

Does media management matter?

**Establishing the scope, rationale and
research agenda for an emergent discipline**

Associate Professor Lucy Küng

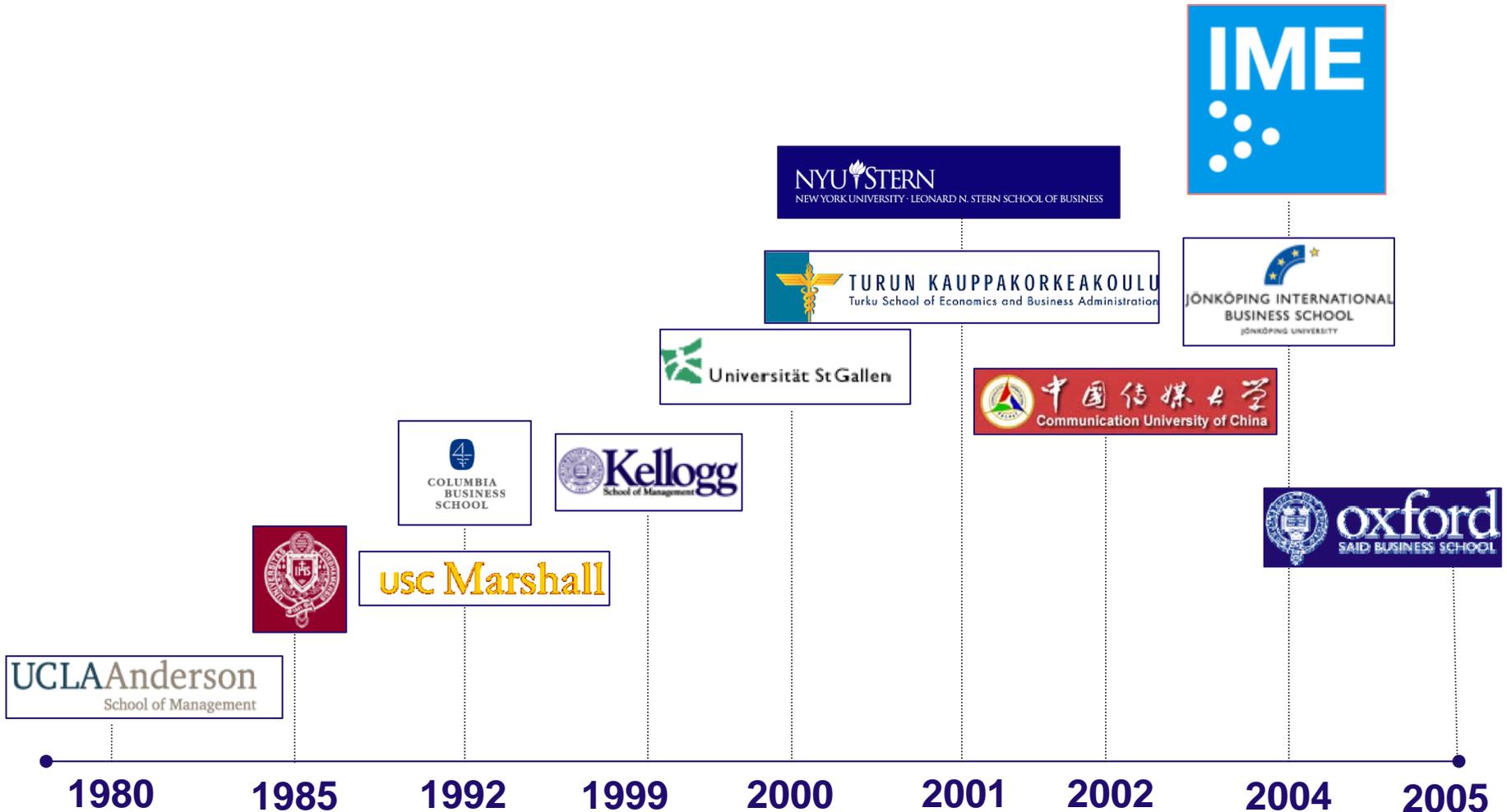
11 April 2006

Overview

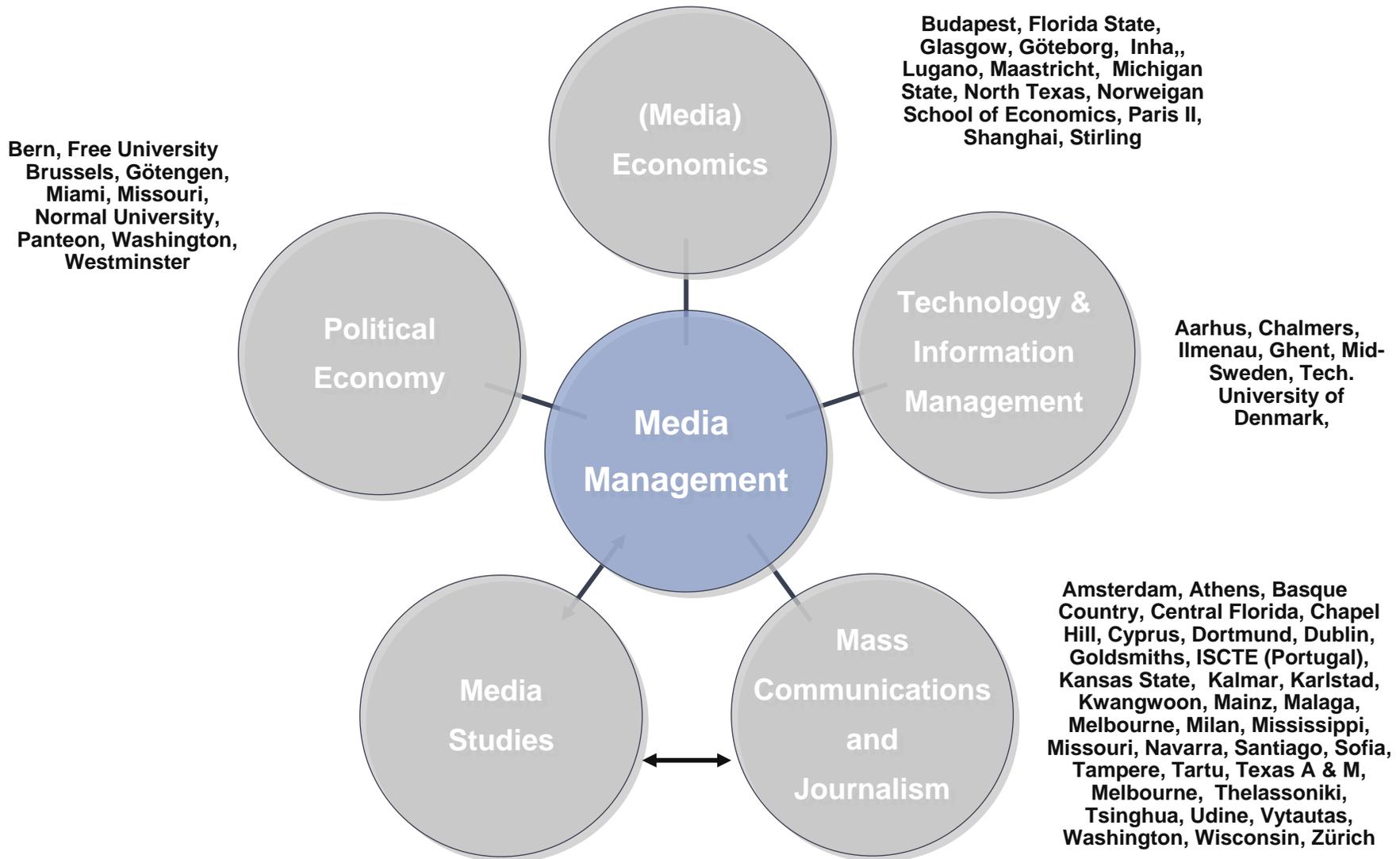
- **Academic perspective: where does the discipline of media management stand now?**
- **Industry perspective: Which management issues matter most for the media industry?**
- **Bridging the two perspectives: Moving the discipline of media management forward**

Where does media management stand now?

