 5.03%   |
| Guilty verdict            | 9              | 0.80%   | 33        | 4.15%   | 16                  | 4.47%   |
| Systemic racism           | 34             | 3.02%   | 28        | 3.52%   | 5                   | 1.40%   |
| Racial justice            | 33             | 2.93%   | 26        | 3.27%   | 3                   | 0.84%   |
| Black community           | 16             | 1.42%   | 22        | 2.77%   | 3                   | 0.84%   |
| White police              | 26             | 2.31%   | 29        | 3.65%   | 13                  | 3.63%   |
| Use of force              | 31             | 2.75%   | 21        | 2.64%   | 10                  | 2.79%   |
| Public safety             | 29             | 2.57%   | 16        | 2.01%   | 5                   | 1.40%   |

| PHRASE USAGE BY NEWSPAPER |                |         |           |         |                     |         |
|---------------------------|----------------|---------|-----------|---------|---------------------|---------|
| Phrase                    | New York Times |         | USA Today |         | Wall Street Journal |         |
|                           | Count          | Percent | Count     | Percent | Count               | Percent |
| Peaceful protestors       | 26             | 2.31%   | 10        | 1.26%   | 7                   | 1.96%   |
| Justice system            | 25             | 2.22%   | 16        | 2.01%   | 16                  | 4.47%   |
| Total                     | 1127           | 100.00% | 795       | 100.00% | 358                 | 100.00% |

RQ2 addressed source usage among newspapers. All three newspapers interviewed unofficial sources, usually at the protest scene. Table 3 indicates the average scores of source usage per type for all newspapers. For example, all newspapers used, on average, about 1.25 Unofficial sources per story. Unofficial sources included protesters, citizens, etc. Newspapers used, on average, about .79 Organizational sources, including activists, council members, etc., per story. About 1.89 Professionals including doctors, lawyers, professors, actors and athletes were included per story. While Police, Democrats and Republicans were, on average, included most as sources in news stories, there were differences among newspapers. WSJ used Police as sources significantly more often; USA used Professionals more often; NYT used Unofficial sources more often.

Table 3: Average Source Usage Per Story in all Newspapers

| Police | Republican | Business | Democrat | Professionals | Organizations | Unofficial | Media |
|--------|------------|----------|----------|---------------|---------------|------------|-------|
| .65*   | .28*       | 0.33     | .65*     | 1.89          | 0.79          | 1.25       | 0.32  |

**\*Indicates Significant difference among Newspapers at <.05 level.**

RQ3 addressed story bias and how words and phrases differed among compatible and incompatible stories published by newspapers. The 5-point bias scale on Compatible/Incompatible coverage was combined into three

categories where 1 and 2 was Incompatible, 3 was Neutral, and 4 and 5 was Compatible. Percentages did not total 100% because they were limited to word/phrase usage within stories among newspapers. There were 55 stories in the Incompatible category; 61 stories in the Neutral category; and 108 in the Compatible category. Table 4 provides counts for words and phrases in stories that fell into the Compatible bias category among newspapers. For example, of stories in the Compatible category, USA included the word Justice (4.07%) more often than either the NYT (2.93%) or WSJ (1.74%). Family was also used more often by USA (2.02%, WSJ 1.17%, NYT 1.15%). Newspapers were similar in their use of other compatible words. However, the WSJ was more likely to use Peaceful (1.63%) than the NYT (1.54%) or USA (1.36%). Of Compatible Phrases in Table 4, Racial Justice made up 1.46% of NYT most used phrases, while it made up 1.58% for USA, and only .46% for WSJ. The phrase Police Reform was used similarly by both NYT (1.11%) and USA (1.10%) but was never used in WSJ (0%).

Table 4: Compatible Bias of Words and Phrases by Newspaper

| COMPATIBLE WORDS AND PHRASES BY NEWSPAPER |                |         |           |         |                     |         |
|---|----------------|---------|-----------|---------|---------------------|---------|
| Word                                      | New York Times |         | USA Today |         | Wall Street Journal |         |
|   | Count          | Percent | Count     | Percent | Count               | Percent |
| Justice                                   | 260            | 2.93%   | 260       | 4.07%   | 46                  | 1.74%   |
| Community                                 | 67             | 0.75%   | 113       | 1.77%   | 34                  | 1.29%   |
| Peaceful                                  | 137            | 1.54%   | 87        | 1.36%   | 43                  | 1.63%   |
| Family                                    | 102            | 1.15%   | 129       | 2.02%   | 31                  | 1.17%   |
| Rights                                    | 109            | 1.23%   | 97        | 1.52%   | 28                  | 1.06%   |
| Movement                                  | 105            | 1.18%   | 101       | 1.58%   | 27                  | 1.02%   |
| Civil                                     | 91             | 1.02%   | 95        | 1.49%   | 27                  | 1.02%   |

| COMPATIBLE WORDS AND PHRASES BY NEWSPAPER |                |         |           |         |                     |         |
|---|----------------|---------|-----------|---------|---------------------|---------|
| Word                                      | New York Times |         | USA Today |         | Wall Street Journal |         |
|   | Count          | Percent | Count     | Percent | Count               | Percent |
| Trial                                     | 69             | 0.78%   | 89        | 1.39%   | 51                  | 1.93%   |
| History                                   | 90             | 1.01%   | 65        | 1.02%   | 6                   | 0.23%   |
| Word Total                                | 1030           | 11.60%  | 1036      | 16.24%  | 293                 | 11.08%  |
| Phrase                                    | Count          | Percent | Count     | Percent | Count               | Percent |
| Social media                              | 67             | 2.97%   | 72        | 4.38%   | 36                  | 5.46%   |
| Civil rights                              | 56             | 2.48%   | 58        | 3.53%   | 18                  | 2.73%   |
| Breonna Taylor                            | 28             | 1.24%   | 28        | 1.70%   | 6                   | 0.91%   |
| Racial justice                            | 33             | 1.46%   | 26        | 1.58%   | 3                   | 0.46%   |
| Police reform                             | 25             | 1.11%   | 18        | 1.10%   | 0                   | 0.00%   |
| Peaceful protestors                       | 26             | 1.15%   | 10        | 0.61%   | 7                   | 1.06%   |
| Phrase Total                              | 235            | 10.43%  | 212       | 12.90%  | 70                  | 10.62%  |

Table 5 provides counts for words and phrases in stories that fell into the Incompatible bias category among newspapers. For example, of Incompatible words, the NYT included the word “Violent” (2.56%) more often than did USA (2.16%) and the WSJ (.79%). NYT had the highest level of incompatible word usage (17.30%) and incompatible phrasing totals (16.99%). Of incompatible phrases, "Police brutality" was the most commonly used phrase for NYT 4.35%, USA 3.83%, WSJ 2.43%. However, "National Guard" was used by WSJ

most (6.83%), NYT 3.99% and USA 2.68%.

Table 5: Incompatible Words and Phrases by Newspaper

| INCOMPATIBLE WORDS AND PHRASES BY NEWSPAPER |                |         |           |         |                     |         |
|---|----------------|---------|-----------|---------|---------------------|---------|
| Word  | New York Times |         | USA Today |         | Wall Street Journal |         |
|   | Count          | Percent | Count     | Percent | Count               | Percent |
| Death                                       | 307            | 3.46%   | 259       | 4.06%   | 95                  | 3.59%   |
| Trump                                       | 323            | 3.64%   | 128       | 2.01%   | 40                  | 1.51%   |
| Violence/<br>Violent                        | 227            | 2.56%   | 138       | 2.16%   | 21                  | 0.79%   |
| Murder                                      | 125            | 1.41%   | 126       | 1.97%   | 59                  | 2.23%   |
| Force                                       | 137            | 1.54%   | 63        | 0.99%   | 45                  | 1.70%   |
| Brutality                                   | 106            | 1.19%   | 69        | 1.08%   | 20                  | 0.76%   |
| Looting                                     | 123            | 1.39%   | 50        | 0.78%   | 19                  | 0.72%   |
| Killed/<br>Killing                          | 120            | 1.35%   | 92        | 1.44%   | 47                  | 1.78%   |
| Shooting                                    | 68             | 0.77%   | 61        | 0.96%   | 24                  | 0.91%   |
| Word<br>Total                               | 1536           | 17.31%  | 986       | 15.45%  | 370                 | 13.99%  |
| Phrase                                      | Count          | Percent | Count     | Percent | Count               | Percent |
| Tear gas                                    | 77             | 3.42%   | 33        | 2.01%   | 9                   | 1.37%   |

|   |                |         |           |         |                     |         |
|---|----------------|---------|-----------|---------|---------------------|---------|
| Police brutality                            | 98             | 4.35%   | 63        | 3.83%   | 16                  | 2.43%   |
| INCOMPATIBLE WORDS AND PHRASES BY NEWSPAPER |                |         |           |         |                     |         |
| Phrase                                      | New York Times |         | USA Today |         | Wall Street Journal |         |
|   | Count          | Percent | Count     | Percent | Count               | Percent |
| Use of force                                | 31             | 1.38%   | 21        | 1.28%   | 10                  | 1.52%   |
| Shot and killed                             | 20             | 0.89%   | 14        | 0.85%   | 12                  | 1.82%   |
| Police violence                             | 67             | 2.97%   | 25        | 1.52%   | 7                   | 1.06%   |
| National Guard                              | 90             | 3.99%   | 44        | 2.68%   | 45                  | 6.83%   |
| Phrase Total                                | 383            | 16.99%  | 200       | 12.17%  | 99                  | 15.02%  |

DISCUSSION

This study provided a glimpse of how words and phrases are used by newspapers of different political orientations in the U.S. national newspaper market. The *New York Times* used language that was more often Incompatible, emphasizing the sensationalism of looting and fires. While the right-leaning and moderate newspapers more often avoided the use of incompatible words and phrases. According to Mauro and Kilgo (2021), too much focus on violence and deviant behavior, such as looting and destruction, in news coverage may turn off readers and make them less likely to read and share information. These findings are important in that the three national newspapers chosen for this research play a pivotal role in influencing journalism throughout the U.S. the *New York Times*, in particular, sets the agenda for news media throughout the country as the most influential and relied upon source of print and online news. The prestige press, however, according to Sydnor

(2018), may be partially to blame for the rise in incivility (Sydnor, 2018) and for “playing up” protest news (Bennett, 2011), inspiring individuals or groups seeking coverage toward outrageousness.

Results also indicated that despite compatible or incompatible approaches to covering cultural news, newspapers interviewed a wide range of sources, including professionals, unofficial sources, police and organizational sources. This finding supports Lynch and McGoldrick (2016), who emphasize the importance of a range of voices in telling of cultural news. However, where the *Wall Street Journal* used police and democrats more often as sources; the *New York Times* used Republicans, and *USA Today* interviewed professionals more often. This also indicates a difference in how the bias of a story is shaped through source usage and how newspapers differentiate their products.

Studying compatible and incompatible language used by newspapers was informative in understanding possible economic motives. The moderate newspaper, *USA Today*, often used compatible approaches and phrases exploring socio-political and cultural context that would indicate purposeful appeal to a general audience (Galtung and Lynch, 2010). Coverage from the politically liberal newspaper, *New York Times*, was found to be the least compatible on the overall bias score and language analysis that indicates an appeal to consumers of a more left-leaning orientation advocating for change. The *Wall Street Journal*, the politically conservative newspaper, had the most compatible overall bias score indicating support for the status quo, which makes sense because it is a premier publication for business news.

This research underscores the importance of how language analysis can provide insights into story bias in coverage of cultural news and suggests further research is necessary into the interaction between word/source usage and compatibility continuums. Findings also suggest the need for replacing incompatible narratives of violence and destruction with compatible narratives of compromise and context among protagonists and stakeholders, which may more accurately inform and promote more peaceful understanding. As indicated earlier, differences in perspectives are better understood when history, culture and other interests are covered and reported in stories on cultural issues. Contextualizing actions or mistakes promotes compromise and understanding.

Future research is needed using larger samples and sampling over time on how the media environment facilitates the deployment of compatible v. incompatible word usage and how such language encourages political polarity in our culture. As cultural binary coverage grows, this study indicates computational analysis compliments manual analysis. It is useful in identifying differences and possible deficiencies in news coverage that exist when news

media appeal to distinct and large audiences. Word clouds are also useful in visualizing those differences. History indicates sensational news and immediate and graphic stories will always take precedence; however, there is more that can be done to avoid flaming the fires when telling stories on culture and society. News media must also move beyond placing violent actions above peaceful ones when making news judgments on story content that profoundly impacts culture and conflict.

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## **APPENDIX A: JMP INSTRUCTIONS**

### **Steps used in JMP for ANOVA**

One-way analysis of variance (ANOVA) is a common statistical method for researchers to test for differences in the means of three or more groups. We have conducted the ANOVA when we were investigating the Headline Bias and Story Bias (factor) that had a measurable effect on the newspapers.

A One-way ANOVA can be done using the Fit Y by X in JMP. The response variable is the continuous three different newspapers: the independent variable is the Headline Bias and Story Bias (we did it separately). The instruction was conducted in JMP as the following steps:

1. Select Fit Y by X from the Analyze menu.
2. Select the X, Factor (Newspaper) in the list of columns.
3. Select the Y, Response (Headline Bias) in the list of columns.
4. Click OK to run the test.

### **Steps used in JMP for Word Clouds**

Word Clouds can be an easy way to review survey responses and free text, quickly and easily by using the Text Explorer function from JMP. The instructions were conducted in JMP as the following steps:

1. Select Text Explorer from the Analyze menu.
2. Select Story to Text Columns in the list of columns.
3. Click OK to analyze the free text.
4. Term and Phrase lists show up, but they still need to be cleaned by using Add Stop Word.
5. Choose the word that was not relevant, such as “said”, “mr”, “one”, “e”, “like”, etc. Add these words as the Stop Word. Only leave the words that are meaningful to present the story.
6. Select Display Option then show the Word Cloud.
7. Change the layout of the Word Cloud to Centered and Arbitrary Colors.

# 2

*Some major  
questions for  
research in  
Information-  
Communication  
today*



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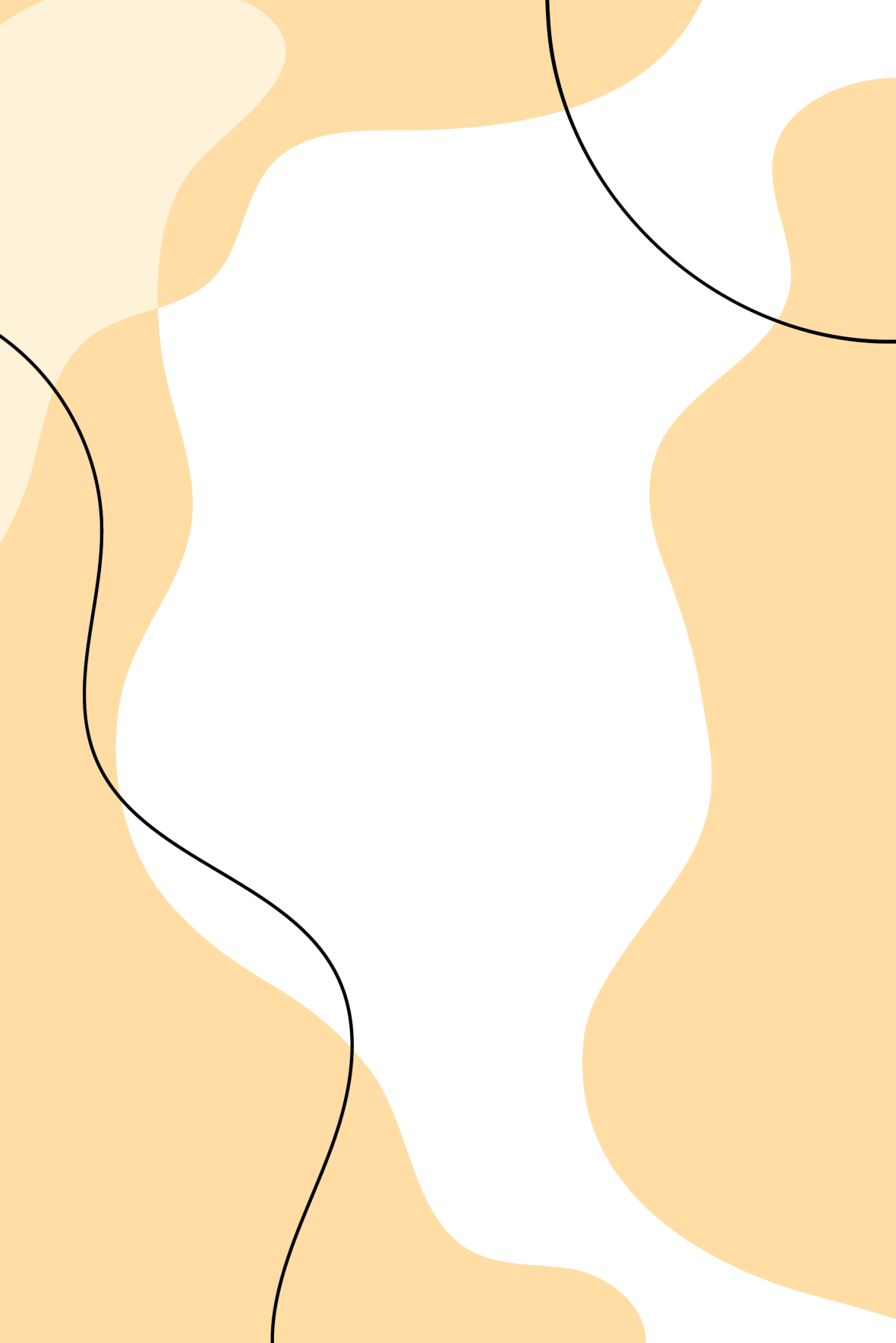
**ABSTRACT**

After recalling the conditions under which the communication sciences (also known as communication studies or information and communication sciences) have developed and progressively imposed themselves as a new discipline, the author shows that their scientific productions, although real, would benefit from being less sectorial and fragmented. He also suggests what could be a research methodology and proposes to group them around six major axes that he specifies successively. These six axes seem necessary considering that the first two decades of this century have seen an unprecedented advance of digital techniques, ensuring the oligopolistic domination of the five digital giants and some allies and reinforcing surveillance in societies, practically without adapted regulatory measures.