From 1980 onwards, small number of business schools have focused on management in the media sector



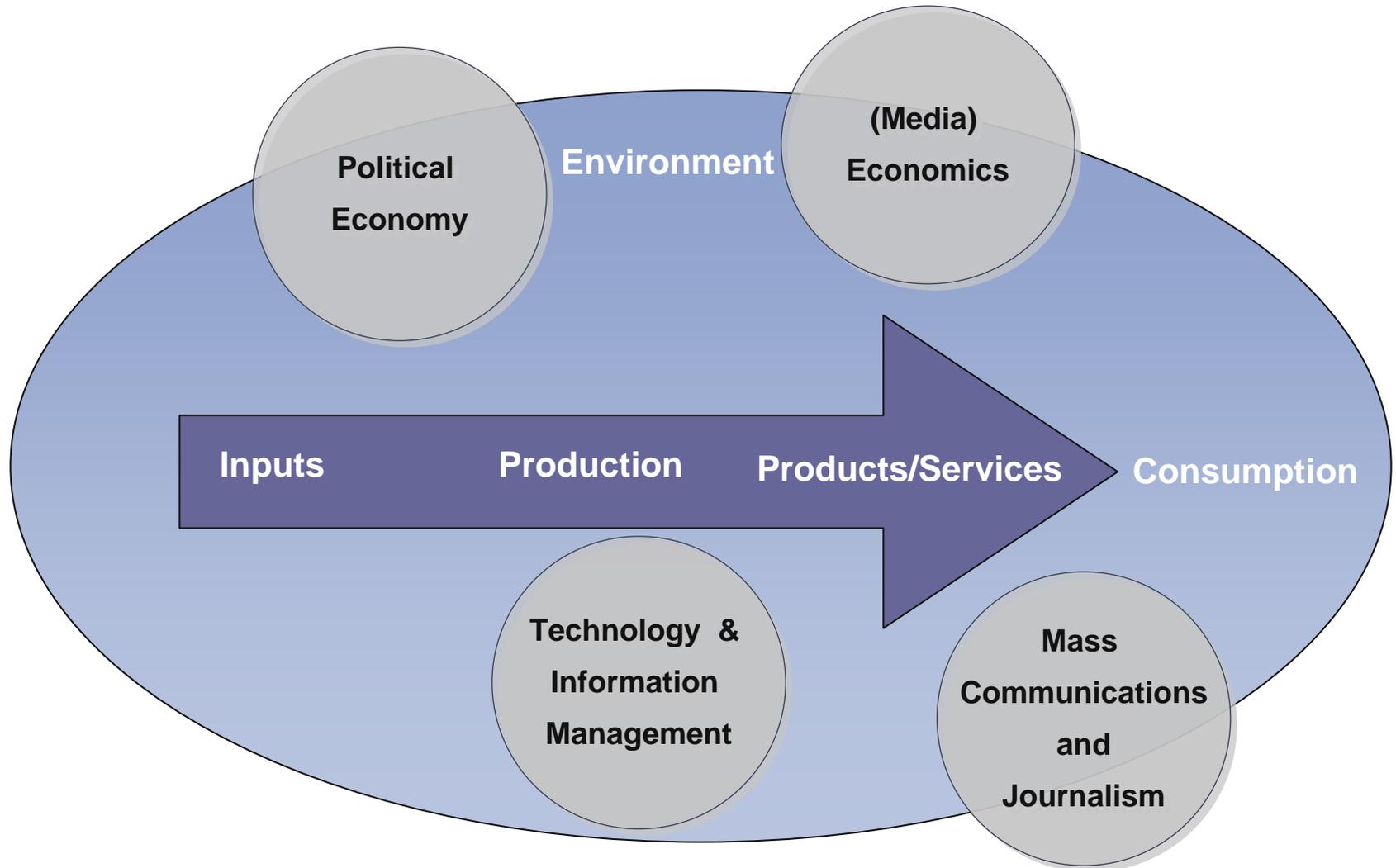
But most interest has come from outside management



The result is a lot of media, but not much management

Media Economics	Sector and market structure, Resources (→environment, aggregate level)
Political Economy	Regulation, policy, ownership (→environment, aggregate level)
Technology & Info. Management	Media platforms and products (→environment, content, audiences)
Media Studies	Content as means of understanding society and cultural discourses (→ content and audiences)
Mass comms. & Journalism	How content is produced and delivered and its effects (→ content and audiences)

Currently, management issues are not a primary focus

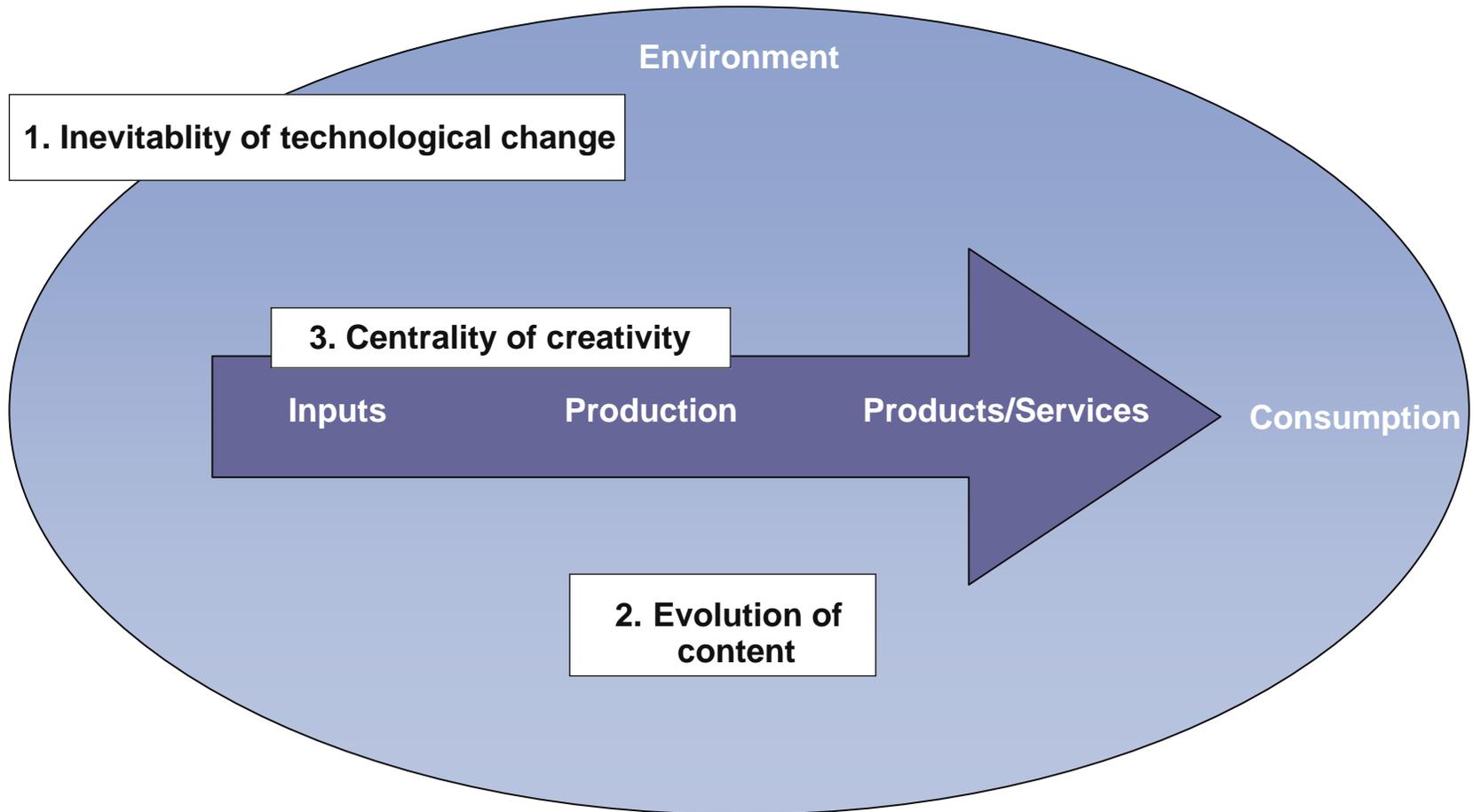


Taking stock

- Fast-growing field
 - Many courses, strong demand from students, strong interest from researchers
- Academic infrastructure established
 - 2 journals (*IJMM*, *Journal of Media Business Studies*)
 - 2 academic associations (EMMA, founded 2004, IMMAF, founded 2005)
- Imbalance between ‘media’ and ‘management’
 - Main focus on industry’s environment and output
 - Media firms viewed primarily as businesses in aggregate, not as organisations
 - Eclectic choice of management concepts (predominantly rational strategy models)
- Conceptual groundwork still to be laid
 - Core concepts to be established
 - Fragmented literature

Which management issues matter most for the media industry?

Three elements distinguish management in the media



Priorities for managers of media firms

1. Responding to technological change

- Erosion of existing structures, business models, product characteristics

2. Coping with changes in content

- Mass model ages, hit model accelerates
- Demassification and the growth of the niche
- Surge in personal/participatory content

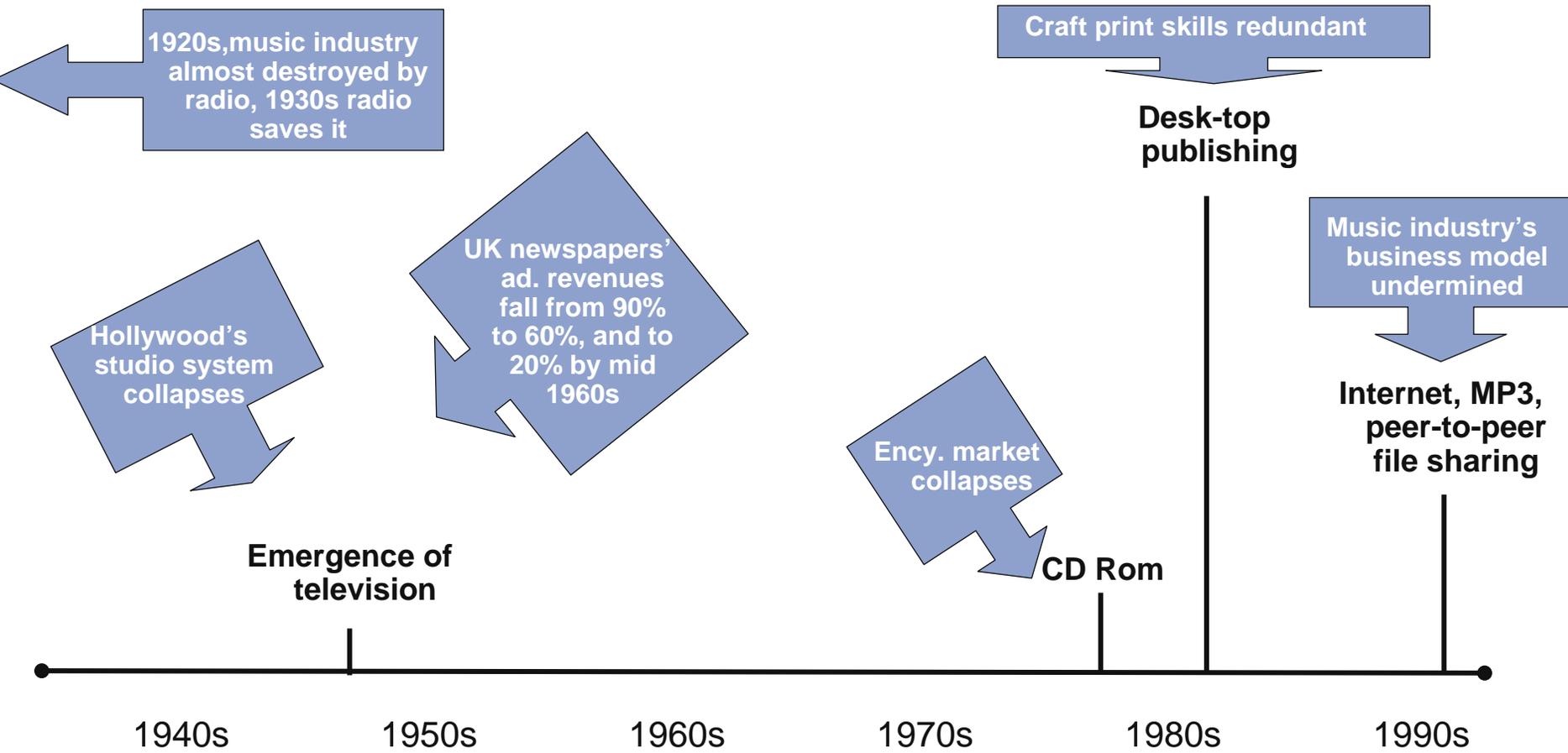
3. Increasing need for creativity

- Essential for all organisations – cornerstone of ability to adapt and compete
- Especially so for media organisations
 - creativity central to content, content generation is core activity
 - higher the creativity, the greater the potential for competitive advantage
- Need exacerbated during periods of technological turbulence

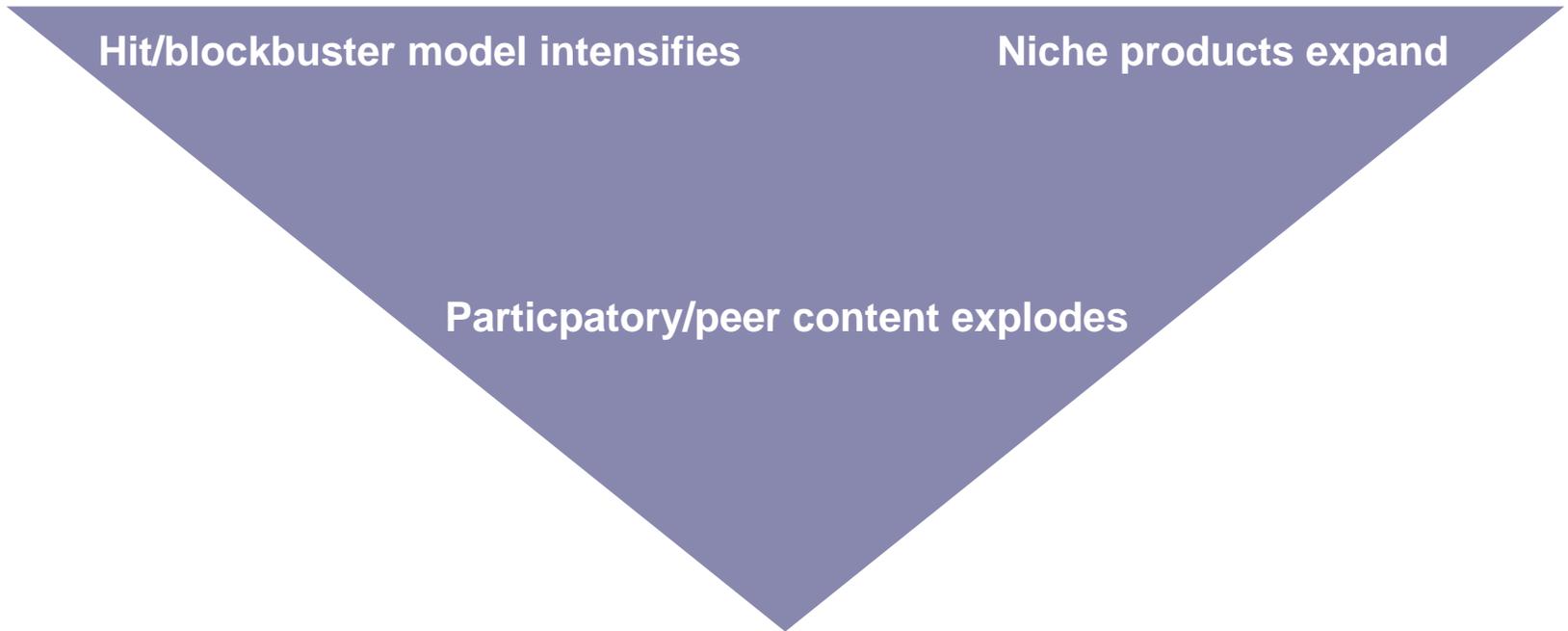
For the media industry, technology gives

1910s	silent film
1920s	cinema, radio
1930s	talkies ('Jazz Singer', 1927)
1940s	colour film, LP's, tape recordings, stereo ('Fantasia', 1940)
1950s	black and white television, television networks,
1960s	colour television, compact cassettes, multi-track recordings ('Pet Sounds', 1966)
1970s	teletext, VCR, Cable television (US), Sony Walkman
1980s	PC, Internet, World Wide Web, CD's, satellite TV (Europe)
1990s	home pc's, Netscape Navigator, digitalisation, wireless telecommunications, broadband penetration, fibre optic infrastructure

But it also takes away – business models are repeatedly disrupted by new technology