**KEYWORDS:** Digital giants and others (the *Big Five* and others), cultural and creative industries, historical media, digital mediations, digitization of societies, cultural and informational platforms, cultural, informational and communicational practices, information and communication research, digital regulation, digital surveillance, digital information and communication technologies, digital media.

**RECOMMENDED CITATION:** Miège, Bernard (2023). "Some major questions for research in Information-Communication today". *Journal of Creative Industries and Cultural Studies (JOCIS)*, v. 9, pp. 48-65.

<https://doi.org/10.56140/JOCIS-v9-3>



## 1. PROLEGOMENA

Whether it is presented under the institutional designation of “communication studies”, “communication sciences”, or, as in France, “information and communication sciences”, the university discipline thus designated is of recent emergence, even if its legitimacy and its recognition are not yet everywhere up to the level of the number of training courses offered and the flow of interested students. But to qualify this emergence as recent should not be surprised when it comes to a university discipline: about three-quarters of a century in North America, a half-century in Western Europe, one-third of a century in Latin America, and less in Africa, Eastern Europe, and Asia. Unquestionably, in most regions of the world, the advent of this (or these) discipline(s) and then their quite regular growth has accompanied the incessant media changes during the considered periods as well as the important mutations of the professional fields concerning the media and the information and communication techniques, and this even before the digitization of these. This discipline has succeeded in escaping a purely technological approach, which was not self-evident at the beginning. Therefore, it is linked to the human and social sciences as well as, in part, to the artistic and cultural disciplines.

These indications too briefly recalled here, were necessary, because even though they are now established in many universities on different continents, “communication studies” (whatever other formulations they give rise to) do not yet benefit from an academic recognition similar to that of other disciplines. The observable growth in the number of graduates as well as the multiplication of scientific works does not seem to be enough; and they are still often reproached for not being based on indisputable founding works, comparable to, for example, those of Adam Smith or David Ricardo for the economic sciences, or Auguste Comte or Emile Durkheim for sociology. And this reproach is certainly not without apparent justification. But it should be put in its proper place.

On the one hand, about half a century ago, the “founding fathers” made many attempts to propose general theories likely to play this ambitious role of founding theories; it suffices to mention here, without claiming to be exhaustive: the cybernetic model, the empirical-functionalist approach to mass media, the structural approach and its linguistic and semiotic applications, as well as McLuhannian, thought, Critical Theory or the pragmatics of communication; all these projects, and others that the theoretical literature of the period describes abundantly, failed in their pretensions to organize and inspire the production of knowledge of the whole new discipline. On the other hand, it soon became clear that this path was *de facto* inoperative; a resolutely interdisciplinary and deliberately multi-theoretical approach was

preferred. If the history of this turn, largely taken before the 21st century, remains to be written, we must remember that it was widely accepted while leaving open and under discussion the theoretical options and the support (in other words, the borrowings) from other disciplines; and this is how a discipline was built on an inter- or multidisciplinary basis, according to modalities that varied according to the country and even the university.

This process of construction (one could prefer the term “edification”) was legitimized, not only, as already indicated, by the close relations that it maintained with the professional sphere and the professional know-how, but also thanks to the production by the academics engaged in this movement of scientific works in phase with the continuous development of the techniques of information and communication, and this well before their development in a digital form. Even if it is difficult to justify this proposition by recourse to numerical data, it will be considered as indisputable; in the most diverse fields of the new scientific grouping, one can make the following observation: in international or national congresses, in colloquia or the numerous specialized reviews as well as in the works of scientific publishers, one observes a plural and diversified “offer” of articles and other scientific productions, testifying to the richness of the scientific activity coming first of all in support of the dispensed training but also accessible to the professionals exercising the most often in activities generally requiring the mastery of technical devices in constant renewal. Does this mean that this imposing offer of work, regularly renewed, is satisfactory by itself? As it stands, it has obvious limits that we will simply state:

- If it is attentive to the uninterrupted succession of technical offers and thus to product innovations, as well as to the successive formation of their social uses, it accumulates more partial and sectoral assessments than it endeavors to follow the mutations of informational and communicational practices, moreover, quite differentiated according to the socio-professional categories or the countries.
- It fails, or rarely succeeds, in making its questions known and in disseminating its results, however provisional, to the populations concerned and even to political or economic decision-makers, to enrich public debates; and these remain largely the occasion for trivial questions and oppositions.
- It suffers from a clear lack of epistemological discussions and controversies as if the multiplication of works and their fragmentation, as well as the fragmentation of their theoretical bases, had somehow dried up or slowed down the search for a common episteme. In a way, it’s paradoxical for this inter-discipline that has progressively become a discipline and regularly finds itself in a situation where it must distinguish itself from



established disciplines.

Since the beginning of this century and the observable boom in the development of digital techniques, especially during the different stages of the current world health crisis, there were many opportunities to observe how representatives of technological disciplines (computer science, health, etc.) or human and social sciences (psychology, sociology, political science, etc.) were quick to intervene on directly info-communication subjects, without mastering the diversity of the stakes or even the complexity of the functioning. It is true that crises, especially of this magnitude if they are occasions for the unveiling, are rarely the moment when relevant analyses can be imposed.

These three limits deserve more than a simple statement, even more so since their overcoming, in a context that is, if not globalized, at least largely internationalized, but accompanied by strong tensions or increasingly marked oppositions, is not self-evident. But they cannot be ignored.

We must also add that the very framework in which digital information and communication techniques are deployed, presented everywhere as disruptive and effectively in constant growth for the last twenty years, is itself imprecise and certainly not very conscious of it by the users-consumers. They are still under the influence of the liberating and emancipating promises that have been constantly addressed to them during the long period marked by the transition from ICT (information and communication technologies) to digital technologies proper (i.e., before and after the turn of the 21st century).

This framework, organized at the initiative of the *Big Five*, the American digital giants, today in a position of monopoly or more exactly of quasi-global oligopoly, is destined to endure and even expand. Facing only one serious competition, the Chinese BATX, for the moment essentially confined in their own geographical space (but already TikTok), their dynamics seems limitless, all the more so as they impose their own rules (for example, for content moderation) without encountering significant reactions from the States, even if for the last two years, the latter, individually or collectively (for example in the framework of the European Union) have started to show their support. Even if, everywhere, scandals regularly break out, often at the initiative of whistleblowers or “repentant”. But the framework is now solid and well established, leading us towards societies that are certainly still heterogeneous and dominated more than ever by liberal capitalism and whose main societal mark is surveillance (cf. § 2.4 below).

At the end of this long but essential introductory presentation, and before presenting the main axes that seem to emerge for research in Information-Communication, it is important to emphasize the methodological principles (in the strong and primary sense of methodology) that should be respected

in the course of the work. We will insist on three principles that seem essential, but we will recognize however that they are difficult to implement completely and concomitantly in specific work.

- Considering temporalities. Digital tools have taken over from ICT. This is observable if we position ourselves in the long term, which is the only way to highlight discontinuities, substitutions, and continuities (the latter rarely taken into consideration). And in so doing, we can evaluate the mutations that have taken place. For example, the multiplication of direct inter-individual exchanges that are attributed to social-digital networks, and better understanding the "maintenance" under renewed conditions of certain major media or certain cultural or creative industries.
- The theorization at "medium-range", not in the functionalist sense of the sociologist R.K. Merton but in the concern to produce sufficiently formalized elements of understanding, intermediate between observations coming from empirical research and conclusions coming from hypothetical-deductive hypotheses, but without pretending to universal validity for the results obtained. This theorization, which does not come under the micro nor the macro level, intends to allow to avoid as much the multiplication and the addition of partial and narrowly situated research as to avoid the recourse to global visions which are not founded on observations. These theorizations with a medium-range can be qualified as "social logics of the info-communication" (Miège, 2015, 130-141), and this methodological step, if it is conducted regularly, allows an accumulation of knowledge-making sense.
- The multi-dimensionality of approaches. This component of the proposed methodology has already been the subject of work concerning the changes that have occurred in the cultural and creative industries; it intends, for example, to link the strategies of industrial groups to the forms taken by the consumption of products and concerning the uses of tools, following the chain or chains of value formation in the communication, information, and cultural industries. As with the previously defined principles, its interest is to prevent the risks of narrow compartmentalization of the analyses and to incite the articulation between the phases of the cycles (successively from conception to production, then to intermediation, diffusion, distribution, and consumption). This perspective is radically different from that of ontology, which in computer science, and by extension sometimes in information science, allows in a particular domain to represent and model knowledge supposed to give rise to the production of a structured set of terms and even concepts; these descriptions, obtained by data processing and thus defined by analogy with the

philosophical approach of the same name, cannot be confused with what has just been proposed, and which is based on the common methodological fund of most of the human and social sciences, and thus on the research as well as on the techniques of data processing collected to bring to light movements of the "social reality".

## **2. RESEARCH FOCUS AREAS AND RESEARCH QUESTIONS**

### **2.1 AN ACCELERATED INFORMATIONALIZATION AND A PLURALITY OF MEANS OF COMMUNICATION WITH A PROBLEMATIC CONTROL**

What has happened in the last two decades that has been described as the process of digitization, and above all, the digital revolution? If we look closely, we can characterize this supposed revolution by the conjunction of two processes: on the one hand, the process of informationalization, and on the other hand, the development of a plurality of means of communication as never before in the history of humanity, or at least in the history of industrial societies, both of which have already been underway or prepared in the previous period.

If the term "informationalization" is little used (and even often confused with the ambiguous and restrictive term "informatization", and especially with "datification", which emphasizes not the process but the modalities it takes on), the social logic that it intends to designate is today easily identifiable and has become of strategic importance, both economically, politically, socially and interpersonally: it consists indeed in the increasing circulation requiring gigantic means of archiving (the *data center*), of flows of information, edited or not, and especially not published and even not public although managed commercially, and relating as well to the public sphere but especially to the private-social sphere and the professional exchanges. Because of the compartmentalization of these information flows, which are globalized and do not take national borders into account, they are still the subject of secondary attention among decision-makers as well as in the fields of expertise and research, except for breakdowns in data transmission or declarations by whistle-blowers.

The causes of this relative lack of interest are diverse: constant devaluation of information (except journalistic information); criticism of cybernetic or macro-statistical approaches; real difficulties to advance in the knowledge of data that are not very transparent, if not secret; acquired confidence, stemming from the liberal philosophy or even from more progressive conceptions, in the emancipating aspects of all information. All these reasons are operative, but other elements are to be considered, leading progressively to a change of views. It is particularly the case of the fast and discreet concentration of data

processing centers, operating without real controls (and however big consumers of energy), as much in the commercial field as in the social-political one. The stakes are rising, potentially very conflictual.

At the same time, the means of communication available to individuals at home and in the workplace (the differences between the two were *de facto* substantially reduced during the pandemic), have expanded steadily, in all regions of the world, but with lasting inequalities. This expansion is not destined to continue, notably because of the growing importance of the operating costs linked to the appropriation of the tools by the consumers themselves, costs that are at once financial, environmental, and human (media education; limits to the generalization of digital practices). In this context, the attention of researchers must be focused on the new practices favored by the new media, and particularly social-digital networks; but it would be a mistake, as they are encouraged by current events, to limit themselves to these practices and *fake news*. An essential axis of work is constituted by the relations that have been tied/are tied between the new media and the "historical media" (press, radio, and television, etc.), without considering that they participate in an ecosystem, as a certain thought of modernity inclines to do.

## **2.2 A TENDENCY TO QUESTION THE SPECIFICITIES OF CULTURAL INDUSTRIES BY CULTURAL AND INFORMATION PLATFORMS**

Before even addressing the fundamental question posed by the rapid expansion of cultural and informational platforms (we will limit ourselves here to this single component of this vast ensemble constituted by digital platforms), we recall that, already with the advance of the first digital techniques, notably the collaborative web 2.0, the project of a replacement/overtaking of the cultural industries in place by creative industries escaping, as for them, the specificities of the first ones (*id is*, the not very predictable or even random character of the generated values of use; the artisanal modalities of the activity of the artistic and intellectual workers; the existence of several models of exploitation specific to this type of industries; the necessity for the strategies of internationalization to also consider the national cultural expectations) had been formulated. This approach can be found, among other authors, in the American essayist Henry Jenkins and is widely shared by many non-professional or semi-professional creators, regular depositors on *YouTube*, or sharers of videos or music tracks. Nevertheless, this project is far from having met the hopes placed in it by its promoters, as the creative industries remain, quantitatively and symbolically, well below the cultural industries (Miège, 2020), despite observable progress in certain African countries or in India.

Platforms now play a significant role in the functioning of the cultural

and information industries, even if their current rapid development does not yet allow us to envisage all the effects to be expected. Information and Communication researchers have not failed to address the issue, and the available or expected publications are numerous, in the United States and especially in Europe, and for a good reason in the European space, because the expected and feared domination is indeed observable. But how to characterize this domination and where to locate it? It is a precise oligopolistic domination which originates in the intermediation phase (especially because of their positioning in this key and the new phase of the product cycle). This domination also originates in the platforms' almost unlimited powers of product recommendation and their quasi-global dimension. *Google*, *Amazon*, *Facebook*, and *Apple* participate in the heart of this oligopoly of an unprecedented financial power, but also *Netflix*, *Disney*, and *Spotify*. What is striking about the former is that they have built their power with little or no reliance on their market power in the information and cultural sectors themselves; barely present in the product markets themselves, they have built their financial power on advertising for recommendations and exchanges between consumers (= the other sides of these markets described by liberal economists as multifaceted). This is not the case for the second group, which has experienced and is even still experiencing some difficulties in imposing themselves on either content producers or even broadcasters (still dependent on telecommunication operators or private or public television channels.)

Thus, the disproportion of the sales figures or financial results of some compared to others is striking, and therefore, according to some specialists, the platformization of content (a debatable terminology) would be completed; this would be a given. But we cannot leave it at this brutal and simplifying observation if we consider the following elements drawn from observations made in France:

- The key players in the oligopoly come to take over part of the production activity (e.g., *Netflix* with "mainstream" films, documentaries or series) or broadcasting (e.g., *Amazon* with sports shows); or they must "naturalize" their production according to local demands (e.g., *Netflix* with its film production in India, and elsewhere). And the results are not always up to their expectations when they are not below the professional standards of other films produced: this would be the case of the films recently produced by *Netflix* in France.
- Creators and musicians, to name a few, are starting to react to the insufficient remuneration granted by the platforms and are looking for new ways of valorization: this is the case with *Spotify*.
- The automated management of theatrical and musical ticket offices

has been subject to setbacks and questioning. As for cinema admissions, if they reached during the first year of the pandemic a level of about one-third of the admissions previously recorded, it is to be expected that they will recover later; but at what level? As for book sales in bookstores, and not only at a distance, on the other hand, they have increased significantly during the same health crisis. What is at stake here is the question of the socio-economic models of exploitation of cultural goods.