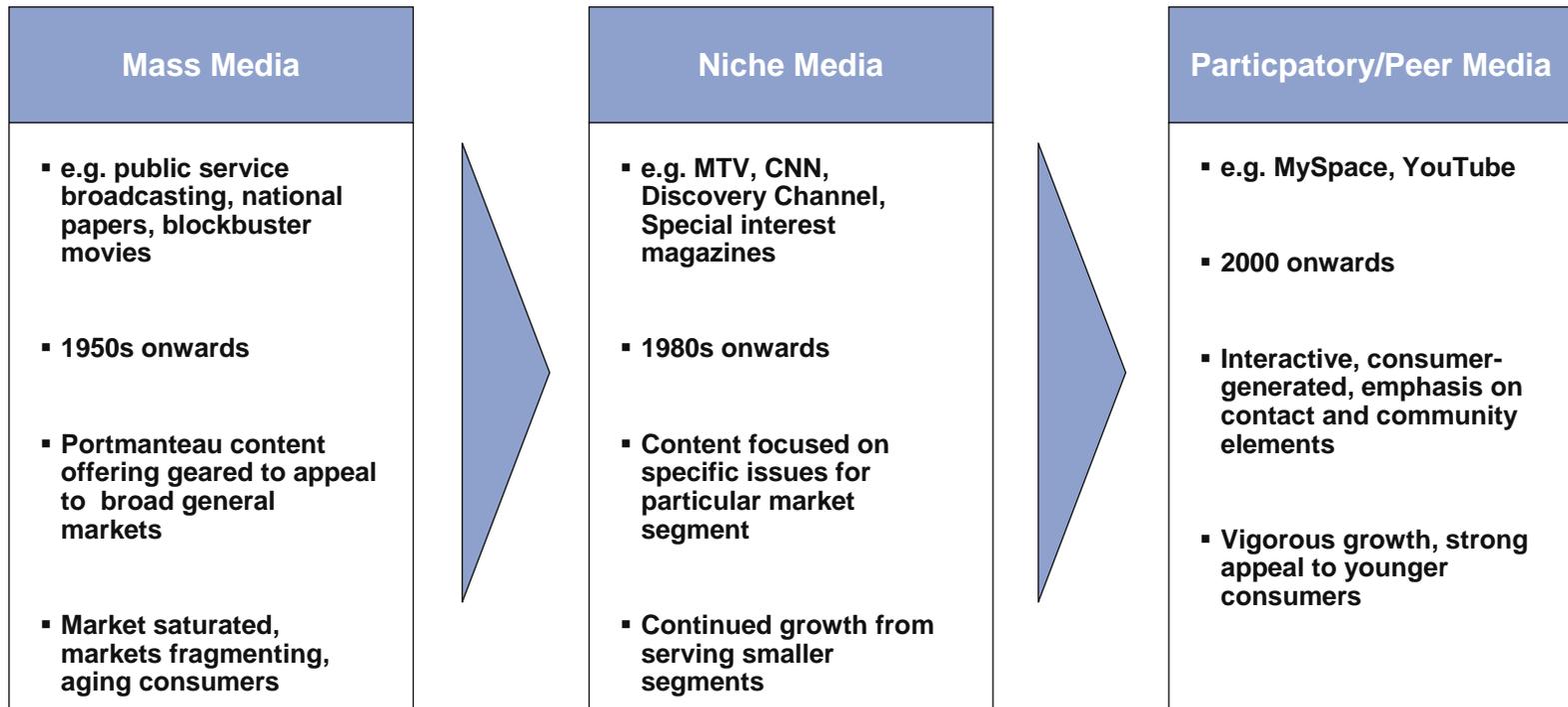


Changes in content



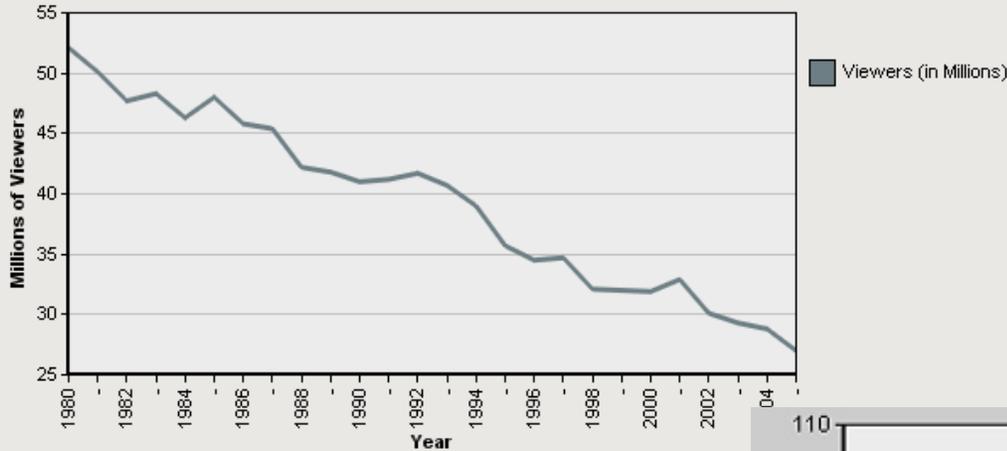
Mass media model weakens

Summary: Evolution of media content models

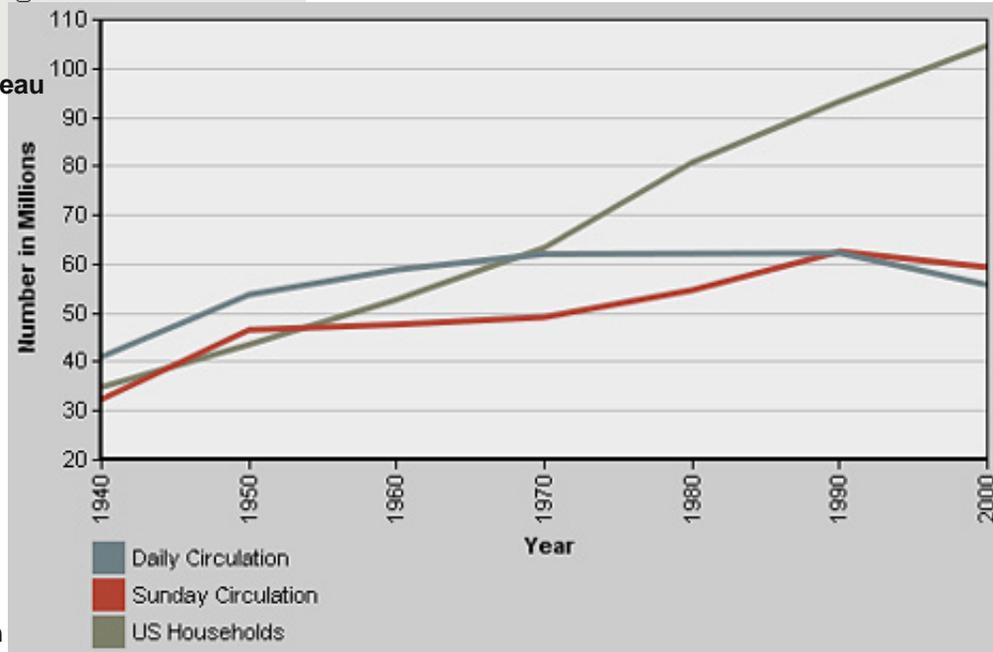


Continual weakening of mass market model, increasingly active role for consumers

Decline of mass media products (1): National TV networks and newspapers in the US

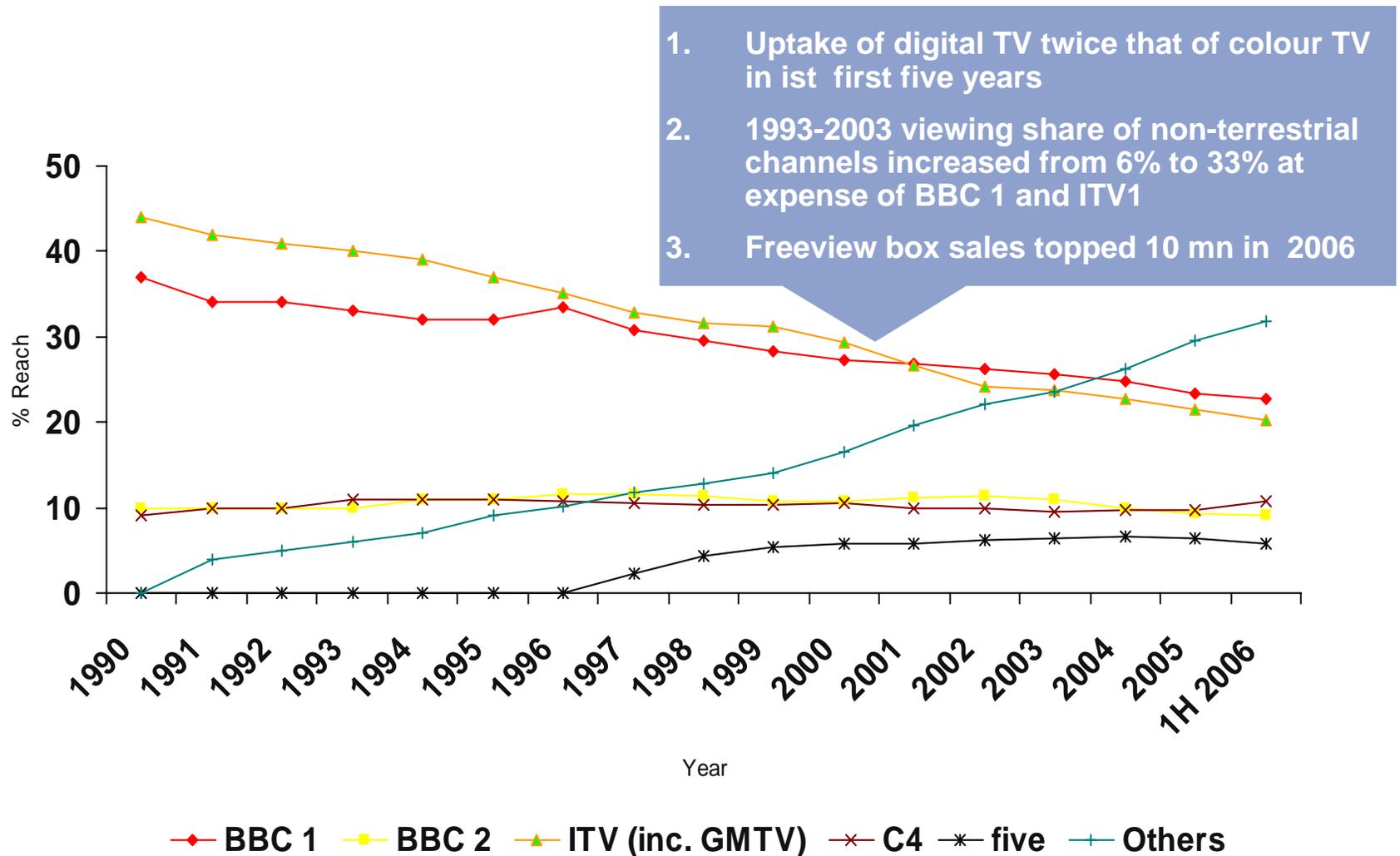


Source: Editor and Publisher Yearbook data; U.S. Census Bureau



Source: Nielsen Media Research

Decline of mass media products (2): UK television



Demassification and the growth of the niche

▪ Mass media products

- Arose from technologies allowing massive duplication at low cost
- Designed for large cross sectional audiences (nationwide networks, mass-circulation newspapers)

▪ Niche products

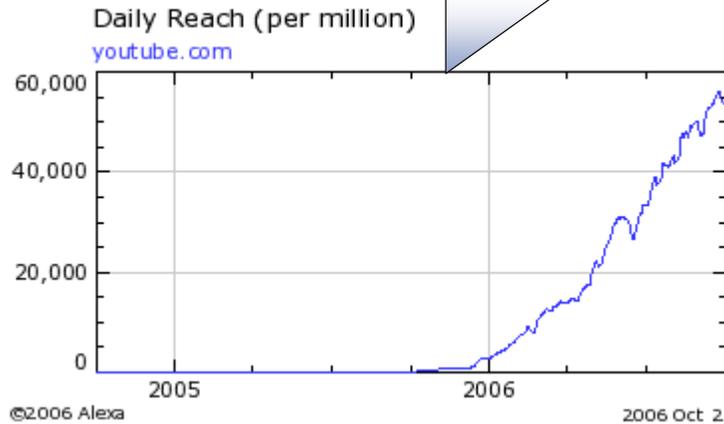
- Result from reduced barriers to content creation coupled with easily accessible global distribution architectures
- Cater for specific interest/demographic groups



Meanwhile, social networking/peer content sites grow

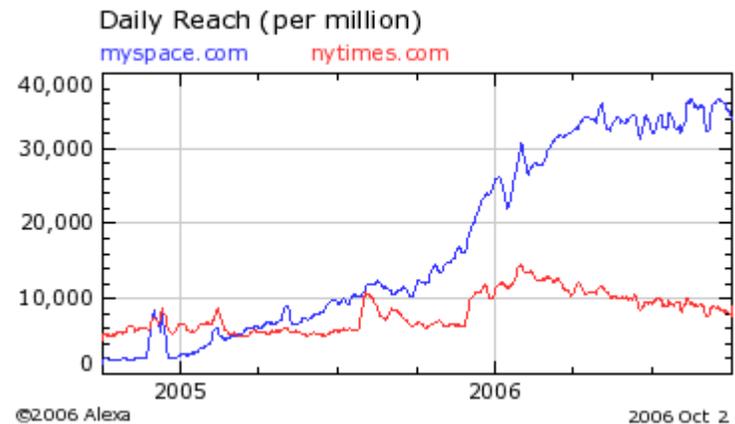
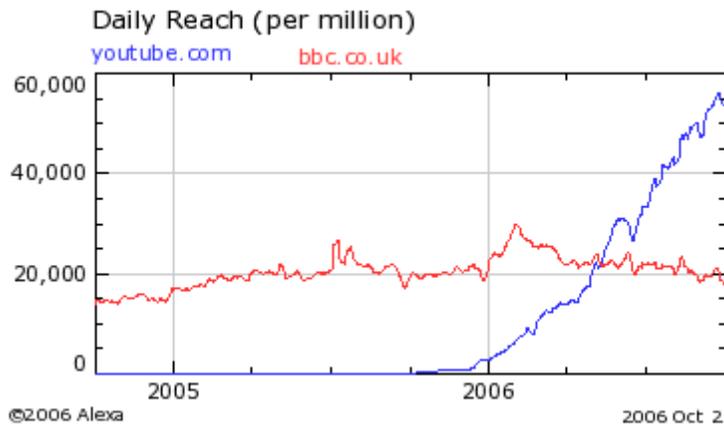
Bought by Google for \$1.65bn in 2006

YouTube: upload and share videos worldwide



Bought by News Corporation for \$580mn 2005

MySpace.com: social networking site.



Creativity as basis of sustained success

HBO Original Programming Division

- Consistent development of hit series dealing with difficult or unusual subjects
- Original programming credited with adding 1mn new subscribers per year
- Most profitable television company in US
- Consistent winner of industry awards (e.g. 24 Emmys in 2002, 7 Golden Globes in 2003)



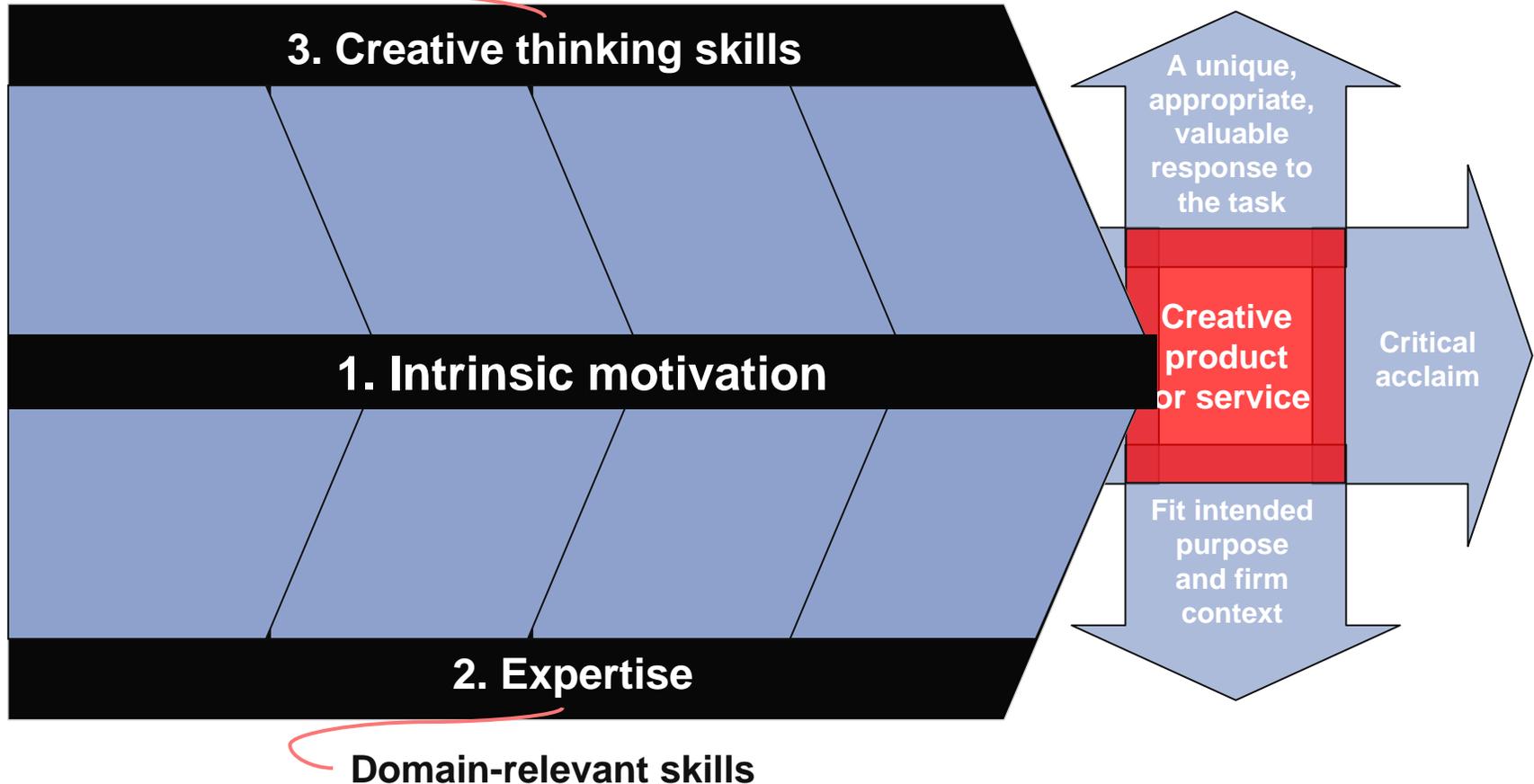
Pixar

- Redefined animated film genre
- Creative and technical industry leader
- Repeat box office hits:
 - A Bug's Life (1998); Toy Story 2 (1999); Monsters Inc. (2001)
 - Finding Nemo (2004) - top-grossing animated film ever
 - The Incredibles (2005)
- 15 Academy Awards by 2003



Where does creativity come from?