And what these indications suggest by the methodological principle of interdimensionality stated previously, is that, for more than a century, cultural and informational products have resulted from the "meeting", often extremely competitive and therefore conflicting but finally more or less negotiated, between strategies of actors whose interests are far from always converging: namely,

(1) the strategies of the main industrialists of the communication, as much those of the hardware industries as those of the networks industries, still active but in a few years overtaken by the promoters of the big digital platforms;

(2) the strategies of the broadcasters and producers or publishers of contents, and following them the contributions of artists, intellectuals, and information specialists, to the conception of these same contents (= the conception or creation phase);

(3) the structuring trends of cultural and informational practices, and particularly the expansion of commercial consumption;

(4) what is produced by technical changes and innovations, and in particular the uses that are formed from the technical tools;

and (5) the activities of reception, appropriation, and reinterpretation of the contents by the recipients, i.e., the consumers.

Many hoped that with digital techniques, this pattern would be over (which, it should be added, is based juridically on copyright and neighboring rights, as well as on certain foundations that are still active in cultural and information policies, at least in democratic countries); this evolution towards direct relations between creators and users did indeed occur, but much more decisive was the interposition of the digital giants in the intermediation phase. This interposition was rapid and even brutal, favored by the fascination attached to the digital world as well as by the virtual absence of regulatory measures (cf. § 2.6 below). It now seems in place, but in the long term, it will have to be joined by a whole series of medium-sized or small platforms, initiated by smaller players, in a wide variety of fields (from museum products to creative documentaries), whether related to the previous activities of these players and proposing a newly mediatized organizing logic. In this sense, platforms are likely to multiply and diversify.



### 2.3 SUSTAINED ATTENTION TO PERSISTENT INEQUALITIES IN THE USE OF DIGITAL CULTURE AND INFORMATION TOOLS AND PRACTICES

It is paradoxical that digital practices give rise to a multiplication of *data* of all kinds and that these data do not lead to precise and in-depth knowledge, first of what users do with the tools at their disposal or even in their possession, and secondly, and above all, of the informational or cultural practices that result from them. But as we know, this paradox is easily explained because these *data* are not intended for the improvement of knowledge; indeed, not only are most of them not accessible because they belong to the entrepreneurial domain and are intended for the development of recommendation software in support of commercial strategies, but above all they gather collections of information whose relevance is far from being guaranteed for argued research. There is a great distance between what the *data centers* contain (opinions on facts or opinions; perceptions and aspirations; attitudes or expressions, even emotional statements; behaviors or behaviors recorded at irregular intervals, or even in a unique way; etc.) and aggregate economic accounts. It is not only the statistics that are needed (e.g., aggregate economic accounts and indices of all kinds), but also what should be available regularly to establish series that can be used to draw reliable conclusions. It is still the public statistics, although decried and whose means are increasingly limited, that provide the most complete data.

What kind of data should be available? Those that intend to follow the evolution of social-symbolic practices, such as the practices of access to daily or instantaneous information:

- the consumption practices of recorded music (via a subscription to a music streaming service, for example);
- recurrent communication practices via a network: Facebook, Twitter, etc.
- the practices of general mass television/cable or satellite television (showing an ongoing fragmentation of audiences);
- the "consumption" practices of feature films (in theaters, in V.O.D., via generalist or thematic channels), cinephile practices, etc.
- information-seeking practices in a professional setting or by non-specialists (e.g., the practices of hospital doctors, bank executives, etc.); etc.

All these types of practices are in some way multi-supports or rather they became it. Not that the meanings are to be put on the same level (the vision of a film in a room is not equivalent to the vision with the V.O.D., from a social-symbolic point of view) but the practices are not limited to the use of a technical tool or, moreover, to the frequentation of such or such spectacle or activity (they must renew themselves to the use of a technical tool or the frequentation of such or such activity, from a social-symbolic point of view).

They must be renewed more or less regularly because they are registered in the duration; they imply a sense, in that they are undergirded by norms of action or values (thus the practices of general public information are, historically, connected to the political public space, then to the societal public space); they cannot be reduced to information-service; they are indissociable from the (still) socially recognized legitimacy of journalistic information, despite the criticisms addressed to the information media; finally, they integrate a whole series of social-symbolic representations, including schemas of the imaginary, which do not make it possible to identify clearly and immediately the meanings of which they are bearers. These are the main constitutive features of the practices. Their characterization, as well as the processes by which they are formed, and then transformed, remains to be deepened, but their comprehension is certainly made opaque by the current and trivial use of the term itself.

This perspective seems essential for research, as it is currently neglected. It would allow us to regularly make an informed observation of the strong disparities and even structural social inequalities in the use of digital tools; there is much to be done in this respect. We will give a single quantified representation, but one that is significant and far removed from the dominant representations. In a publication dated 2020 and recounting the results of a survey conducted in 2018, the authors Lombardo and Loup (2020) have elaborated, thanks to a calculation of correspondences, what they designate as "universes of practice", within the French population of 15 years and older. There is no need to repeat all their results to emphasize the importance of the issues at stake: one of the universes described as the universe of the "small screen", includes 30% of the population (among the oldest, the least qualified, and the most modest socio-professional categories); the universe of the "all-digital" (15%) includes mainly young people from 15 to 25 years old, of the male gender, who attend few cultural types of equipment including the cinema; we can add to them the universe said to be of the "increased eclecticism" (9%), made up of people of intermediate age, accumulating the whole of the practices, including the audio-visual and numerical practices.

## **2.4 QUESTIONING THE EFFECTS OF THE OBSERVABLE ACCENTUATION OF THE MODALITIES OF SOCIAL CONTROL AND SURVEILLANCE**

If it does not seem relevant to qualify contemporary societies by a single striking feature, supposed to translate the very major changes to which they are giving rise (network society, information capitalism, and many others, etc.), it is because these societies cannot be qualified in such a univocal way and that they remain under the influence of many other dynamics. But we must



recognize that in a little more than a decade they have undergone changes that were not foreseen, to this extent and in these ways, not so much with the impulsive development, as announced, of digital techniques called to be generalized, but because of the forms taken by this rather disruptive advance of digital technology: that the five giants and the few others that accompany them, conquer to such an extent the markets that they currently dominate, and have today such market powers was not announced; who, at the time of the World Summit on the Information Society in Tunis in 2005, had envisaged such rapid evolutions, and foreseen the changes that occurred on the infrastructures of the communication? And besides, how can we predict the effects of the competition of the Chinese BATX, including in the medium-term? Such changes, and the mutations they entail are not frequent in the history of societies, even if we must be careful not to apply too quickly the qualifier "revolution" (which concerns a broader process and goes beyond the framework of research programs).

One of the striking features accompanying this phase of the rise in the power of digital techniques seems to be the increase in social controls (the concept itself has little credence in the social sciences today, so much so that it has been used previously by authors in different senses to characterize theories that are not very reconcilable) and particularly the accentuation of surveillance. Surveillance is a perspective that had already been suggested with the first techniques of information and communication; it has undoubtedly grown, and not only because of the multiplication of video surveillance devices and potentially of facial recognition. The forms taken by surveillance are multiple, even plural, and are initiated by States (in the framework of their regalian activities: military, police, and judicial), public institutions, local authorities, and private companies (to follow the activity of their competitors or to collect information on work relationships); far from it, not all of them are publicized, and citizens have only a very remote or approximate knowledge of them. This effervescence is not surprising in authoritarian societies, where these applications are an extension of methods that have been in force for a long time, but it does not escape democratic societies, where, in the past, more attention was paid to the respect of public liberties, and where it would be necessary to adapt the regulations to the new possibilities, left to the sole initiative of private companies, acting in total confidentiality. The devices used do not/will not cease to be perfected, especially with the possibilities offered by artificial intelligence.

Certainly, surveillance is a neglected aspect of research in Information-Communication, and this one would undoubtedly help to operate in the long run a necessary distinction for the life in society, between its *a priori* beneficial

contributions (against terrorism, against the attacks on the persons and the goods), and those which deserve a preliminary agreement, and thus discussions between citizens (since the follow-up of the parking in the cities, the controls of the speed of the cars or even the follow-up of the vaccinations).

## **2.5 THE INCREASING COMPLEXITY OF CORPORATE AND OTHER ORGANIZATIONAL COMMUNICATION, AS WELL AS A PUBLIC SPHERE THAT HAS BECOME LESS INTELLIGIBLE**

These movements were already underway, but they have only increased with the development of digital techniques, without gaining visibility and understanding. Not only have the actions carried out within this framework multiplied as expected, but their conduct, facilitated by using social-digital networks and new production techniques (less costly and quickly mobilized without the need to call on recognized professional know-how), are at the origin of actions that consumers on the one hand, and citizens on the other, have a hard time detecting and even understanding. Indeed, to the classic media operations (known as much for commercial promotion as for political and public communication), various actions are now added and mixed, which are part of what must be considered as finely targeted strategies of influence; not that commercial advertising campaigns in the television media or political posters were not previously part of strategies of influence, but their codes had ended up being known and the influences had become easily discernible. In the last few years, what has intensified is above all an individualization, almost a personalization of the communicational actions; and we observe it as much for the promotion of commercial products as for social and civic actions, from mobilizations for demonstrations, solicitations for campaigns of general interest or concerning targeted actions, up to the research of opinion-forming (it would indeed be a mistake to consider the *bad news* only as means of interpersonal influence).

It is thus that the hypothesis of the advent of a specific model of communicational action (for more details on this point, cf. Miège, 2010, pp. 116 et seq.) centered on the setting in an action of norms, individualistic or individualizing, and differentiating itself from those previously activated by the then-dominant media is seriously supported: as much the changes at work in the public sphere (cf. below), as the evolutions of the cultural and informational practices or the emergence of these new norms of the communicational action in the most diverse social fields seem to enter in correspondence. Thus, among other examples, the norms of communicational action which emerge in the work collectives or the educational institutions, are also those which begin to mark some of the audiovisual media to which however a long

tradition of the directive and unilateral communication was attached (is it not astonishing to see the general mass television multiplying the "interactions", mediatized or not, with its public?). In this movement which marks contemporary societies in-depth, we must moreover make a specific place to the social-digital networks and recall that they are appropriated primarily by social classes and categories which take advantage of it for the promotion of their social, personal, and professional positions. Because of all these transformations, widely engaged, are questioning the evolutions foreseen only one decade ago, towards a public sphere called societal, this one then envisaged under the influence of less "vertical" actions, more socialized and even organized in the duration than those today observable. Could it be that in societies still considered democratic, we are now moving towards a post-public sphere (Schlesinger, 2020), clearly differentiating ourselves from those envisaged after Habermas during the last half-century?

## **2.6 THE NEED TO UPDATE CULTURAL (AND INFORMATION) POLICIES AND THE PROSPECTS OF REGULATORY MEASURES**

It is undeniable, in Europe at least, but also in other continents in other ways, that the *Big Five*, and other allied firms, have established themselves and conquered important markets in a few years, for a long period, encountering no competition or real opposition, and even more so, strong resistance. Their current domination was even more easily accepted and even encouraged because it was done in the name of technological progress that was not to be hindered. Later, this inconsistency, or irresponsibility, could be reproached to the political or economic elites, but it is only around the 2020s that in official spheres, in Europe at least, some dissatisfaction with the practices of the digital giants was expressed, initially moderately. It was true for the moderation practices that were not well controlled and were far below what was practised in other media, for the recognition of a *de facto* editorial function that was exercised but not assumed, and even for the takeover of content by the same companies, with little or no remuneration, and also with the payment of taxes on the activity or, above all, on the financial results, at a level that was more than just symbolic, such as the one granted by a few complaisant States. Regarding all these aspects, concomitant but not related to the management of the health crisis, it is possible that they remain at the level of vague ideas or that they are translated into effective regulation measures. Indeed, visions linked either to competition or overlap or even contradict each other, law of neo-liberal economic essence, or other approaches of public action more related to public liberties in information, to the public sector of the audiovisual, and the orientations of the cultural policy, including

the promotion of cultural and creative industries, are clearly opposed here. The stakes have remained hidden but will be increasingly difficult to avoid.

Either to make the growing and intolerable effects of social and cultural inequalities in digital practices more bearable, or to moderate the shortcomings and manipulations arising from the exchanges taking place in social-digital networks, or even because the processing of individual data collected from a clearly individualistic and commercial perspective will end up meeting with collective challenges because demands for public Internet service will assert themselves, or because the globalization of the products offered will clash with societal and cultural (as well as religious) expectations and interests, especially in the emerging countries, or to allow the emergence of new markets related to the Internet of Things or the metaverse, the dominant States, if not multilaterally, will be led to take regulatory measures. The already long history of telecommunications, and in particular that of the FCC (*Federal Communications Commission*), is made up of decisions that have redistributed the cards; the digital industries, which are now globalized, have reached a level of power never attained by the telecommunications industries, but this cannot leave states and regulatory bodies indifferent. And so, for research in Information-Communication, the question of regulation, in its different dimensions, is bound to become a central axis, whereas until now it was entirely neglected.

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3

*Media Business  
Transformation  
in the Workplace:  
Creating a Culture  
of Innovation*



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### ABSTRACT

The lessons of business history have taught us that there is no such thing as a static market. Global competition and the power of intelligent networking have engendered a new competitive spirit that cuts across countries and companies alike. This is particularly true in the field of media and telecommunications where once great companies fall victim to creative destruction; supplanted by the next communication start-up company with a good idea. From the original AT&T Bell Labs to the modern-day Googleplex, the history of innovative discovery is really the study of how organizations set out to problem solve. One of the goals of highly successful companies is to make innovation a sustainable, repeatable process. In order to accomplish this, innovative companies create the right kind of culture in which to do good work. This article will look at the challenges associated with new product development and how good companies go about creating a culture of innovation and discovery. The second part of this article looks at the qualities and characteristics that make innovation a sustainable, repeatable process. Special attention is given to such ideas as the importance of risk and experimentation, creating the proper workspace, mobility and virtual communication, serendipitous connections and the value of external partnerships and collaboration.

**KEYWORDS:** Business failure; Culture of innovation; Disruptive technology; Hacker culture; Ideation; Intelligent workspace; New product development; Partnerships and collaboration; Risk and experimentation.

**RECOMMENDED CITATION:** Gershon, Richard A. (2023). "Media Business Transformation in the Workplace: Creating a Culture of Innovation". *Journal of Creative Industries and Cultural Studies (JOCIS)*, v. 9, pp. 66-87.  
<https://doi.org/10.56140/JOCIS-v9-4>





## **BUSINESS FAILURE AND THE CHALLENGES OF NEW PRODUCT DEVELOPMENT**

We begin this article by trying to understand why good companies fail to stay innovative over time.

At issue, is the question of business failure? At first glance, business failure is typically associated with poor financial performance or bankruptcy. Business failure refers to a company that is no longer able to continue its operations. It can no longer generate sufficient profits and working capital to offset its expenses. But at a deeper level, business failure is also about the proverbial “fall from grace.” A company that once dominated an industry no longer finds itself the market leader (Gershon, 2013b). Worse still, the very same company is faced with a public perception that it has lost all relevancy in an otherwise highly competitive business and technology environment. The consequences are very real both symbolically as well as financially. The company’s fall from grace is best illustrated by a dramatic downturn in the company’s stock value. But more importantly, it can mean the discontinuation of a once highly successful product line and the loss of jobs for thousands of employees who were once part of the company’s name and business mission (Clearfield & Tilcsik, 2018). In this paper, we will consider three primary reasons that help to explain why companies experience business failure. They include:

- 1) The Tyranny of Success,
- 2) Organizational Culture and the Challenges of Becoming Risk Averse,
- 3) Disruptive Technology Changes.