Any problem solving approach that helps generate different alternatives

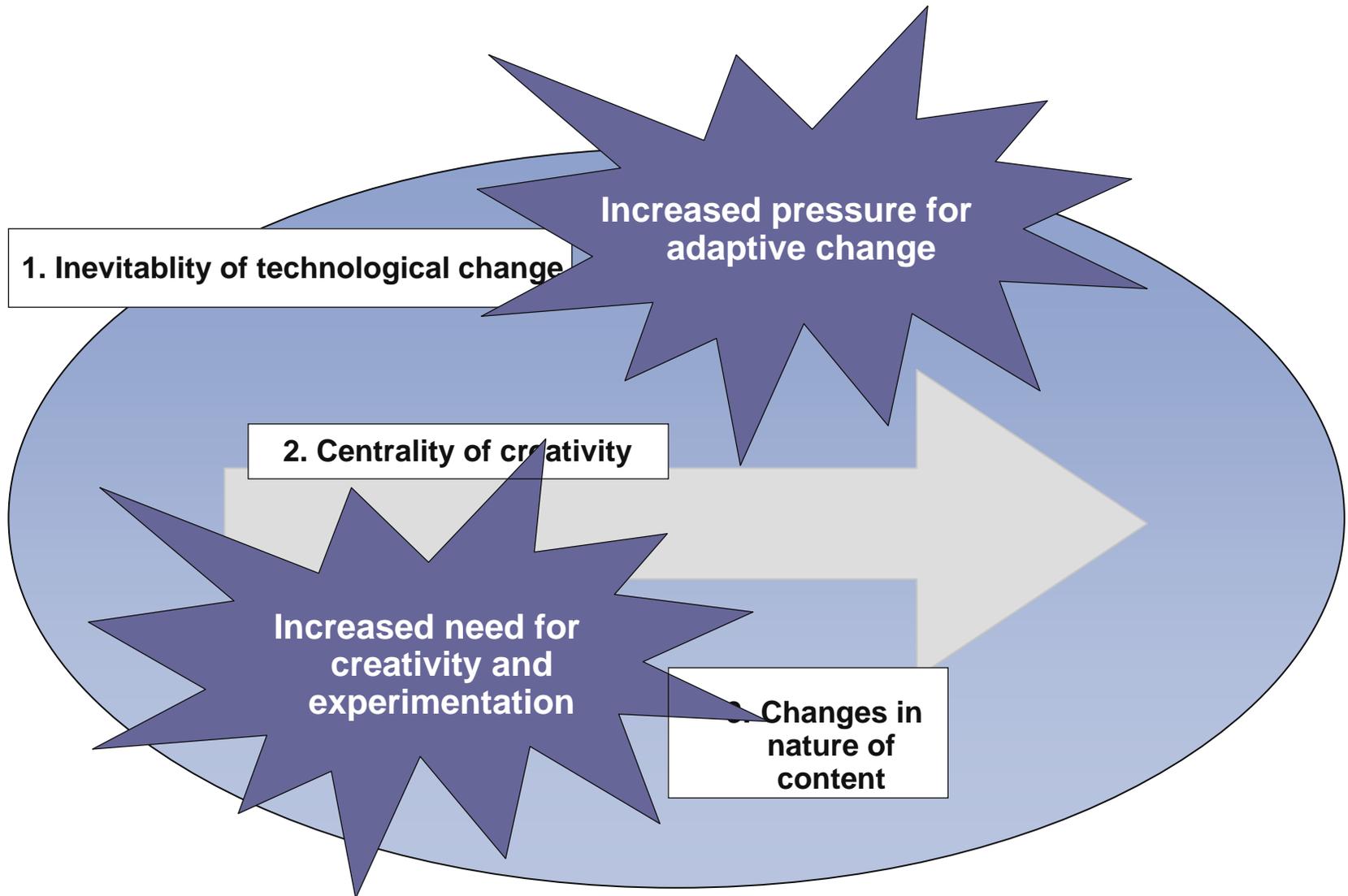


Source: (Amabile, 1983; 1988; 1993; 1996; 1998; Amabile et al., 1994; 1996; 2002)

Intrinsic motivation governed by micro- context

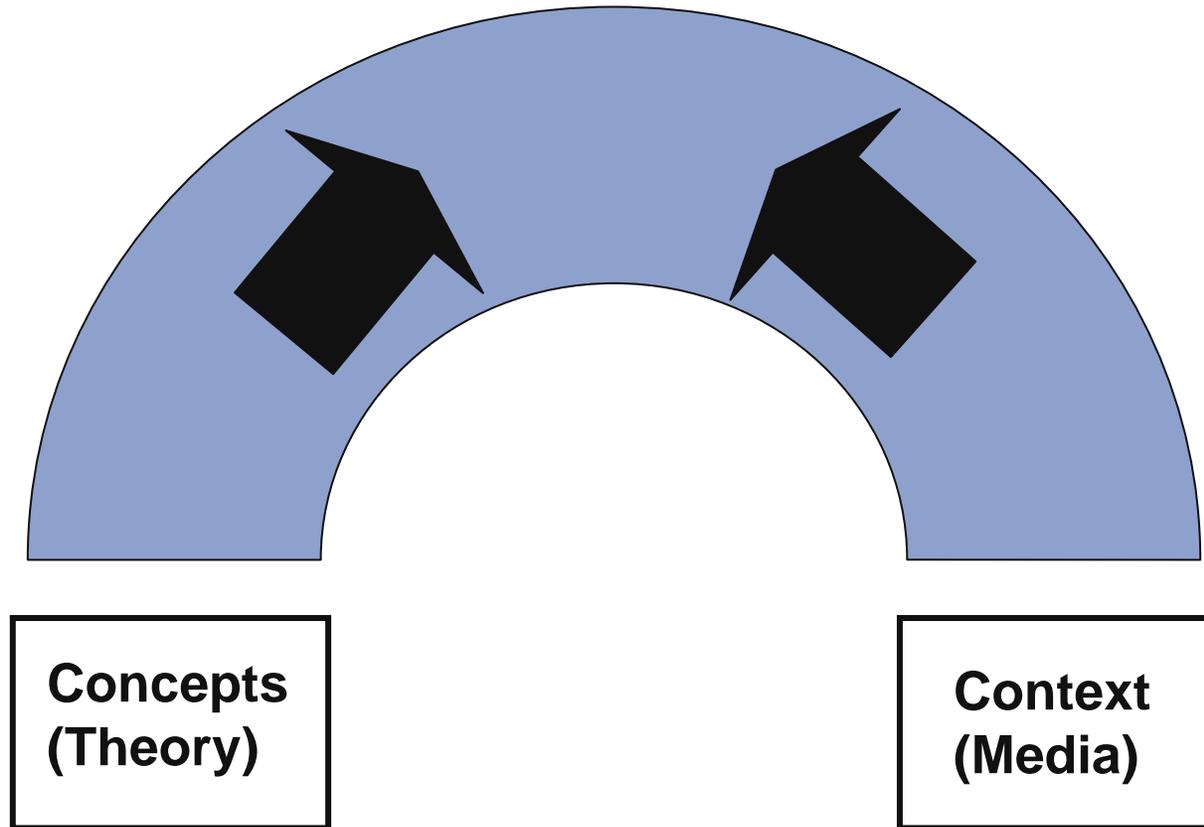
Encouragement	Creativity solutions must be required explicitly – and suggestions taken seriously. Real value of project must be clear
Challenge	Project goals should be clear, stable and feasible. Too much challenge overwhelms and demotivates
Resources - money - time	Resource slack reduces focus and discipline. Parsimony means creativity channelled into increasing budgets. Over-tight deadlines reduce scope for ‘combinatorial play’ and risk burnout
Autonomy	Freedom concerning means but not ends. Autonomy concerning process fosters ownership and intrinsic motivation.
Team composition	Should represent diversity of perspectives and backgrounds

Challenges for organisations in current environment

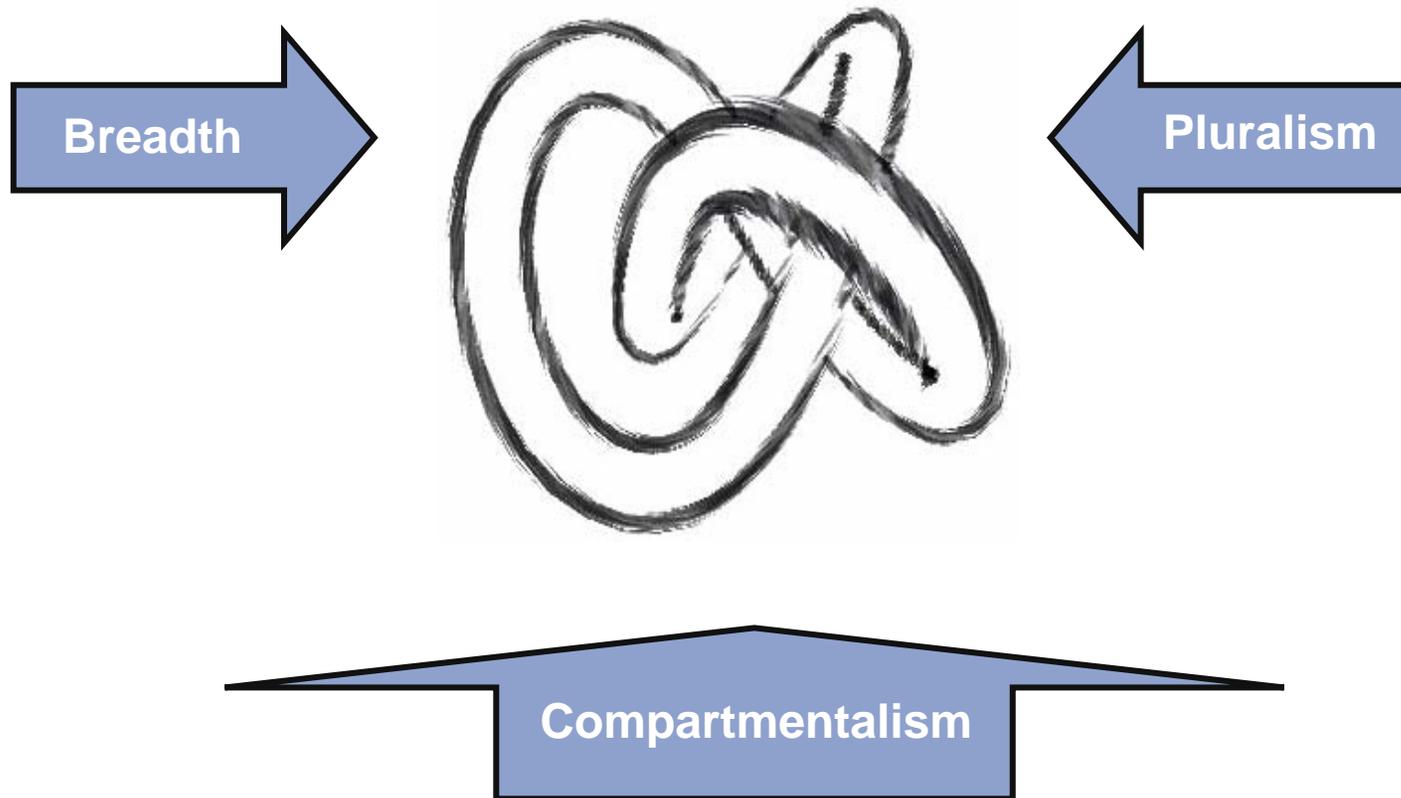


Bridging the two perspectives: Moving the discipline of media management forward

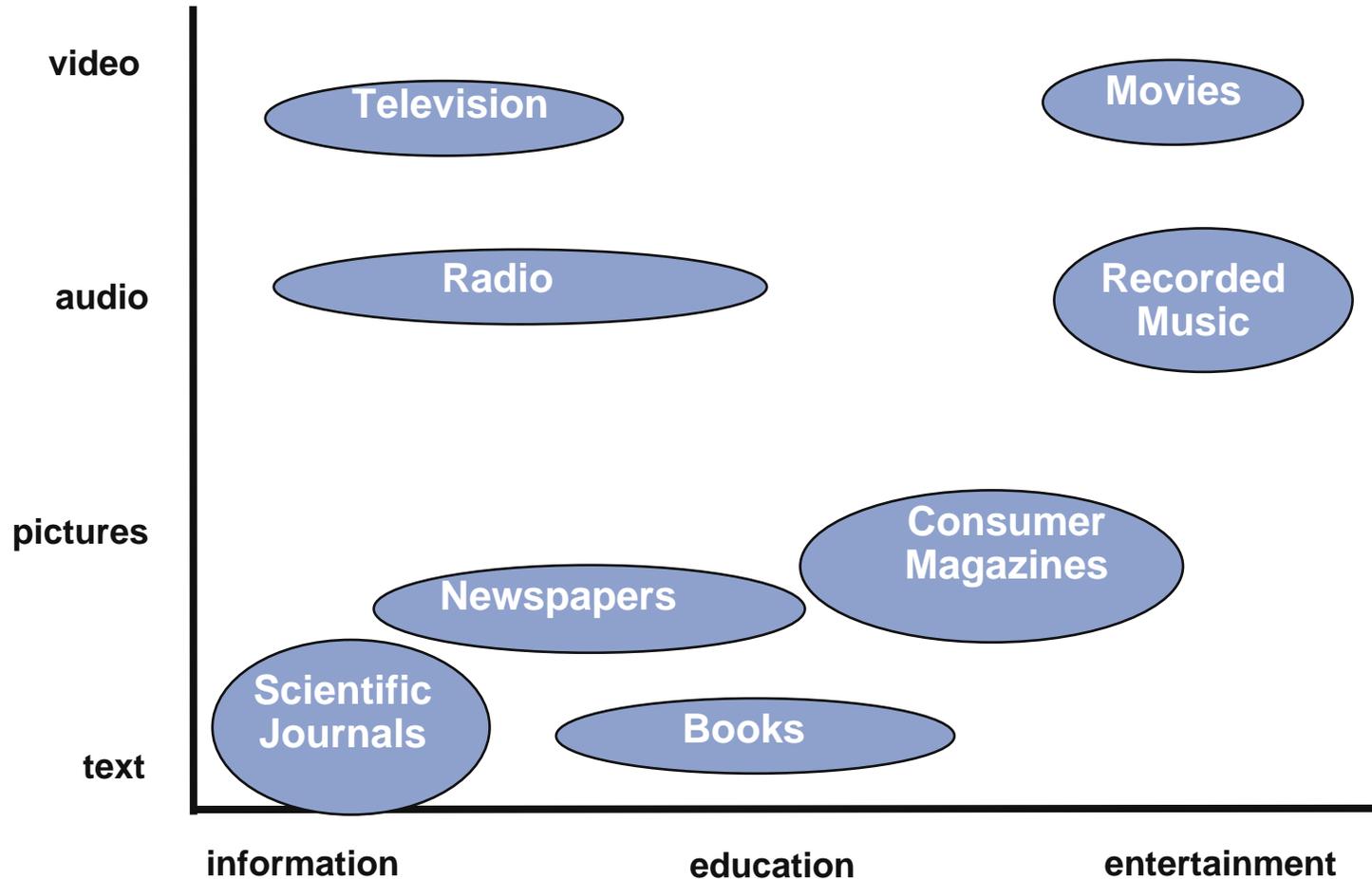
To start with the basics: Media management should build a bridge between management theory and media industry



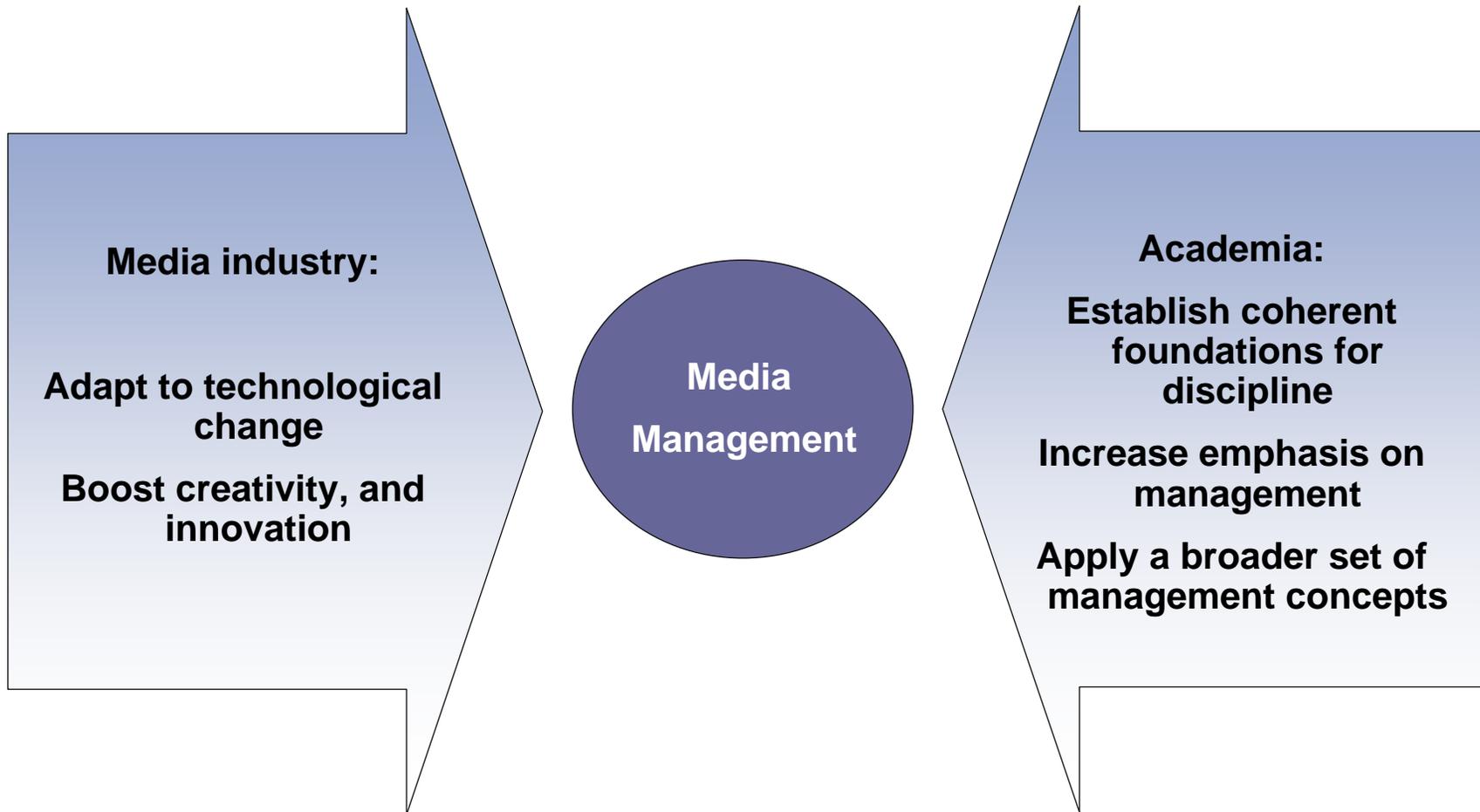
But which theories? Fundamental problems with management theory