### **THE TYRANNY OF SUCCESS**

Past success can sometimes make an organization very complacent; that is, they lose the sense of urgency to create new opportunities. Collins (2001) makes the point unequivocally when he writes that “good is the enemy of great.” (p. 16). Companies, like people, can become easily satisfied with organizational routines. They become preoccupied with fine-tuning and making slight adjustments to an existing product line rather than preparing for the future. The history of business is filled with examples of past companies where senior management failed to plan or react quickly enough to sudden changes in the marketplace. Such companies could not anticipate a time when a substitute product (or changing market conditions) might come along and dramatically alter the playing field. Such business enterprises, like people, can become easily satisfied with organizational routines that stand in the way of being innovative (Kanter, 1990; Küng, 2013). Instead of real strategic change, managers become preoccupied with fine-tuning and making slight adjustments to an existing product line rather than preparing for the future. They adhere to a play-it-safe mindset or what

Negroponte (1995) calls the “problem of incrementalism.” (p. 118).

A related problem are the self-imposed limitations of sunk costs; that is, investments in research and technology, construction of production facilities, education and training, contract obligations etc. Such costs are justified on the basis of expected return-on-investment. Moreover, successful technologies carry with it a certain measure of predictability based on past practices and experience to date. In contrast, new product development and innovation carries with it uncertainty and risk. The commitment to advance new technology and service requires large start-up costs, with no guarantee of success (Christensen, 1997). No one knows for certain what resources will be required, how the project will turn out and how it will be received.

The problem, however, is that mainstream technologies and services can become steadily obsolete. It is only when faced with a rival product or a disruptive technology – that the same set of managers feel the urgency to adapt and innovate. Response time is critical. Those companies whose response time is slow, pay a heavy price in terms of lost market share, declining revenue and missed opportunity (Gershon, 2017; Küng, 2013).

***The Eastman Kodak Company.*** Founded in 1880 by George Eastman, Kodak became one of America’s most notable business enterprises, helping establish the market for film and instamatic cameras which the company dominated for most of the 20<sup>th</sup> century. Eastman did not invent photography. He did, however, make it accessible to large numbers of people by introducing a simple camera called the Kodak. As early as 1981, Kodak recognized that a shift in digital camera technology and design were underway. Throughout most of that decade, Kodak introduced more than 50 products that were tied to digital photography and the storage of images. Yet the company was unable to successfully commercialize them (Lucas & Goh, 2009). At the same time, Kodak’s organizational mindset was fully committed to traditional film technology and processing. Nevertheless, the onset of digital photography in the 1990s started to erode the demand for conventional film and processing, thereby, putting a squeeze on Kodak’s business.

Digital photography has many advantages over traditional film. Digital photos are convenient and allows the user to see the results instantly. Digital photos don't require the costs associated with film and development time. Digital cameras enable the user to take multiple shots at no additional cost. They can be stored on a variety of digital devices, including, personal computers, smartphones, and tablets as well as being uploaded onto the Internet. All this points to the fact that the transition to digital media is not just about a single product; but rather, an altogether different approach to communication display and storage processes (Gershon, 2013b). Digital photography proved to be the ultimate disruptive technology. It was only a matter of time before

traditional film processing would become obsolete. The creativity demands for producing digital media are so vastly different than traditional photography. Kodak's leadership was not prepared to impose the kind of disruptive changes on the organization that would have been required. More to the point, there was a lack of urgency that did not permeate all levels of the organization (Lucas & Goh, 2009). While Kodak had the right intentions, the company's middle management resisted the move toward digital photography. At issue, were the high costs associated with developing new production facilities as well as a genuine concern that such changes might result in a loss of jobs. Despite an impressive start, Kodak's digital camera line became quickly copied by Asian competitors that could produce equivalent cameras at a lower cost. The most important setback, however, came with the introduction of the Apple iPhone and future smartphone technology that were fully equipped with digital cameras (Gershon, 2013b). Today, digital cameras have become a standard feature on all smart phone devices. In the end, Kodak was unable to reinvent itself and become a leading-edge digital media company.

### **ORGANIZATIONAL CULTURE AND THE CHALLENGES OF BECOMING RISK AVERSE**

Organizational culture (or corporate culture) refers to the collection of beliefs, values and expectations shared by an organization's members and transmitted from one generation of employees to another. Organizations, (even large ones), are human constructions. They are made and transformed by individuals (van der Wurff, & Leenders, 2009). Culture is embedded and transmitted through both direct and indirect communication such as formal statements, organizational philosophy, adherence to management orthodoxies, deliberate role modeling and behavioral displays by senior management.

But what happens when organizational culture stands in the way of innovation? What happens when being tied to the past (and past practices) interferes with a company's ability to move forward? The combination of past success coupled with an unbending adherence to management orthodoxy can seriously undermine a company's ability to step out of itself and plan for the future. Suddenly, creative thinking and the ability to float new ideas gets caught up in a stifling bureaucracy. Sometimes what passes for management wisdom and experience is inflexibility masquerading as absolute truth (Gershon, 2017).

Successful businesses with an established customer base find it hard to change. There is a clear pattern of success that translates into customer clients, predictable revenue and public awareness for the work that has been accomplished to date. The adage "why mess with a winning formula" slowly becomes the corporate norm. There are no guarantees of success when it

comes to new project ventures. The difficulty, of course, is that playing it safe presents its own unique hazards. Even well-managed companies can suddenly find themselves outflanked by changing market conditions and advancing new technologies. At issue, is the fact that most managers are unable or unwilling to sacrifice a successful product in favor of a new untested one. There is a tendency toward playing it safe (or playing not to lose) by focusing on present customers and what works. As Kanter (1990) points out, “mainstreams have momentum. Their path is established, the business flow is already developed.” (p. 175).

**Sony Corporation.** The Sony Corporation is a leading transnational media corporation in the production and sale of consumer electronics, music, film entertainment and videogame technology. Throughout its 75-year history, the Sony name has become synonymous with great innovation. During that time, Sony introduced a number of firsts in the development of new communication products; most notably, the Sony Walkman portable music player, the compact disk and the Playstation video game system to name only a few. Such products were truly revolutionary for the time and set into motion the beginnings of today’s digital lifestyle. The 21st-century Sony, however, is faced with a public perception that it no longer is the same inventive and entrepreneurial company. Since 2005, Sony financial performance and technological leadership has proven highly inconsistent.

Sony’s decade-long decline was the result of a number of self-inflicted wounds. What went wrong is a story of missed business opportunities, repeated failures to take necessary risks and disastrous corporate infighting. It is also the tale of a once proud company that traded on its name and reputation rather than face the realities of a highly competitive global marketplace. Sony fell victim to the innovator’s dilemma; specifically, that the company’s historic success and organizational culture later became a barrier to change (Gershon, 2014). The company’s organizational culture became steadily more bureaucratic over time and its business units tended to operate as independent silos which made strategic planning and resource allocation very inefficient. This, in combination with a failure to keep pace with several important technology shifts in the marketplace put the company at a competitive disadvantage when it came to television manufacturing involving such companies as South Korea based Samsung and LG, as well as portable music players resulting from the development of the Apple iPod music player and later Apple iPhone. (Chang, 2008).

## **DISRUPTIVE TECHNOLOGY CHANGES**

A disruptive technology is the quintessential game changer. Disruptive

technologies, by their very definition, set into motion a whole host of intended and unintended consequences on the marketplace. One of the accompanying rules of creative destruction is that once a technology or service has been introduced, there is no going backwards (Schumpeter, 1942). Over time, tastes, preferences, and technology change. Innovative companies keep abreast of such changes, anticipate them, and make the necessary adjustments in strategy and new product development. The question may be asked: if strategic adjustment and innovation are such basic elements, why then don't more companies succeed at it?

Christensen (1997) posits what he calls the "innovator's dilemma," namely, that a company's very strengths (i.e., successful product line and realizing consistent profits) now become barriers to change and the agents of a company's potential decline. Successful companies are highly committed to serving their existing customers and are often unable to take apart a thriving business in favor of advancing unfamiliar and unproven new technology. Committing to an altogether new technology or service requires expensive retooling and whose ultimate success is hard to predict. The anticipated profit margins in developing a future market niche can be hard to justify given the high cost of entry, as well as the possible destabilization of an otherwise highly successful business. Worse still, many of these same at-risk companies fail to notice small, niche players who play at the edges of the market by offering customers alternative solutions at a better value. Therein, lies the innovator's dilemma.

**Blockbuster Inc.** was an American-based DVD rental service. Blockbuster was founded by David Cook who used his experience with managing large data base networks as the foundation for the Blockbuster's retail distribution model. At its peak in 2009, Blockbuster had an estimated 7,100 retail stores in the U.S. with additional locations in seventeen countries worldwide. Blockbuster employed over 60,000 employees in the U.S. and worldwide. The key to Blockbuster's early success was the convenience and ease of renting film entertainment for consumer use. Another important factor to Blockbuster's early success was their timely access to recently released feature films combined with films on VHS geared to the neighborhood demographics of its local retail outlets.

In 1987, Waste Management President, Wayne Huizenga and his business partner John Melk paid Cook \$18 million for a controlling interest in the new upstart company. Together, they used the lessons from their experience with Waste Management to build Blockbuster into a global enterprise. Huizenga took the company public in 1989 and aggressively transformed it from a \$7 million business with 19 stores to a \$4 billion global enterprise with more than 3,700 stores in 11 countries. Despite Blockbuster's success, Huizenga felt that it was only a matter of time before technology advancements would directly

challenge Blockbuster's bricks and mortar approach. For years, business analysts and professional observers recognized that the Blockbuster retail model would become difficult to sustain long-term given the promise of cable television pay per view as well as electronic commerce via the Internet. In 1994, Huizenga sold Blockbuster to Viacom Inc. for \$8.4 billion (Gershon, 2013b).

Huizenga's assessment and forecast were correct. While Blockbuster did very well for the first set of years, the advent of Netflix proved to be the quintessential game changer. It was creative destruction in its most essential form (Schumpeter, 1942). Netflix was founded during the emergent days of electronic commerce (EC) when companies like Amazon.com and Dell Computer were starting to gain prominence. Starting in 1997, Netflix offered an easy-to-use EC system by which consumers could rent and return films. The challenge for Netflix founder Reed Hastings was whether he wanted to duplicate the traditional video rental bricks and mortar approach used by Blockbuster. Netflix, instead, harnessed the power of the Internet for placing video rental orders on-line. Netflix, for its part, offered its customers a great value proposition; namely, unlimited DVDs for a fixed monthly price as well as the convenience of no late fees. Netflix partnered with the US postal service for the delivery of DVDs to customer homes directly (Randolph, 2019). In addition, Netflix's proprietary software recommendation system provided the added benefit of stimulating demand for lesser-known movies and taking the pressure off recently released feature films.

Blockbuster, early on, saw the handwriting on the wall. The company had more than sufficient time to react to the competition and revise their business model. Instead, Netflix operated for six years before Blockbuster launched its own video rental EC service. By then, it was too little- too late. As early as 2007, Netflix began rolling out what it called a "watch instantly" streaming service which was the forerunner of its current OTT video streaming service. Netflix understood that while its service was better than Blockbuster; it too was an interim step in the business of television and film rental. Netflix's OTT video streaming service proved to be the final nail in the Blockbuster coffin. It signaled the end of Blockbuster and the beginning for an altogether new way to deliver television and film programming to subscribers equipped with a high-speed Internet connection (Gershon, 2017). But such technological changes also meant that other television and film producers like HBO, Disney and Amazon were equally capable of creating an OTT streaming service of their own. These same companies, would, in fact, discontinue their previous relationship with Netflix, by holding back programming that was previously leased to Netflix. The new Netflix would be responsible for creating a larger proportion of original programming for their viewers (Budzinski, 2021; "The



Future of OTT,” 2021).

## **CREATING A CULTURE OF INNOVATION**

According to Hepburn (2013), a “culture of innovation is an environment that supports creative thinking and advances efforts to extract economic and social value from knowledge, and, in doing so, generates new or improved products, services or processes.” A successful culture of innovation assumes a shared set of values and mutually reinforcing beliefs about the importance of innovation as well as an organizational commitment to research and discovery (van der Wurff & Leenders, 2009).

What is sometimes underappreciated, is that great innovators like Akio Morita (Sony), Steve Jobs (Apple), and Jeff Bezos (Amazon), to name only a few, are the faces of a team of engineers, marketers and designers who spend thousands of hours creating the break-through products and services that become real game changers. They, better than anyone, understand that great discoveries are seldom achieved quickly. There are no short cuts when it comes to innovation. There is no magic formula and few ‘aha’ moments that bring about great product discovery. Rather, greatness is achieved steadily over time through hard work and attention to detail (Isaacson, 2014).

The most successful companies have both an entrepreneurial spirit and a sense of discipline. Both are necessary; without the drive to try new things and some degree of independence, a company can become bureaucratic and risk-adverse. Great innovation starts by having the right people. Such individuals have a strong sense of self-discipline. A culture of self-discipline is critical because it creates an environment where creative people work within a defined system. Knowing the organizational boundaries gives the individual more freedom to act within that system. Highly driven people are self-motivated. Their sense of mission and purpose is personally driven; without the need for enforced rules and structure. They develop an attitude of grit and determination that requires steadiness in approach (Ducksworth, 2016).

## **THE POWER OF IDEATION**

Ideation is the essential first step in the creative design process. Ideation has two main stages. Stage one is idea generation where quantity and diversity of viewpoints matter. The source of good ideas can come from a wide variety of people and players both inside and outside the organization, including design engineers, project teams, and business units, as well as individual customers (Davidson, 2022). A truly good idea has to be malleable; that is, it must be capable of adapting to various designs and configurations. As IDEO’s Tom Kelley (2005) describes it, the best projects and design configurations

are a collaborative effort; they never finish where they began. He describes it as the “magic of cross-pollination.” (p. 68). As Johnson (2010) points out, a good idea is really a network of possibilities. A good idea spawns infinite connections and opportunities.

Stage two is synthesis, where ideas are refined and narrowed down to a small set of viable options. Part of the management challenge is learning how to work with a large assemblage of highly creative people. Stage two requires the ability to synthesize; that is, discuss and refine the best and most promising ideas into a working set of possibilities (Cunha et. al., 2015; Nylund, 2013). Synthesis involves asking tough questions. Synthesis is a winnowing-down process. The task is to manage the dynamic tension between creativity and value capture. By value capture, we mean the ability to transform creative concepts into practical and useful applications.

## **NEW PRODUCT DEVELOPMENT**

After the proposed idea has been fully screened and tested, the real work of product development and implementation begins. New product development (NPD) represents the process of transforming a working idea into a commercially viable product or service. It is the responsibility of the project manager to translate the product design concept into action (Ulrich et. al., 2020). We begin with the idea of implementation; specifically, what kinds of people and talents will be required in order to get the product launched? NPD requires taking a highly disciplined and organized approach to strategy execution.

## **HACKER CULTURE**

One of the most interesting trends of the 21st century has been the emergence of hacker culture located throughout the workplace of today’s best-known media and IT companies. From the size and scale of companies like Google to the five-person start-up, there is a style of behavior that has become more common place among these types of designers and engineers. By hackers, we don’t mean people who pose security threats to computer networks. Rather, hacker refers to media and IT-savvy people who are focused on the power of information technology. Today’s generation of hackers tend to be more casual in dress and are less concerned about the traditional representations of professional success (business attire, professional titles, corner offices etc.). Instead, the focus is on being smart, creative and making really great products.

One of the core values of hacker culture is the belief that work should be fun and challenging. If work is fun; then you don’t mind working long hours to see a project through to its completion. But working long hours comes at a



cost to the individual and his/her family. Today, there is a growing recognition that companies need to provide workers with support services and amenities that make it easier to balance work and family life issues at a time when there are few stay-at-home spouses and work demands a constant effort. These support services and amenities can take a number of forms from built-in café dining, free day care and gymnasiums to an increasing effort to allow employees to work at home and tie-in virtually to the main office.

At the other end of the spectrum is the small five-person start-up company located above dry cleaning store and where you bring your own lunch. Or it may be the 130-person organization that occupies a set of offices that are part of an incubator program at a university. What levels the playing field in each of these examples is the power of a good idea and a core group of hackers committed to seeing the project succeed. The people who work for such companies and start-ups have a strong sense of purpose and common ownership. They are committed and willing to work the long hours to make things happen. Team members want to know that their work matters to the overall success of the project mission.

## **CREATING THE PROPER WORKSPACE**

Creating a culture of innovation presupposes having the right work environment with which to develop and implement great ideas. From the corner office to the nondescript cubicle, there is considerable difference of opinion as to what makes for a successfully creative workspace. There are, however, certain truisms in terms of what makes for an efficient workspace. Writer Ariel Arieff (2011) makes the argument that workspace should reflect the way people actually work. This is especially true in today's fast-paced media and IT business environments. The very notion of a private office may well be considered a relic of the 20th century. It has become less important in the design of the modern workspace. Gone are the immense executive desks from the past symbolizing power and authority as well as trophy-laden walls. Large drawers and storage cabinet space are steadily being phased out, reflecting the shift away from paper and more towards cloud computing and the electronic storage of information. What hasn't changed is the need for privacy.

Working professionals still need to be able to have quiet, deliberative time to think and work without interruption. Privacy versus open workspace is not a zero-sum game. Rather, it's about finding a balance between the work that needs to get accomplished and creating the proper work space that will enable that to occur. The key design principle is sustainability where the emphasis is on energy efficiency and economy of space ("IDEO's CEO, Sandy Speicher," 2021). The designers of the 21st century office recognize

the importance of creating work zones; that is, areas where specific types of tasks get accomplished.

### **MOBILITY, VIRTUAL COMMUNICATION AND INTELLIGENT WORKSPACE**

Another consideration is the importance of building intelligence into the design of the modern office workspace. The combination of computer and telecommunications technology has had a major effect on the spatial design and activity of the modern organization. The buildings and office space that we occupy is not nearly as important the tools we use to get work done. The blending of powerful communication tools with flexible workspace can greatly enhance productivity and innovation. Related to this idea is the importance of mobility which recognizes that business professionals and creative teams need greater flexibility of movement. Smartphone and laptop users need to be able to have access to the Internet anytime, anywhere. Location should never be an obstacle. Instead of time and communication being highly synchronized, today's working professional lives in a digital world of asynchronous and virtual communication that allows for the international collaboration of projects regardless of time zones, geographical borders and physical space (Gershon, 2017).

The lessons of the Covid-19 pandemic have underscored the power of virtual communication. The Covid 19 pandemic disrupted the world's economy having forced a major change in terms of how business enterprises engage in meetings and organizational communication; how Universities and schools go about teaching students online and how family and friends stay virtually connected. The Covid-19 pandemic set into motion a global tipping point that unleashed the full power of video-telephony and conference streaming technology for everyday use. The Covid 19 pandemic disrupted both large and small businesses alike. It forced the relocation of working professionals from a dedicated place of business to a person's home, apartment or remote setting. Prior to Covid-19, the term "telecommuting" was an idea in principle that applied to some working professionals, but never got the full support of mainstream business leadership. At issue, in the telecommuting debate, was whether people working at home could be trusted to work efficiently, be productive and not game the system.

Now suddenly, the question of whether people could be trusted to work at home was a moot point. The home office would undergo a major redefinition in terms of set-up and design. The new office environment would require a desktop or laptop computer, a high-speed Internet connection, Zoom (or equivalent conference streaming platforms) and a smartphone. In terms of key takeaway lessons, we now know that the routine two-day business

meeting requiring air travel time are gone forever. We now know that major business enterprises are rethinking questions pertaining to organizational productivity and whether working professionals do indeed need to be in the same clustered office space five days a week. More and more companies are now offering their employees work at home or hybrid (in-office and work at home) options. There is no going back.

***The Googleplex.*** In 2003, five years after its founding, the company moved into an expansive campus called the Googleplex. The goal, from the very beginning, was to create an informal, highly charged atmosphere that encourages collegiality and innovation. Writer Adam Lashinsky once described it as “chaos by design” as evidenced by light, wide open offices and shared common spaces (p. 88). Now, the company that set the standard for what an innovative workplace was supposed to be, is in the process of reimagining creative workspace. Google is fully engaged in creating a post-pandemic workplace that will accommodate employees who have gotten used to working from home and that are not looking to return to a regular office space. The Covid pandemic forced a change in organizational thinking in terms of professional workspace. This, in combination with the fact that Google has expanded to over 100,000 worldwide employees has made face-to-face collaboration no longer practical.

The new, reimagined Googleplex is operating on the assumption that smart, productive work can happen not only in the office but in a variety of creative spaces. The workplace needs to be more than desks, meeting rooms and amenities. Instead of rows of desks next to identical meeting rooms, Google is designing so-called “team pods.” (Google Plans for the Future, 2021) Each pod is a blank canvas consisting of chairs, desks and whiteboards that can be wheeled into various arrangements that are intended to create a common workspace for both in-person and virtual attendees. The Campfire set up includes a common meeting room space where in-person attendees sit in a circle interspersed with large screen monitors that show the faces of people who are virtually connected via Zoom or an equivalent conferencing technology.

## **SERENDIPITOUS CONNECTIONS**

One of the important lessons in innovation is that some of the greatest discoveries occur as a result of a chance encounter. The history of business and technological discovery often starts with a chance encounter: “I was sitting next to this guy on an airplane, and he said... I met this woman at a conference and she told me...” And sometimes, the outcome becomes something entirely unintended. Alexander Graham Bell’s invention of the

telephone, for example, was the unintended consequence of working on a device called the harmonic telegraph that would allow multiple telegraph messages to be shared on a single transmission line. As Johnson (2010) points out, some of the best discoveries occur when different people with diverse skill sets find themselves in a common space for sharing their ideas. The unfiltered exchange of a chance idea can sometimes spawn a radically new working concept. And so it is that some of the most innovative companies in the world create spaces for chance encounters enabling good ideas to move freely; making connections in unexpected ways (Davidson, 2022).

***Disney's Pixar and the Serendipitous Encounter.*** Pixar began as the computer graphics project of the Computer Division at Lucasfilm Ltd, created in 1979. The Computer Division was led by Ed Catmull and the graphics project (soon called Pixar) was run by Alvy Ray Smith. Pixar was eventually spun off from of Lucasfilm and later purchased by Steve Jobs in 1986 at which point it became an independent company. The new Pixar Entertainment would produce the first in a series of CGI animated films starting with *Toy Story* in 1995. The film received universally positive reviews, and would eventually gross more than \$192 million at the domestic box office and \$358 million worldwide. Director John Lasseter received a special Academy Award for leading the Pixar team, and the movie became the first animated feature ever to score an Oscar nomination for Best Original Screenplay.

At Pixar, employees are encouraged to be creative. There is a lot of wide-open space that greets a visitor when arriving at Pixar's football-sized atrium. Pixar co-founder and CEO Steve Jobs wanted to design a building where people would interact naturally. He positioned the mailboxes, meeting rooms, cafeteria, and most importantly, the bathrooms in the center atrium. He wanted to avoid people going off to the separate silos of software coding, animation or production. This would ensure little or no interaction with people from other areas of the organization. Pixar's current design makes the serendipitous encounter with employees from other departments a regular mainstay of the Pixar organizational culture. Jobs believed that when people casually interact and have fun, creative ideas can sometimes happen.

Décor also contributes to a playful, fun atmosphere. The atrium at Pixar is decorated with larger-than-life statues of Pixar characters, concept paintings on the walls, with storyboards and color scripts in clear view. Pixar's rolling sixteen-acre campus also includes offices, studio and sound rooms, screening rooms, a lap pool, volleyball courts and a soccer field – all of which makes for a welcome escape from the constancy and daily pressures of work.

## **DISCUSSION**

The combination of digital media and the power of intelligent networking makes this an extraordinary time for innovation. From the small 5-person start-up to the large-scale media organization, the goal is to make products and services that excite the imagination. What both kinds of organizations and work settings share in common is the ability to create a culture of innovation. In the remaining portion of this article, we'll consider a select set of strategies designed to advance a culture of innovation. It starts by cultivating the right kind of leadership at the top. Whether it's the CEO, Director or project lead for the small project start-up – it's the person in charge who sets the tone for the entire organization. As the innovation leader, this person helps to create a culture of innovation while ensuring accountability in meeting the organization's key focus areas, core capabilities and commitments to stakeholders (Benavides, 2012). With that, the project team is given broad discretion to conduct their work in service of those parameters.

## **KEEP THE PROJECT REVIEW PROCESS FLEXIBLE**

A starting point is that overly tight performance review measures can strangle innovation. There is a tendency among well established companies to apply the same performance review metrics to new project start-ups thus weakening the venture before it has the opportunity to get some traction. Too much emphasis on traditional performance metrics like Return on Investment (ROI) or risk tolerance at the early stage of development can kill a good project before it gets off the ground. Traditional demographic research reflects information that is currently available, but it cannot accurately forecast what customers want and would be willing to pay for in the future. It cannot fully consider future opportunities since there is no basis of analysis and comparison. In sum, strict controls have their place, but flexibility goes a long way in ensuring that promising projects have the possibility to see the light of day.

## **THE VALUE OF CUSTOMER INSIGHTS**

What is the value of one good idea or suggestion? No one knows better than one's customers what they want in terms of improved product or service performance. Taking time to understand the day-to-day behavior activities of one's customers in their daily work routine can go a long way in helping to understand the kinds of special features and benefits that may be of interest to them in the long term. The principle of engaging one's customers goes well beyond the focus group model. Instead, the emphasis by a research design team is to understand the essential habits (and support technology) that

drives the customer's workday engine. Customer experience is an increasingly popular term in business, especially when it comes to strategy planning and innovation. Customer experience (CX) refers to how a customer perceives your product or service. Customer experience is the sum of someone's perception of your organization.

### **OPEN COMMUNICATION AND KEEPING EVERYONE INVOLVED**

Some companies set up "innovation garages" where small groups can work on important projects unconstrained by the normal working environment while building new ways of working that can be scaled up and absorbed into the larger organization. Once a commitment is made to engage in a new project venture, it's not uncommon in large organizations that other division heads become resentful that needed resources are being diverted away from businesses with an established track record to support what appears to be a speculative project venture. This can include privileges and rewards that may exceed what other established businesses are getting at the present time. Over time, there evolves an unspoken culture clash between those who are free to experiment (and have all the fun) and the serious business enterprise that generates revenue by providing reliability and growth. Innovators and start-up projects should not work in isolation if they want their ideas to catch on. The project manager should engage in open communication by keeping the larger organizational community informed and involved. There has to be a level of buy-in and support that cuts across divisional lines. Open communication will go a long way in building a coalition of supporters who will provide project support both during formal meetings as well as behind the scenes. There should never be a perception that the new start-up group is off doing its own thing. Rather, the goal should be to make everyone feel that they are a legitimate stakeholder in the project outcome (Davidson, 2022).

### **THE VALUE OF PARTNERSHIPS AND COLLABORATION**

The traditional model of R&D is to create and manufacture products exclusively within confines of one's own company. The basic logic is; if you want something done right, you've got to do it yourself. Researcher John Davidson (2022) challenges that basic assumption and makes the argument that managers often isolate their innovation teams. The goal, instead, should be to create so-called "knowledge networks" that are designed to complement the existing organizational structure. Project team members should be encouraged to consult one another spontaneously across the organization's traditional boundaries. The prospect of insightful and constructive exchanges will stimulate the development of new ideas, thereby, making them creative

partners.

Creative collaboration should occur outside the organization as well. One of the most important lessons executives have learned about innovation is that companies can no longer afford to go it alone. The not not-invented-here approach is no longer sustainable. Instead, companies should be drawing business partners and suppliers into so-called “innovation networks.” According to Chesbrough (2003), the idea behind open innovation is that there are simply too many good ideas available externally and held by people who don’t work for your company. These discussions and collaborations sometimes lead to extraordinary results such as the development of the Apple iPod which was a partnership between Apple, consultant and designer Tony Fadell and a company called Portal Player. Similarly, Japanese-based Sony Corporation and Netherlands-based Phillips worked together to create the Compact Disk (CD). Smart collaboration with external partners, though, goes beyond merely sourcing new ideas and insights; it can involve sharing research and production costs and finding faster routes to market. Clearly, companies like Google recognized this when it acquired Israeli-based WAZE GPS in 2013 with the goal of building and creating the two most dominant GPS electronic mapping services used in the world today. In sum, even well-established with extensive internal capabilities recognize the need to consider external knowledge and information capabilities when they think about innovation.

## **RISK AND EXPERIMENTATION**

Companies, like people, can become easily satisfied with organizational routines that stand in the way of being innovative. Instead of blue ocean thinking, managers become preoccupied with fine-tuning and making slight adjustments to an existing product line rather than preparing for the future (Kim & Mauborgne, 2005). Forward-thinking companies must be able to deconstruct management orthodoxy. Respect for past success is important. However, too much reliance on the past can make an organization risk-averse. Instead, forward-thinking companies must create a culture of innovation where experimentation and development mistakes are all part of the process of testing new boundaries.

Successful businesses (with an established customer base) find it hard to change. There are no guarantees of success when it comes to new project ventures. Not surprisingly, such companies can become risk-averse to change. Experimentation lies at the heart of every company’s ability to innovate. The most successful companies are those that are willing to experiment and not rest on their past success. The goal is to make innovation a sustainable, repeatable process. Creating a culture of innovation means experimentation,



taking risks and recognizing that failure is endemic to the process (Dogruel, 2014). Pixar founder Ed Catmull has made a point of saying, “It is not the manager’s job to prevent risks. It is the manager’s job to make it safe to take them.” (Catmull, 2014). IDEO’s co-founder, David Kelly, makes a similar point and believes that it is important to rethink the role of failure in the design process (Kelly, 2005). When a unique idea fails in an experiment, the failure can expose important knowledge gaps. But such efforts can also reveal unique ways of looking at the problem. This, in turn can refocus the group’s efforts in more promising areas. No great discovery has ever been accomplished without failure and set back. It’s only much later when the idea starts to take shape that experiment and discovery give way to the practical; how do we make this idea scalable and create a business model to support it? A culture of innovation means grit and determination, taking risks and with it – and the very real possibility of product success. It’s part of the DNA of what it means to be innovative.

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# 4

*The quality  
and variety of  
information in  
the digital and  
traditional media:  
Competition and  
complementarity*

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### ABSTRACT

In recent years the internet and social media have established themselves as primary sources of information and have become an integral part of political communication. The speed with which news is published and circulated, and the possibility, especially with mobile devices, of consuming information from anywhere, even while involved in other activities, have caused the internet to become central to many current events. It's increasingly important to question the quality and variety of the information that's available online. This is the topic that's becoming more and more central to political debate because, as is also true for traditional media, making accurate information available is one of the essential conditions not only for being able to choose the best products and services in several markets, but for making informed political choices as well. Therefore, proper functioning of the information market has important externalities which affect both the political system and the proper functioning of many financial sectors. After decades of expansion in information markets, it's clear that a simple quantitative increase in the amount of information available isn't enough to prevent individuals from being insufficiently or poorly informed, and it rather introduces issues regarding the trustworthiness, quality, and relevance of the information.

**KEYWORDS:** digital news, algorithms, commercial and editorial information, disintermediation, hard news and soft news, newspaper decline, economy of scale, entry barriers in information markets, internet, digital platforms

**RECOMMENDED CITATION:** Gambaro, Marco (2023). "The quality and variety of information in the digital and traditional media: Competition and complementarity". *Journal of Creative Industries and Cultural Studies (JOCIS)*, v. 9, pp. 88-111.

<https://doi.org/10.56140/JOCIS-v9-5>

## **1. INTRODUCTION**

In recent years the internet and social media have established themselves as primary sources of information and have become an integral part of political communication.

The speed with which news is published and circulated, and the possibility, especially with mobile devices, of consuming information from anywhere, even while involved in other activities, have caused the internet to become central to many current events.

According to AGCOM's data, 62% of Italians use the internet for news about international, national, and local affairs, as compared to 74% who get their news from television (which remains the primary source of information), 56% from newspapers, and 25% from the radio. Despite the fact that surveys of this kind are very sensitive to the way questions are posed and encounter the usual problems associated with self-reporting, in which individuals tend to overestimate the consumption that they perceive to qualify, similar values were found in other international surveys as well. In the United States in 2021, more than 50% of the population said that it prefers getting its news from digital platforms, 36% said that it prefers television, 7% radio, and only 5% print. For many years now, the internet has been on the rise while traditional media have been declining, at least in terms of the percentage of the population that considers them its primary source of information. Naturally, the size of consumption differs. Each day individuals watch an average of more than half an hour of news-related content on television (until now the primary source of information in most countries) and read the newspaper for an average of twenty minutes. Meanwhile, on the internet, news websites are visited for just a few minutes per day, though in this case, the boundaries are somewhat ill-defined because, for example, part of the time dedicated to social media might in some way qualify as the consumption of information.