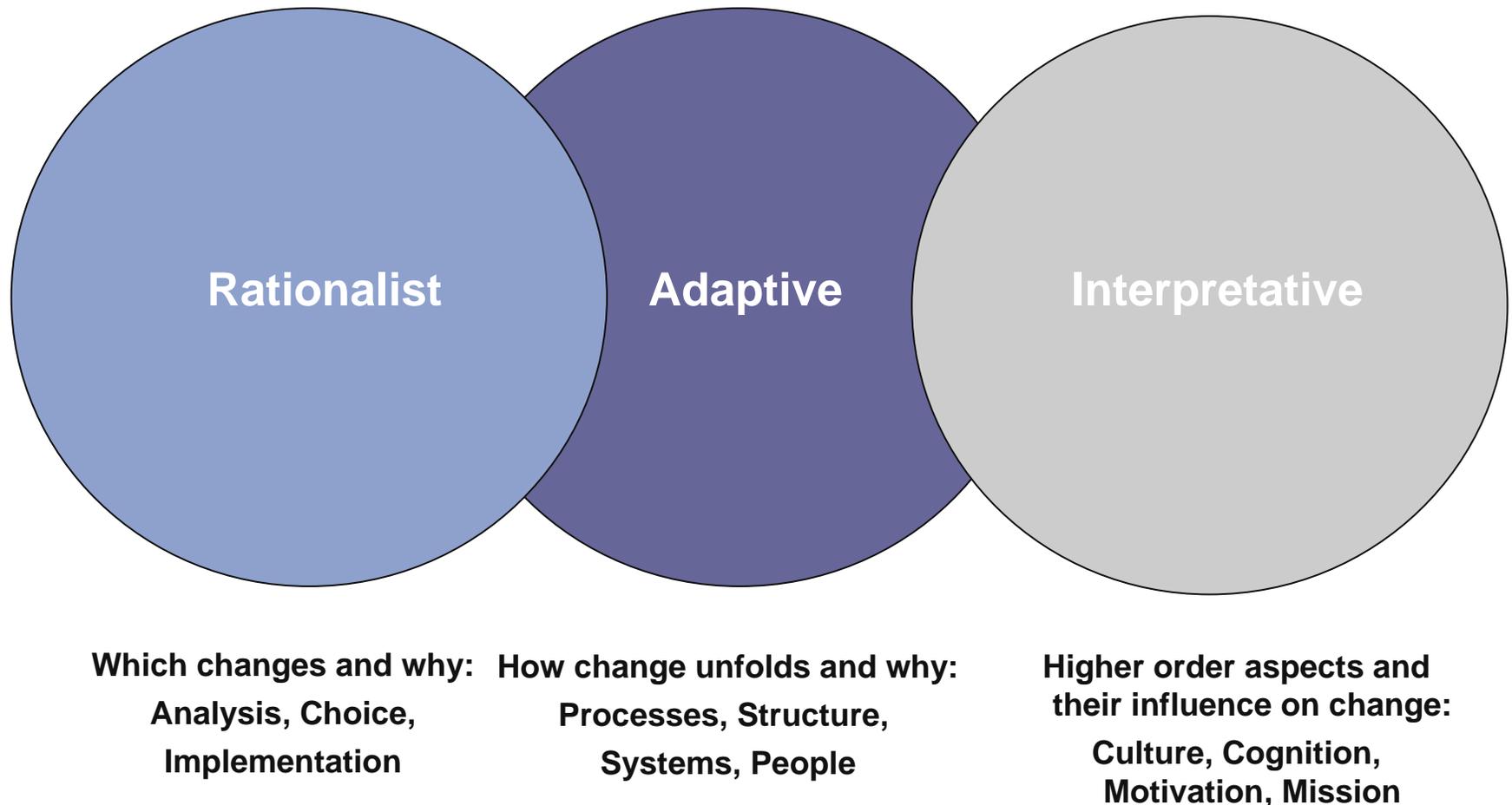
Compounding the complexity: The media and entertainment industries are not monolithic



Industry and academic imperatives



A continuum of perspectives on strategic change



Recommendation 1: Greater application of adaptive and interpretative perspectives

- **Rationalist school**
 - Major academic focus to date
- **Adaptive school**
 - Under-applied so far
 - High relevance – adaptation to evolving environment
 - Insights on managing intrinsic tensions in media firm
- **Interpretative school**
 - Also under-applied to date
 - Also highly relevant – higher order aspects underpin content creation plus adaptive capability



Challenge for incumbents is not what to do, but doing it

Tensions endemic to media organisations

Innovation

Diversity
Small group autonomy
Freedom for experimentation

V.

Optimisation

Focus
Critical mass
Tight coordination

Recommendation 2: Broaden methodological scope and increase resolution

- **Contextual**

- **Broader frame of reference, encompassing historical and social influences**

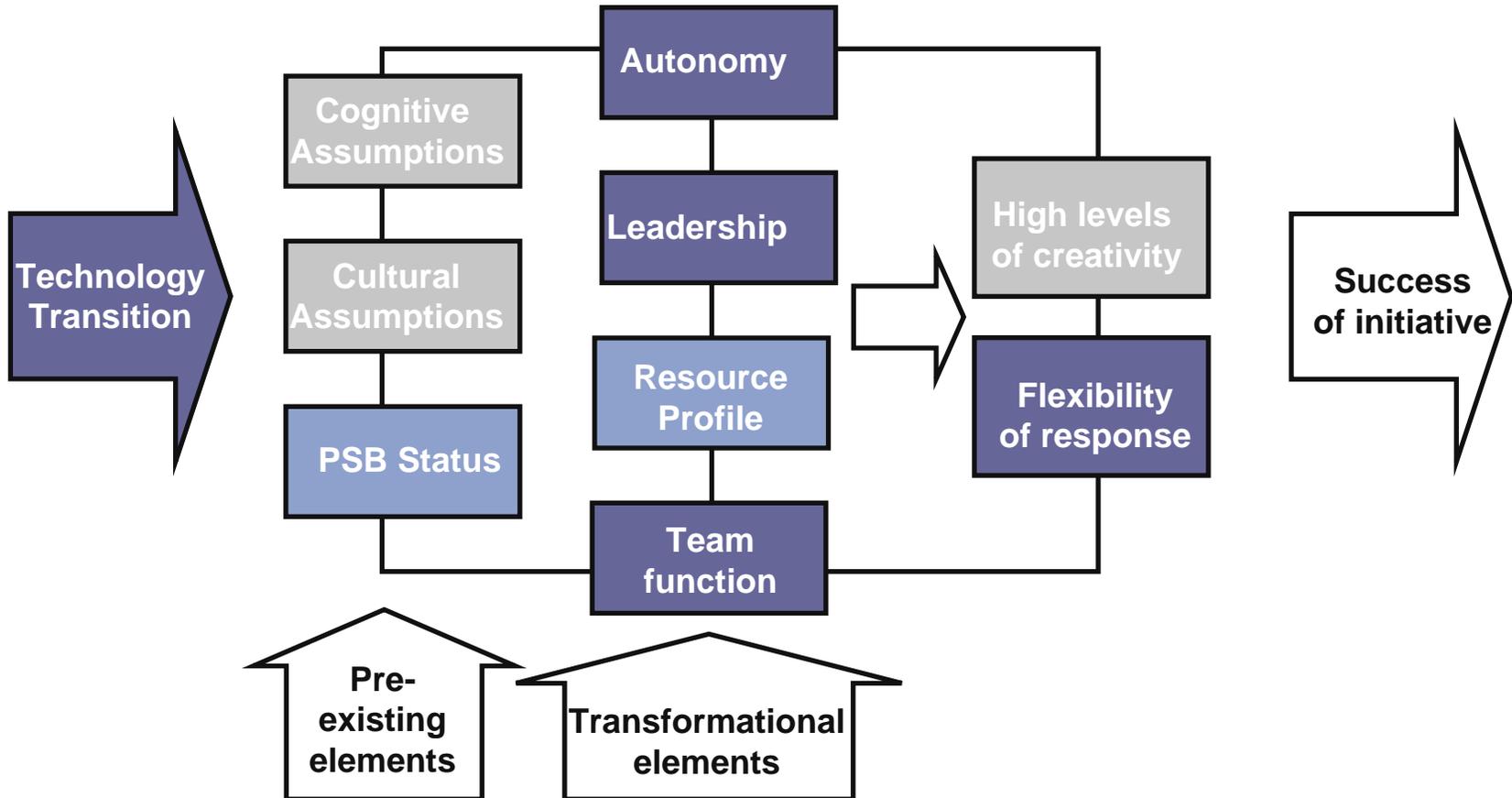
- **Constructivist**

- **Acknowledge/accommodate intangible/non-rational phenomena**

- **Multi-lens**

- **Industry and changes taking place are complex phenomena**
- **Pluralist methodologies capture more variables and their inter-relationships**

Architecture of organisational variables underlying success of BBC News Online



Conclusions - to ensure that media management matters

- **Media management is growing fast and has acquired critical mass**
 - Strong engagement from academics and demand from students
- **Foundation work still required**
 - Defining scope
 - Establishing conceptual basis
- **Must deliver on its name**
 - Greater concentration on management within media context
 - Broader range of concepts, more inclusive methodologies
 - Deeper exposure to organisations