In this context, it's increasingly important to question the quality and variety of the information that's available online, a topic that's becoming more and more central to political debate because, as is also true for traditional mass media, making accurate information available is one of the essential conditions not only for being able to choose the best products and services in several markets but for making informed political choices as well. Therefore, the proper functioning of the information market has important externalities which affect both the political system and the proper functioning of many financial sectors.

After decades of expansion in information markets, it's clear that a simple quantitative increase in the amount of information available isn't enough

to prevent individuals from being insufficiently or poorly informed, and rather introduces issues regarding the truthfulness, quality, and relevance of the information being distributed. Economics literature has dedicated little attention to how information is acquired and produced and to the incentives and constraints that characterise the various levels in the information supply chain.

From an economic perspective, the media can be considered as two-sided markets, gathering information for the public on one side, and producing audience for advertisers on the other. If it aims to maximise profits, then it must simultaneously consider the competitive conditions of the two sides in which it operates and the total costs that it must sustain in order to produce sellable information and a sellable audience with the highest possible profit. On television and on the radio, information is disseminated free of charge and all profits come from the sale of advertising slots. In print, advertising has long been considered extra revenue, seen almost as a way to subsidize the primary activity of selling information to readers. However, a lot has changed in recent decades. On the internet, after some uncertainty, the advertising model has been predominantly established, as well as the connection to forms of e-commerce.

In a simplified version of the processes by which information is selected and produced, the media operates by selecting the information that interests readers the most, as accurately as possible and in a way that's compatible with the costs of research and verification. If they operate in this way, they obtain the highest possible number of readers and, in the long run, earn a reputation as a reliable and credible source. If it's successful among readers, then it will produce more contacts to sell in the advertising market. When it comes to the internet, it's necessary to enrich upon this representation. On the one hand, in fact, large autonomous organisations dedicated to the production of original information, like traditional newspapers, have not yet been developed on the internet. Most of the professional information that's consumed online is produced by traditional media. On the other hand, much of the information that circulates on the internet comes from non-journalistic sources, which include both the direct participation of individuals via "user generated content" and dissemination by various kinds of companies and organisations through communication. This phenomenon is well-established in traditional media through media relations activities, but in the digital context it now finds new forms of development that involve the direct management of social media conversations with clients and the opening of direct communication channels. In addition to presenting and selling products, company websites assume a true editorial role, contributing



to the representation of the company and its products.

Through its activities, the media produces externalities that are positive for society as a whole as they contribute to the creation of an environment that's generally more informed, in which choices are made with more awareness, and the information that's disseminated strategically by politicians and firms (advertising promises, electoral promises, mandatory disclosures in financial markets) can be more easily verified and appropriately contextualised.

In a society that's generally more informed, it's difficult to spread false promises and steer choices on the basis of secondary and irrelevant aspects. Naturally, in order for this to happen, the editorial information that's spread by the mass media must, on the whole, be sufficiently truthful and rarely misleading.

Online there has been an increase in the available sources of information that can be monitored and interested consumers can easily verify a news story by visiting the same source which inspired the journalist. Furthermore, many websites select and disseminate news on specific topics, adding enormous variety to the available information. In theory, switching costs are low, and all it takes is a couple of clicks to go from one website to another. Nevertheless, even on the internet, there's a high degree of brand loyalty, and the leading information websites (often the digital version of traditional media) obtain a significant number of visits and page views.

The internet is becoming THE platform for the distribution of several media and of a wide range of information and news. While traditional media has evolved, occupying a specific position in the information production and distribution supply chain, and offers a relatively stable bundle of news stories, the internet is characterised by informational abundance that can, however, be truly overwhelming to many users. On the internet, both users and information professionals can find very different pieces of information side by side: breaking news stories spread via Twitter or Facebook several hours before information agencies have confirmed and released them, several eyewitness accounts, many different opinions, and comments, news aggregator websites, press releases, and simple links. While in traditional media, stories become news because of a selection process that exists and excludes a portion of the information that's out there, on the internet the over-abundance of information requires a new consumption capacity from users and poses problems that are somewhat different than those of traditional mass media.

## **2 VARIETY AND AVAILABILITY OF INFORMATION**

Observing the dynamic of the number of websites which, over the past fifteen years, have grown at an average annual rate of 25-30% in the world,

there's little doubt that the quantity of available information has increased. At the same time, however, it's possible to observe contrasting dynamics related to, for example, a reduction in the number of journalists in many traditional editorial offices due to the economic crisis and a lack of analogous services created for the internet. Naturally, the globalisation of sources also encourages processes which tend to standardise information. The decrease in traditional media like newspapers, and recently television, leads to a reduction in journalists. For example, according to ASNE, in the United States the number of newspaper journalists dropped by more than 50% between 1990 and 2019, going from 53,000 to 23,000. Overall, the decrease is less pronounced, but according to the Pew Research Centre the total number of journalists has gone down by 28% between 2008 and 2020.

Furthermore, most of the information available online didn't previously fall within the perimeter of traditional mass media. For example, social media now facilitates social interactions that were once basically mediated by personal relationships, and all product information was once only available in brochures or by visiting the store.

In terms of supply, technological innovation has drastically reduced the costs of producing and gathering information, thus lowering entry barriers in this industry. This means that many small operators can produce information at relatively low costs, even though some types, like investigative journalism, continue to require the ability to make significant investments. Furthermore, the digital environment makes it possible to spread information with almost zero marginal costs. Once a website has been built, it no longer has variable costs. There's no need for pen and ink in order to publish, nor networks of transmitters to broadcast a signal. The combination of these factors makes it possible to explore very small and diversified niches of demand which simply couldn't be served before and, furthermore, allows every person and organisation that has an informational spillover of any kind, to become an information source. This drastic reduction in costs is true for every kind of information that exists, from major journalistic investigations to cooking blogs. But the number of non-professional soft news stories, which previously were beneath the minimum threshold for entering the professional media, naturally increase in proportion as well.

The problem is that, while the number of journalists in traditional media is decreasing, the number of distributive solutions in the digital world are increasing, solutions that are able to personalise the informational menu of every consumer. However productive mechanisms and true editorial offices that are capable of filtering, evaluating, and producing quality journalistic information have not yet been created.

The reduction in distribution costs (practically zero in the digital context) has made it possible for organisations and individuals to connect with many more sources. At the same time, the emergence of global operators, which pose a challenge to traditional national media, can give the impression of standardised information which refers to the same sources from link to link.

The perception of variety is very similar to that which was observed in the retail revolution with the development of large-scale distribution outlets that replaced the much more numerous traditional stores. It's true that in supermarkets the assortment and the brands which are offered are always the same throughout the franchise (the result of economies of scale in purchasing) and that there is, therefore, a reduction in the number of small producers present in the region, but at the same time, the variety of products available to each individual consumer has vastly increased because the single supermarket has a much larger assortment than that offered by an old traditional corner shop.

If anything, the enormous amount of information that's potentially available creates a problem of information overload. In fact, navigating one's way through abundant or excessive information can be just as difficult as remaining informed in a world where information is scarce. What emerges is a need to match information and users, which generates the potential demand for the search engine's services.

### **3 THE DECLINE OF THE TRADITIONAL MEDIA**

The internet's expansion, in terms of both information consumption and other activities related to transaction and social interaction, corresponds with a reduction in the consumption of traditional mass media, whether we're talking about the information market or the advertising market. The two phenomena are clearly related, given the two-sided nature of the international media market and the externalities in the demand which connect them. Therefore, for example, a decline in the advertising market influences the production and distribution of information and thus accentuates a decline in the informational component as well.

In the advertising market, the internet replaces all other media. I've created an econometric model based on the investments, per type of media, of all domestic Italian advertising investors (approximately 100,000 companies) over a period of 6 years, which demonstrates how the cross-price elasticity of internet demand with respect to all the other means of advertising is always positive (Gambaro Puglisi, 2013), even if the degree of substitutability for newspapers it is rather high and for other types of media is relatively modest.

A major reason for this substitutability is the average lower price of the

internet due to relevant economies of scale and zero marginal cost, when it comes to the production of contracts. For the American market, Varian (2012) reports prices per thousand contacts that are approximately ten times lower than those of traditional media. This is due in part to the lower cost of processing digital information, in part to the very low marginal costs which internet operators have, and in part to the enormous availability of space which encourages one to choose a low-price and high-volume strategy in order to maximise profits.

In terms of information markets, various studies demonstrate how digital information is tending to replace traditional media, and also how, in part, people dedicate more time to this new platform than they do to traditional media consumption. When it comes to television, Liebowitz (2014) finds that the proliferation of the internet has had no significant statistical effect on the television consumption of individuals over 35 years old, while its econometric model for the United States market reveals a degree of substitutability among the younger generation. Despite the spread of the internet, television consumption has remained stable in most European countries, or it is even slightly on the rise with respect to the average four hours per day per individual, an amount of time that remains overall greater than that dedicated to the internet, even though the latter has a generalist infrastructure with numerous user functions. Naturally, with the Covid-19 pandemic, many of these trends have been intensified, and the consumption of digital platforms has increased, also due to forms of telecommuting and distance learning which have helped to further familiarise many consumers and individuals with digital tools.

For newspapers, a more accentuated substitution process took place which has facilitated and accelerated the decline that the sector has been experiencing in recent years in both the editorial and advertising markets. But the replacement is more related to the digital environment as a whole than to specific platforms. Google and Facebook don't directly replace the consumption of information via traditional media, and many studies actually indicate that they serve more as complements than replacements. The traditional interpretation according to which digital platforms make profits with information produced via traditional media, doesn't seem to be supported by scientific analysis. On the contrary, it seems that the opposite is true. Most people's access to newspaper websites comes from Google and Facebook.

In terms of advertising, competition from other media has a substantial influence, as does the long recession we've just experienced, which reduced the inclination of companies to invest in advertising. The competitive pressure of the internet is particularly significant in its ability to apply lower prices,

this thanks to the extraordinary economy of scale of major global operators, the ability to precisely define target market segments and the flexibility that allows it to serve as both national and local media.

In a group of 10 western countries for which WAN (World Newspaper Association) data exists over a period of 10 years, the percentage of newspaper advertising revenue out of the total revenue was halved, dropping from almost 29% to less than 14%, a significant decline that, in various countries, has transformed newspapers from a fundamental element of advertising plans to a complementary one.

Over the same time period and in the same countries, internet advertising revenue generally grew at an annual rate of more than 15%, tripling in value over a period of 10 years, within an advertising market that overall, has been shrinking.

Traditional publishers also operate in the internet advertising market through the digital versions of newspapers and television channels, however, these forms of media represent a much smaller portion of internet advertising as a whole. After several years, in Italy, these websites stopped growing. Contrary to what was expected, the simply transition to digital technology does not seem to represent a way out of this crisis for newspapers. For every reader that becomes an internet “surfer”, a newspaper loses approximately three-quarters of its revenue from that reader, and as a result, its fixed editorial costs cannot be recovered.

Looking at the percentage of the total advertising revenue that comes from newspapers and the internet (See Table 1), one gets an immediate sense of how resources have been transferred from one type of media to the other, even though the other classic means of advertising have also experienced a drop in revenue in all of the countries in question and, in many others, the drop in newspaper revenue corresponds with the growth of internet.

In Italy, the total advertising revenue from classic means of advertising grew from 2.3% in 2006 to 26% in 2015, while over the same period the newspapers' share dropped almost 10 points, from 18.6% to 9.3%.



| Country     | Channel    | 2005  | 2007  | 2009  | 2011  | 2013  | 2015  | 2017  |
|-------------|------------|-------|-------|-------|-------|-------|-------|-------|
| Sweden      | Newspapers | 42.8% | 37.3% | 33.8% | 27.9% | 21.2% | 14.6% | 11.5% |
| Sweden      | Internet   | 15.1% | 22.4% | 26.8% | 33.2% | 42.6% | 54.6% | 59.8% |
| USA         | Newspapers | 29.7% | 25.8% | 19.5% | 15.4% | 12.1% | 9.6%  | 8.4%  |
| USA         | Internet   | 6.4%  | 10.7% | 15.5% | 19.4% | 24.8% | 31.7% | 35.1% |
| Source: WAN |            |       |       |       |       |       |       |       |

In terms of circulation, competition from forms of electronic communication and the expansion of free information on the internet is significant, as are the changes in consumers' usage habits. The decrease in the number of copies isn't simply connected to their replacement with other types of media, in particular, the internet and, in the past, televised information. The dynamic appears to be more complex. A newspaper can be thought of as a bundle of different news assembled together, of which every reader, despite purchasing the entire product (the newspaper) consumes only a portion (some articles). The information that's distributed is very diverse and includes national news, local news, stock prices, editorials, theatre reviews, and service information, like movie times. In the 25 minutes that readers on average dedicate to the newspaper each day, they read only a portion of the articles. As often happens in this situation, the equilibrium is based on the complementary nature of the various elements in the bundle (in this case the various kinds of information contained in a newspaper). If, because of digital innovation, certain secondary elements in the bundle (like small advertisements or movie times) are available for free online, then the entire bundle can collapse, and the number of copies sold can decrease dramatically. Marginal readers may no longer find it worthwhile to purchase the newspaper for its cover price and as a result, their information consumption may change slightly. In fact, the drastic decrease in the number of copies sold occurs even in the absence of digital products that are fully able to replace all functions of a newspaper, and that can be considered proper substitutes.

After all, newspapers, like all journalistic editorial products, have very high fixed costs to produce the first copy and relatively low marginal costs for the publication of each additional copy. Competition forces newspapers to calibrate their fixed publishing costs on the basis of sales predictions according to Sutton's endogenous model of sunk costs. But given that the dynamic of



fixed costs has some inertia when the market is growing, it's possible to earn high profits by slightly delaying adjustments to the fixed costs with respect to the predicted sales. In return, when the market is shrinking it's necessary to rapidly reduce the fixed costs, which otherwise quickly become disproportionate and raise the average unit costs to a level that generates significant losses. But reducing fixed costs means essentially recalibrating the editorial team, which therefore also reduces the quantity and the quality of the information being produced. This can, in turn, accelerate the breaking of the bundle and a further drop in the number of copies. It is indeed a vicious circle, and it is almost inevitable because a newspaper cannot sustain fixed costs tied to its larger past size. The only possible solution is to redefine a new bundle for which it's possible to establish a new equilibrium between costs and revenue.

#### **4 THE QUALITY OF INFORMATION**

It has often been observed that the quality of the information available online is lower than that provided by traditional media. This observation refers to a series of differing phenomena.

First of all, traditional media has stringent space restrictions that are vastly inferior to the amount of news which is actually available every day. An average of 250 articles are published in a newspaper daily, against the 4,000-5,000 news stories launched by agencies in Italian, plus all international sources as well. In an Italian television news program lasting 22-25 minutes, there are generally 16-18 video reports and 4-5 voiceovers. On the internet, such space restrictions don't exist, and therefore, in one way or another, it's possible to find all news stories and insights that are available.

It's probably true that on the internet soft news, oddities, rumours, and gossip outweigh political information based on research and reporting. The fact that, with technological innovation, the cost of producing and disseminating information has drastically decreased, thus reducing the economies of scale considerably, plays an important role. News stories that previously wouldn't have reached the market, now do. This leads to two observations. Soft news stories play an important role also in traditional media: television entertainment, reality shows, soap operas, and sports take up most of the programming. Even newspapers are made up of more than just political news stories and articles, with a strong foundation of local, often light, information about sports and services, not to mention, of course, tabloid newspapers, that are focused almost entirely on soft news. Furthermore, the impact of soft news on influencing public opinion is wrongfully underestimated. In a recent study, Durante Pinotti and Tesei (2017) demonstrated how the consumption of entertainment programs on Mediaset television stations had had a political



impact. Those people exposed first to commercial television were more likely to vote for Forza Italia in the 1994 elections, and this effect persisted for the five subsequent rounds of elections, especially for very young individuals and for the elderly.

Thirdly, while most of the information available online falls in the category of soft news, this doesn't mean that the hard news and in-depth information that's available hasn't increased with respect to traditional media. The enormous reduction in the cost of distributing information allows many producers to distribute their content, also to producers of qualified information.

Finally, a portion of the soft news stories and much of the digital gossip that takes place on social networks were once simply excluded from the information pool, confined instead to other contexts of socialisation: bars, clubs, and groups of friends.

A relevant problem that has emerged in recent years and that has exploded with the pandemic and with the invasion of Ukraine, is that of fake news. In general, this refers to false or misleading information masquerading as legitimate information and that many people believe to be pervasive and pose a risk to peaceful coexistence and democracy. Indeed, during the Covid-19 pandemic, false information about the origins of the virus and about the possible side effects of the vaccine were widely circulated in order to defend and strengthen the anti-vax position. In a famous article, Allcot and Gentzkow analyse the impact of fake news on the 2016 presidential election in the United States and verify that both its spread and impact on voters (prevalently pro-Trump) were relatively limited. Naturally the term "fake news" describes vastly different kinds of information, ranging from false stories that serve as clickbait and therefore attract advertising investments built around a primarily financial objective, to conspiracy theories spread for ideological reasons, to widespread political instruments meant to modify power relationships and individuals' orientation towards certain political parties or countries. The connection to social media is particularly problematic. On social media platforms, content can be shared between users at lightning-fast speeds without any significant filter by independent third parties, fact-checking, or editorial review. In the same way that in traditional media outlets professional tools and culture have been developed over the years, which favour objectivity and provide mechanisms for verification. So the issue of fake news on the internet will require a combination of regulatory policies, technological innovations, user education, and fact-checking too.

## **5 DISINTERMEDIATION AND THE EVOLUTION OF JOURNALISM**

Disintermediation is one of the most important trends in the digital

environment where specific professionals, like journalists, play a smaller role in selecting and producing information. Much of the information that circulates online is produced directly by users or organisations whose primary activity is not that.

Not only do journalists produce only a small portion of the information present online, but their exclusive authority is questioned. An interested consumer can easily verify a news story by visiting the same sources which inspired the journalist's article. This can actually develop into a genuine fact-checking activity performed from the ground up which made it possible to verify that an article by the London correspondent of *Corriere della Sera* had been copied, without giving credit, from the *Financial Times*.

In some rare cases, the information produced by amateurs is qualitatively superior to that produced by journalists. For example, in the coverage of unpredictable current events taking place in real-time, people who are witnessing the event first-hand can, with a simple smartphone, send videos and provide testimony which, if properly organised and edited, allow for better coverage than that of a professional from a distance. Or, in instances where considerable expertise in a specific sector is required, an expert from that sector is often able to provide a better overview than a journalist.

In this context, not only do journalists participate less in the news flow, but they find themselves facing new problems related to the management of this flow and must therefore modify the structure of their professional activity. While some routines of production remain valid, like the verification of a news story from two independent sources, the relationship with these sources' changes substantially. Journalists tend to become experts in the flow of information, capable of selecting news stories and leads from dozens of websites, verifying the credibility of a source based on contextual elements, and agilely navigating through the viral reproductions of true and false news stories. They are more traffic and network experts, able to quickly verify and fact-check information, than traditional gatekeepers or producers of news.

Many organisations build a high-quality flow of information by taking advantage of and organising user-generated content. UGC implies the production of information provided without direct compensation and can be qualified as the private supply of public goods. Various economic issues are related to this trend, reminiscent of those that came up with open-source-software. First of all, why do users contribute their knowledge and work for free to produce information? One possible motivation is that of showcasing their skill for professional opportunities in the future. In fact, many successful bloggers subsequently receive paid positions and obtain stable positions in the media system. A second possible explanation has to do with externalities

and the spillover generated by the act of spreading information, perhaps connected to the sale of complementary products or the promotion of other related activities.

Looking at the production function can also be important. If I'm an expert and have exclusive information that I can't take advantage of in any other way and my production costs are very low, then I can share this information, also without compensation, in the hope of reaping future potential benefits.

A second economic question is how it's possible for a platform to keep the qualitative level of information high and prevent opportunistic behaviour in a non-professional context that lacks contractual incentives. This is a common problem for blog websites or those which collect reviews of hotels, restaurants, or other users. Many forums, or websites that are open to the contribution of all their users, receive a lot of spam, false advertising, or merely useless contributions. If the publisher could measure, without a cost, the quality of the contributions, then the entire problem would rapidly become a simple issue of production planning. But on the other hand, if a publisher doesn't make a significant monetary investment in its selection of content, then a consumer can make a contribution that has a negative value for the publisher.

While in traditional media firms the structure of the production process and professional and ethical norms guarantee both quality and error correction, in the digital landscape we see different outcomes. For example, in collaborative contexts like Wikipedia, it has been possible to achieve a level of quality which exceeds that of the best traditional encyclopedias thanks to the continuous revision of entries by a multitude of experts without editorial participation, except for a few critical topics. Various trials have demonstrated that the thoroughness and pertinence of Wikipedia's entries are comparable, if not superior, to those of professional publications like the Encyclopedia Britannica. It's no coincidence that traditional encyclopedias have gradually left the market. Only in particularly controversial pieces, in which opposing factions compete to publish relevant pieces, has editorial moderation of the contributions proven to be essential.

On the other hand, however, the same phenomenon of continuous and rapid informational interactions has more recently amplified the phenomenon of fake news, rumours, and slander that are widely disseminated thanks to viral sharing on social networks and that, obviously, represent a deterioration in the quality of the informational environment. The large number of clicks that can be obtained has created a (fraudulent) business opportunity. A person can create a website with one or more pieces of fake news that, through their viral growth, attract clicks and are further shared. He or she collects advertisements for several days and then closes the website before fact checkers determine

that the news was fake, and the page is removed from the platform. The speed of dissemination makes it possible to earn several thousand euros in just a few days which, for unscrupulous young individuals, is a coveted reward.

## **6 THE LINE BETWEEN COMMERCIAL AND EDITORIAL INFORMATION**

In the world of traditional media there has always been a red line, featured in many deontological debates, between advertising and editorial information. It's normally assumed that journalists and editorial offices seek and select information according to the interests of their readers and without being subjected to commercial or political pressure. If a journalist allows himself to be influenced by advertising in his production of information, then in the long term he lowers the value of the newspaper as a source, but in the short term, he may increase the newspaper's revenue or make some extra money himself. As newspapers have limited space, given the positive effects of communication, organisations compete tooth and nail to see news about themselves published.

Over time organisational routines have been established, like the separation between the advertising staff and the editorial staff and the application of deontological norms, that should solve this problem. Even though these tools don't always work, if nothing else they serve as a reference point which in the digital environment, characterised by a fluid publishing industry, doesn't currently exist.

Naturally, in traditional media, deontology and organisational solutions are not enough to contain the forces at work. Together with Riccardo Puglisi, I examined the journalistic behaviour of 6 Italian newspapers with respect to 13 listed companies over a period of two years. Analysing 52,000 articles, all press releases from these companies, and the monthly advertising investments of each company per newspaper, we verified, in an econometric model, that once all factors were considered, additional investments in advertising were associated with additional journalistic coverage. Furthermore, after a press release, it's more likely that there will be an article about a certain company, but this probability increases as the advertising investments of that company in a specific newspaper also increase.

Online the interaction between commercial and informational components is even closer and more ambiguous. Furthermore, often even just the idea of a separation and the understanding of how it could be enforced is completely missing. Much information is produced and selected in non-journalistic environments that don't adopt, and often aren't familiar with and don't recognise, the deontological rules governing the separation of functions.

When forums were first developed, it was common for public relations

insiders to participate, disguising their role and surreptitiously promoting a solution or product. The negative impact on the image of large consumer groups, which occurred when this practice was discovered, led to its deceleration and to the establishment of a set of deontological rules between public relations offices.

For celebrities and influencers, it's a common practice to receive payments for tweets or posts on Facebook which, with the excuse of talking about their personal lives, mention certain products and their fondness for them. Informal, but well-established rates based on the number of followers or likes, exist for these kinds of practices. For bloggers, the distinction between genuine comments and sponsored references is practically non-existent. Indeed, achieving a connection with brands represents an element of recognition and is an indication of success.

On the other hand, companies become direct producers of content, both through the management of social media accounts by company representatives and through the creation of journalistic-type content on the company websites, like nutritional information for food products and medical and health information for pharmaceuticals. In this case, the credit and the source aren't hidden, but the journalistic quality is higher, and the disintermediation process continues.

Even though these dynamics are more documented in the commercial world, in the world of economic and political information as well many organisations (like research centres, associations, advocacy groups, and communities of experts) come together downstream to directly produce newsletters, reports, and press releases which, on the one hand, provide a source for journalists and information websites, and on the other are the direct product of the users. The issue of partisanship in this kind of informational context varies considerably, as does the quality of the information that's produced. Sometimes the orientation is obvious, while at other times a position within a research centre can conceal an orientation towards a certain political party.

As far as the commercial aspect is concerned, the United States FTC, as well as other regulatory authorities, is taking the approach that when any reference to a product is made for commercial purposes and with any sort of remuneration, even in kind, it must be made explicitly clear in the communication. While this principle of disclosure seems reasonable, it's possible that in certain situations, such as for the most famous bloggers, it's of little value. After all, we know little about consumers' sensitivity to informational bias and their ability to recognise it.

It's interesting to observe how the majority of (more or less specialised) information websites present on the internet derive most of their revenue

from forms of sponsored communication, infomercials, or company services, while traditional advertising has proven to be insufficient for covering costs.

## **7 NEW FORMS OF INFORMATION AND THE ROLE OF ALGORITHMS**

Technological innovation has produced new forms of information which are difficult to classify, but which perform functions that we're traditionally used to attributing to journalists and to qualified sources of political information.

The most typical case is that of online search. Search engines deliver results based on the interests and information which clients have looked up in the past, and the quality of the search is higher when it's more able to deliver information that's appropriate and pertinent to the intentions of the user.

Google, which is the market leader worldwide, uses an algorithm called PageRank that considers websites from which to draw information valid based on the links that go towards those websites. It performs a publishing and editorial task but in an entirely automated way. Even a journalist or an editorial staff selects available information on the basis of that which they presume will be interesting primarily to their group of target readers. The informational product is of high quality if it provides these readers with the information that they would have looked for and that's relevant to their interests. Naturally, by completing this research in an automated way, the structure of the costs is very different from that of editorial staff and has high fixed costs and almost zero variable costs, with relevant and obvious economies of scale. The availability of all the search data and individual results allow for continuous and low-cost experimentation, something that all digital operators and Google, in particular, do, generating an important learning-by-doing phenomenon. This, together with the cost structure creates high entry barriers, even in situations where the potential competition is significant. In theory, the switching costs for consumers are very low, and consequently, the degree of lock-in is also low: they can change search engines with just a click. But the brand loyalty to major platforms reveals that significant consumer inertia emerged. As often happens with product innovation, differences exist with respect to the previous technology. The possibility to customise and the reservoir of potential consulted sources are much greater than in journalistic selection methods. However, it's more difficult to double-check news stories or judge their relevance, even here breakthroughs in artificial intelligence could have some surprises in store in the coming years.

Other algorithms work in a different way. Facebook, for example, proposes content based on the interests of its users, both declared (like in friend lists) and by way of the progressive selection of information through likes. These selections are in fact made within a proprietary environment and assume a

primarily “push” approach, meaning that they don’t originate from an explicit user request.

Likewise, the Spotify algorithm, which selects musical tracks based on the user’s preferences, performs a task similar to that of a DJ, only it does so for every single user, thanks to a reduction in the cost of the technology, and not for a more generic group of listeners.

Basically, the choice and construction of the algorithm are editorial tasks, full of informational content and implications, to which, however, the institutional and regulatory apparatus, that over time has been established around journalistic activities, cannot be applied. Conversely, issues come up regarding the capacity to control, know, and market algorithms, because here too strategic choices are possible, as emerged in the dispute between Google and Hachette when, not being able to agree on contractual terms, Hachette’s content suddenly slid to the bottom of the search results. In theory, the algorithm was supposed to act autonomously, but clearly someone was able to give it a little push.

Even activities that are typically considered to be distributive, like the sharing of posts or the repackaging of information between different websites, or quotes, comments, retweets, and simple likes, can acquire informational value. A user can be sensitive to the preferences of other consumers and assign value to the information that he or she encounters according to how many other users approve of or enjoy that piece of information. These dynamics are described in the consumer world by the bandwagon effect, developed by Veblen or by models with network externalities. In this case, all these activities, which are purely distributive, change the value of the information, at least for certain categories of users, increasing its credibility or relevance. Therefore, how this dynamics works has everything to do with the way in which the value and relevance of the information available online are created and, therefore, with the quality of the information.

## **8 CONCLUSION**

With the rise of the internet, we’ve seen the information landscape expand and the sources available multiply. But, at the same time, a process of transformation has begun in the vertical information supply chain, with users getting involved in the production and expansion of activities that once would have been simply described as distribution and matching, like search engines and social networks, but whose informational value must now be recognised also if with sometimes an ambiguous role. As a result, the skills profile required of information professionals, like journalists, has also changed, and even though they no longer hold the exclusive role of gatekeeper, they still



perform the important function of substantially reducing the informational asymmetries present in society.

Many of the problems posed by the internet are new and can represent paradoxes within the context of traditional institutional definitions and structures. But new trends, like user participation, the viral spread of information, and the editorial roles of search engines cannot be eliminated by decree or reduced by institutional and regulatory structures established in the 20th century. What's most likely needed is a concerted effort to understand and a degree of institutional leniency, in order to be able to act in fields that haven't yet been solidified and where the influence of pressure groups is very strong and facilitated by a superficial knowledge of these new phenomena.

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# *The 2022 IMMAA Conference in Porto*

## *Management, Trust, and Value for Media and Creative Work*



## BY FELIPE MENEGOTTO

On October 20-22, IMMAA's first post-pandemic conference took place at the Faculty of Arts at the University of Porto in Porto, Portugal. These were three intense days of learning, discussions and presentations of papers of the highest level on the current topics in the areas of media studies, management, economics applied to creative industries.

On October 21, in the early morning we had the official opening of the event made by the president of IMMAA Professor Dr. Castulus Kolo, one of the founders of IMMAA Professor Eli Noam and the local coordinator and director of the Masters in Communication and Creative Industries' Management Professor Paulo Faustino, who is also one of the founders of IMMAA. After the opening session, the first round table on business models, sustainability and media challenges took place, with the participation of Eli Noam (Columbia University), Steve Wildman (Michigan State University), Castulus Kolo (Macromedia University of Applied Sciences), Richard Gershon (Western Michigan University), João Palmeiro (President of API and past president of Europe Google Fund), Christian Zabel (Schmalenbach School of Business and Economics), Luísa Ribeiro (Radio Television of Portugal Executive board member). This round table was moderated by Zvezdan Vukanovic (IMMAA Board member) and Seongcheol Kim (Korea University). Professors, researchers and top executives from media companies participated in this session, which favoured a broad and diverse discussion under different methodological prisms and current market perceptions.

In this first roundtable discussion, the issues of Apple, Amazon and

Google, besides other Big Tech firms and their relationship with the media market dominance were very present in the discussion. During this session, Professor Eli Noam pointed out that he thought that Apple and Google's business models are complementary, whereas Professor Dr. Caustulus Kolo complemented his colleague by saying that these business models are similar in the way that both companies own technology.



Image credit: IMMAA (2022)

Luísa Ribeiro participated in the discussion based on her experience as the Board Member of Rádio Televisão de Portugal (Public Media Service Operator of Portugal), about the aspects related to innovation practices and processes in a context of increased competition. She highlighted the company's experience in the transition process from a "monopoly" period to the moment where there is a significant challenge not only amongst the more traditional media, but also in other digital sectors in terms of how to gain the attention of young people, as well as the challenges at the levels of economic and financial sustainability of the public service media broadcasters.

Professors Richard Gershon and Professor Steve Wildman paid attention to the importance and impact that Artificial Intelligence has on the media sector, especially on the digital media. The two professors also commented on the issues of cloud computing technologies that allow markets to be at the current stage of development.

In the first session of the afternoon, different topics were addressed in

the fields of marketing, advertising, engagement, business models, social perspective on media, public policies, amongst many others.

The afternoon session started with the presentation of newly published academic books as well as the discussion of the critical factors in publishing in scientific journals. The table was comprised of Steve Wildman (Michigan State University), Mercedes Medina (Navarra University), Zvezdan Vukanovic (IMMAA Board Member), Sandra Phillips (University of Queensland), Kenton Wilkinson (Texas Tech University) and was moderated by Paulo Faustino (Porto University) and Cristóbal Benavides (Universidad de los Andes).

During this session, the book written by Zvezdan Vukanovic and published by MediaXXI Publishing House was presented. The presentation of the book was made by Eli Noam who called attention to the fact that the book was a unique work and of fundamental importance in mapping who is who in the area of media management around the world.

Thematically, the author has defined and contextualized in great detail more than 50 highly relevant media management, economics, and Internet economics subfields (i. e. media innovation, media disruption, media transformation, media platforms, media ecosystems, etc.) while listing the titles of 1050 of the most widely-cited and impactful books, and monographs as well as approximately 6500 journal articles in the fields of media economics and management and digital media economics.

More specifically, each entry provides - where available - full biographical information of media management scholars including their principal career details such as: Position, Affiliation, Education/Academic qualifications; Principal expertise research interests; Research publication record, performance and output measurement metrics; Editorial positions; Referee duties; Notable journal articles, book chapters, book and monograph publications; Academy membership; Consulting activities; Major research grants; and Contact details. This edition includes most impactful and frequently cited researchers whose books, monographs, book chapters and articles have been published in the period between 1973-2022.



Image Credit: Felipe Menegotto, IMMAA (2022)

Paulo Faustino, Editor of the Journal of Creative Industries and Cultural Studies (JOCIS), presented volume 9 of JOCIS, which marks an important moment of consolidation of the publication. He highlighted the role of scientific journals beyond their function to achieve objectives and metrics related to the evaluation of university lectures and researchers. Professor of the University of Porto suggested that the publication of scientific works should also correspond to a strong motivation to create and disseminate knowledge. Other editors who participated in this work, stressed that the excessive rules that are associated with the publication of scientific articles have the advantage of making the publication processes more competitive, but they also have a major disadvantage of contributing to a certain standardisation and certification of science. In addition to that, the existing wide-spread publication rules in academia can also compromise the innovation of new approaches, including the ones at the level of methodology and also in the structure of articles.

After the presentation of books and the Journal of Creative Industries and Cultural Studies (JOCIS), there was another parallel session with scientific presentations from professors and researchers coming from five continents, who presented themes related to management and economy of the media



(organisation, innovation, financing, strategies, marketing, social responsibility, business models, advertising, public policies (state support, regulation, public service of the media and audiovisual), and creative industries (entrepreneurship, economy, creativity, market and business, among others ). Afterwards, the participants went to the Porto Innovation Hub. It's a space provided by the Porto City Hall which is at the service of actors and entrepreneurs related to the creative and cultural ecosystem, where an open seminar on public policies for the area of creative industries, regional development and entrepreneurship took place.



Image Credit: Felipe Menegotto, IMMAA (2022)

The presentations were made by Terry Flew, Eli Noam, Sandra Phillips, Tânia Santos and André Forte. Based on the sharing of knowledge between academics and local entrepreneurs, the importance of entrepreneurship and the role of creative industries in the economic and social development of the locations and regions was highlighted, as well as the importance of attracting talent to the regions.

The second day began with presentations made by a round table composed of Terry Flew, Steve Wildman, Ingrid M. Tolstad, Harald Rau, Mario Augusto and moderated by Ilhem Allagui and Mercedes Medina. Attention was drawn to the interesting interventions of Mario Augusto in bringing examples of audiovisual productions of the Portuguese creative industry, such as series, films and visual effects developed in Portugal.

Continuing the event, another series of parallel presentations were made at the Faculty of Arts of the University of Porto. This cycle closed the morning of the second day ( October 22). In the afternoon, the last session of presentations took place and it was followed by the official closing of the event with several remarkable acts. Eli Noam delivered a keynote talk about the future of creative industries and on the marketing opportunities the

metaverse. Ilhem Allagui and Francisco Beledé served as session discussants.

The closing of the event took place at the end of the afternoon and was conducted by professors Paulo Faustino (local organizer and former president of IMMAA) and Castulus Kolo (president of IMMAA), where they thanked the presence of all and made a small balance of the positive points of the event. The conference ended with a gala dinner. During the dinner there was the solemn session of presentation of the new president of IMMAA: Ilhem Allagui, who is a Professor at Northwestern University in Qatar.



Image Credit: IMMAA (2022)



# *Call For Papers*

## *IMMAA conference 2023 Media Transformation. A road map for the future*

*Al Akhawayn University in Ifrane,  
Ifrane, Morocco, Oct. 20-22, 2023*



The International Media Management Academic Association (IMMAA) invites submissions of theoretical and empirical research papers and case studies on all aspects of media management for its 17<sup>th</sup> conference, Oct 20-22, 2023, in Ifrane, Morocco. Hosted by Al-Akhawayn University in Ifrane (AUI), the conference aims to bring together academics, senior and early career researchers, and professionals in all areas of media management, new media, economics, corporate communication and related fields. IMMAA strives to be a truly international association and encourages participation from all countries in English, Arabic, and French (official and spoken languages of the host country).

The 2023 IMMAA conference theme is *Media Transformation: A Road map for the future*. We welcome submissions addressing the challenges and opportunities of media management in the new digital and technological transformation era. We suggest three P axes:

1. **Purpose:** Why and What do media need to transform?
2. **People:** How prepared are media institutions and media managers for the transformation?
3. **Processes:** How should the media proceed with the change?

We also welcome topics that engage with the following topics but are not limited to:

- Business models for media and digital media
- Monetization strategies for content
- Audience engagement and measurement

- Social media and its impact on traditional media
- The use of artificial intelligence and machine learning in media management
- The role of data and analytics in media decision-making
- Media regulation in the digital age
- The future of media and entertainment industries
- Innovation, media entrepreneurship, and start-ups
- Research and renewed methodological approaches to study and teach media management

Submissions of extended abstracts should be at most seven pages or 2000 words (double space, font 12). The empirical papers should include the research objective and a summary of the conceptual framework, methodological approach, findings, discussion, and limitations.

Submissions of panel proposals should include a 300-word purpose of the panel, abstracts of 300 words for each presentation, and a 100-word short bio of each panelist and the panel organizer/chair.

All submissions will be subject to a double peer-review process. The best conference papers will be invited to publish their research in the *Journal of Creative Industries and Cultural Studies* (editors Terry Flew and Paulo Faustino).

All submissions should be sent to [conference@immaa.org](mailto:conference@immaa.org) by **May 30, 2023**.

## **ABOUT IMMAA**

IMMAA (International Media Management Academic Association) is a global association of academics researching critical media management issues to improve the practice and understanding of media markets and institutions. Its diverse international membership fosters and promotes an appreciation for the differences among countries and cultures that contribute to characteristics that differentiate national media markets and shape relationships among them. Past conferences were held in cities that include Chicago, San Francisco, Saarbrücken, New York, Lisbon, Pamplona, Moscow, Seoul, Sao Paulo, Stuttgart, Doha, and Porto.

## **ABOUT AL AKHAWAYN UNIVERSITY IN IFRANE (AUI)**

Al Akhawayn University in Ifrane (AUI) is accredited by the New England Commission of Higher Education (NECHE). It educates the future citizen-leaders of Morocco and the world through a globally oriented, English-language liberal arts curriculum based on the North American system. The academic community of students, faculty, and staff work together to foster excellence and identity through teaching and learning favorable to developing equity and social responsibility. The AUI houses the Hillary Rodham Clinton Center for Women's Empowerment (HCC). The HCC advances scholarship

and knowledge production about gender and women's rights in North Africa, but it also contains grassroots outreach programs for rural women that are mostly designed to empower rural women's associations to become economically self-reliant. Home to over 2,200 students from around the world, the 75-hectare campus houses student facilities, including seven academic buildings, a library, 21 student residences, four dining halls, shops, sports centers, and research labs.

Visit the IMMAA website, [www.immaa.org](http://www.immaa.org), for more information about the program, travel, and accommodation details.

We look forward to your participation in this 17<sup>th</sup> IMMAA conference and welcoming you in Ifrane, Morocco, Oct. 20-22, 2023.

If you have any questions, please email [conference@immaa.org](mailto:conference@immaa.org).





# *Regulating Platforms*

BY TERRY FLEW



The author of *New Media: An Introduction* launches this year a new book called *Regulating Platforms*, as part of the Digital Media and Society Series, released by Polity Press. Terry Flew is an Australian Media and Communication scholar and professor of Digital Communication and Culture at the University of Sydney. After doing vast and prolific research in creative industries, for which he received many awards and grants, he now offers an overview of the implications of digital platforms in a world that is increasingly dependent on the internet.

“What is the idea of a platform?”, one could wonder. It is an important question, on a practical matter, for those who are interested in understanding the gears that make the internet runs nowadays and is also the concept behind Terry Flew’s new book. But it is only the beginning to Flew’s further questioning that will lead to problematizing the platformization of the internet and its consequences. The fact that only a few big companies own most platforms used by the world’s population has an enormous impact and raises significant questions: What is the reach of their decisions in the private and public sphere? Should these players’ actions be regulated? If so, by whom and on which level?

It is important to recall some turning points that brought the internet’s regularization to this moment of wondering. There are political issues, with social media playing a significant role during elections periods; data issues, with people’s info being marketed; and the misuse of information culminating in spreading fake news. In reaction, there have been different responses on regional, national, and international levels, without, however, any of these reactions having created an effective and standard *modus operandi*. To fully understand these events, it is important to think back and settle a historical frame to contextualize the internet’s distinct phases as well as the various responses worldwide to its effects.

Terry Flew deliveries all that in his new book. And more.

Besides the issues of concern, the author also discusses the end of the Libertarian Internet, the platformization of communications media, digital platforms and communications policy, platform regulation and governance, the Chinese internet, and the future of the global internet governance, platform power and the future of internet policy.

*Regulating Platforms* is indeed a must-read for all those who live, think, and breathe in the twenty first century, at a time when a large part of society has become intensely reliant on the internet, either for creating content, getting informed, and sharing opinions or for the development of creative industries. Above all, it is mandatory reading for searchers, scholars, and thinkers of media and communication, who wish not only to understand the current context but also to think ahead in the pursuit of solving problems.





*Report*

*Creative Industries  
and Creative  
Economy: Taking  
Stock and Moving  
Forward*

BY DINARA TOKBAEVA

**Recommended citation:** Tokbaeva, Dinara (2023). "Creative Industries and Creative Economy: Taking Stock and Moving Forward". Journal of Creative Industries and Cultural Studies (JOCIS), v. 9, pp. 129-132.

<https://doi.org/10.56140/JOCIS-v9-6>



## **CREATIVE INDUSTRIES AND CREATIVE ECONOMY: TAKING STOCK AND MOVING FORWARD**

This is a summary of the recently published report “The Creative Economy Outlook” on creative industries and the creative economy published by the United Nations in 2022. As is often the case with UN-published reports, this one offers a vast amount of international data on the subject matter. This report may serve as a rich source of statistical data for practitioners, academics, journalists and policymakers on the status of the creative economy in 33 countries of the world that took part in the global survey administered by the UN.

### **ONE OF THE FASTEST GROWING ECONOMIC SECTORS IN THE WORLD**

“The Creative Economy Outlook” report aimed at defining the creative economy, one of the fastest-growing economic sectors in the world. It is noted that there is a consensus on the governmental level around the world that there is a need to develop this sector. The approaches may differ, and they need to be further explored, yet the positive outcome of the creative industries on economies and societies are evident. Currently, there is a separate ministry/vice-ministry or agency that is solely responsible for creative economy in such countries as Canada, the Central African Republic, Colombia, Georgia, Germany, Honduras, Nicaragua, Panama, Peru, Slovenia, Turkey, and the United Arab Emirates. In other countries, out of those surveyed, the responsibilities for the creative economy are split among multiple government agencies and bodies.

### **MORE THAN 10 MILLION JOBS IN THE CREATIVE AND CULTURAL SECTOR DISAPPEARED DUE TO THE PANDEMIC**

To advance in creative industries, first-of-all, countries must score high in indicators that measure human capital and physical and digital infrastructure. Secondly, there need to be as few trade restrictions among countries as possible to ensure that creative goods can flow freely. At the same time, still fragile, the creative and cultural sectors were hard hit by the Covid-19 pandemic. Only in 2020 alone, 10 million jobs disappeared globally due to the pandemic, according to UNESCO (2022). The most vulnerable sectors were the performing arts and visual arts. Creative sectors, in general, have a high level of informality, a high proportion of freelancers, and increased use of short-term contracts. In addition, many creative companies around the world are of small size (sometimes of a micro-size), and face-to-face interactions are essential. In many countries, national plans for their creative economies were part of their post-Covid recovery plans.

### **WHAT IS CREATIVE AND WHAT IS NOT – WHO GETS TO DECIDE?**

The notion of creativity is evolving, and new tools are shaping how one

looks at creative work. According to UNCTAD (2008), creativity is defined in three main streams:

- 1) An artistic creativity
- 2) A scientific creativity, and
- 3) An economic creativity, which means all processes leading to innovation in technology, business and marketing associated with the “knowledge economy”.

The term “creative industries”, according to the UN report, was first used in the 1990s in Great Britain to refer to the variety of activities that not only support the economy by creating employment and innovation opportunities but also promote cultural and artistic values that contribute to the society’s well-being. The creative industries include advertising, architecture, arts and crafts, design, fashion, film, video, photography, music, performing arts, publishing, electronic publishing, research and development, software, computer games, and television and radio. The more the term “creative industries” is discussed, the more features are added to its definition. For example, academic Richard Caves mentioned the uncertainty of demand for creative products, and David Thorsby debated the cultural and commercial content ratio. WIPO looks at creative industries through the prism of to what extent they are dependent on copyright. And UNESCO adds the spiritual component when describing creative industries.

#### **WHAT DO THE FIGURES TELL US ABOUT THE CURRENT STATE OF CREATIVE INDUSTRIES?**

The most often highlighted priority industries for international trade included music (mentioned by 15 out of the 33 respondent countries), followed by audio-visual arts and industry (12), fashion (9), videogames (9), design (7), performing arts (6), animation (6) and film industry (5). According to the UN report, world exports of creative goods increased from US\$ 208 billion in 2002 to US\$ 524 billion in 2020 (figure 5). Since 2007, Asia has been the largest exporter of creative goods (with the exports of creative goods amounting to US\$ 308 billion in 2020), followed by Europe (US\$ 169 billion) and Northern America (US\$ 37 billion). Asia’s dominant role in creative goods exports is driven by China, which alone accounted for 32% of global creative goods exports. In 2020, the five largest developing economy exporters of creative goods were China, Hong Kong (China), Viet Nam, the Republic of Korea, and India. The five largest developed economy exporters were the United States of America, Italy, Germany, France, and the United Kingdom.

The most significant bilateral creative goods exports go from China to the United States of America, amounting to US\$ 41.5 billion in 2020. The second-largest bilateral creative goods exports were from China to Hong Kong

(China) (US\$ 12.7 billion), followed by China to Japan (US\$ 8.7 billion), China to the United Kingdom (US\$ 8.2 billion), Hong Kong (China) to China (US\$ 7.4) and the United States of America to Canada (US\$ 6.8 billion). In 2020, design goods accounted for 62.9 per cent of total creative goods exports, followed by new media products (13.4 per cent), art crafts (8 per cent), visual arts (6.2 per cent), publishing (5.4 per cent), audio-visuals (3.1 per cent), and performing arts (1 per cent). Among design goods, the main exported products are interior design products (20.1 per cent of total creative exports), fashion (15.9 per cent), jewellery (15.3 per cent), and toys (11.4 per cent).

#### **WHAT IS ON THE AGENDA FOR NOW?**

The development of creative industries seems to have recovered from the effects of the pandemic. The figures for creative goods exports of 2021 surpass the ones from 2019, which is a sign of a recovery. Yet, there is still a lack of shared understanding of creative economies, even on the level of definitions, not to mention the legal international copyright frameworks that need to be adapted so that they don't overlook creative producers and service providers. Also, as stated in the UN report, the developing countries' service providers' access to the services markets in both developed and developing countries could be further improved if these markets open up for foreign service providers.

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# *Indexation Information*



**ERIH Plus:**

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**e-LIS:**

<http://shorturl.at/nvw19>

**Dialnet:**

<https://dialnet.unirioja.es/servlet/revista?codigo=26517>

**Latindex:**

<https://latindex.org/latindex/ficha/24788>

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**MIAR:**

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# TACTIC JUCIS

volume 9  
August - December 2022



media xxi