



Palabra Clave

ISSN: 0122-8285

palabra.clave@unisabana.edu.co

Universidad de La Sabana

Colombia

Albarran, Alan B.

Assessing the Field of Media Management and Economics Research: Looking Back, Looking Forward

Palabra Clave, vol. 17, núm. 4, diciembre, 2014, pp. 1025-1040

Universidad de La Sabana

Bogotá, Colombia

Available in: <http://www.redalyc.org/articulo.oa?id=64932836002>

- How to cite
- Complete issue
- More information about this article
- Journal's homepage in redalyc.org

redalyc.org

Scientific Information System

Network of Scientific Journals from Latin America, the Caribbean, Spain and Portugal

Non-profit academic project, developed under the open access initiative

Assessing the Field of Media Management and Economics Research: Looking Back, Looking Forward

Alan B. Albarran¹

Recibido: 2014-05-15
Enviado a pares: 2014-05-22

Aprobado por pares: 2014-08-19
Aceptado: 2014-10-06

DOI: 10.5294/pacla.2014.17.4.2

Para citar este artículo / To reference this article / Para citar este artigo

Albarran, A. B. Diciembre de 2014. Assessing the Field of Media Management and Economics Research: Looking Back, Looking Forward. *Palabra Clave* 17(4), 1025-1040. DOI: 10.5294/pacla.2014.17.4.2

Abstract

I am honored to be asked by my friend and colleague, Dr. Germán Arango, to provide a contribution to this special issue of *Palabra Clave* devoted to the topic of media markets and industries, which also will serve to relaunch the Latin American Media Management Association (LAMMA). It has been my privilege to visit Universidad de La Sabana twice in my career, and I have had the opportunity to visit with German and his colleagues at several international meetings over the years. This particular paper will examine the field of media management and economics research by looking at its past and considering the future. In addition to providing a historical overview, the paper will discuss the development of media management and economics as an area of academic research, consider the challenges the field is facing in the 21st century, and present ideas for a research agenda for the next decade. The goal is to provide both a historical perspective and a heuristic look at where the field is headed in terms of research and development. For this essay, I am drawing heavily from a paper

¹ University of North Texas, United States. albarran@unt.edu

I presented at the 2012 Research Symposium devoted to “Media Management and Economics Research in a Transmedia Environment,” which was held during the Broadcast Education Association’s annual convention. That paper was published in 2013, and the publisher has given me permission to cite text from that work in this venue (Albarran, 2013).

Keywords

Media management, Research and Development, media management, economy. (Source: Unesco Thesaurus).

Evaluación del ámbito de investigación de la gestión de medios y economía: mirando hacia atrás, mirando hacia adelante

Resumen

Me siento honrado de que mi amigo y colega, el Dr. Germán Arango, me pida presentar una contribución a este número especial de *Palabra Clave* dedicado al tema de los mercados y la industria de los medios de comunicación, que también servirá para lanzar nuevamente a la Asociación Latino Americana de Gestión de Medios (LAMMA por sus siglas en inglés). Ha sido un privilegio para mí el poder visitar la Universidad de La Sabana dos veces durante mi carrera, y he tenido la oportunidad de reunirme con Germán y sus colegas en varias reuniones internacionales a lo largo de los últimos años. Este trabajo examinará el campo de la gestión de los medios de comunicación y la investigación económica analizando su pasado y teniendo en cuenta el futuro. Además de proveer una visión histórica, el documento discutirá el desarrollo de la gestión y la economía de los medios como un área de investigación académica, considerará los desafíos que enfrenta el campo en el siglo XXI, y presentará ideas para una agenda de investigación para la próxima década. El objetivo es proveer una perspectiva histórica y una visión heurística que dé cuenta de hacia dónde se dirige este campo en términos de investigación y desarrollo. Para este ensayo, extraigo en gran medida datos de un documento que presenté con ocasión del Simposio de Investigación de 2012, dedicado a la “Gestión de Medios e Investigación de la Economía en un Ambiente Transmedia”, que se celebró durante la convención anual de la Asociación de Educación por Radiodifusión. Ese documento se publicó en 2013 y el editor me ha dado el permiso para citar en este espacio el texto de ese trabajo (Albarran, 2013).

Palabras clave

Gestión de medios de comunicación, investigación y desarrollo, administración de los medios de comunicación, economía. (Fuente: Tesauro de la Unesco).

Avaliação do âmbito de pesquisa da gestão de meios e economia: olhando para trás, olhando para frente

Resumo

Sinto-me honrado por meu amigo e colega Dr. Germán Arango ter me pedido apresentar uma contribuição para este número especial da Revista Palavra Clave, dedicado ao tema dos mercados e da indústria dos meios de comunicação, que também servirá para lançar novamente a Associação Latino-americana de Gestão de Meios (LAMMA, por sua sigla em inglês). Foi um privilégio para mim poder visitar a Universidade de La Sabana duas vezes durante minha carreira e tive a oportunidade de me encontrar com Germán e seus colegas em várias reuniões internacionais ao longo dos últimos anos. Este trabalho examina o campo da gestão dos meios de comunicação e da pesquisa econômica analisando seu passado e considerando o futuro. Além de fornecer uma visão histórica, neste documento discutem-se o desenvolvimento da gestão e a economia dos meios como uma área de pesquisa acadêmica. Também considera os desafios que o campo enfrenta no século XXI e apresenta ideias para uma agenda de pesquisa para a próxima década. O objetivo é dar uma perspectiva histórica e uma visão heurística sobre aonde se dirige esse campo em termos de pesquisa e desenvolvimento. Para este ensaio, são extraídos dados de um documento que o autor apresentou no Simpósio de Pesquisa de 2012, dedicado à “Gestão de meios e pesquisa da economia num ambiente transmídia”, o qual foi realizado durante a convenção anual da Associação de Educação por Radiodifusão. Este documento foi publicado em 2013 e o editor me deu a permissão para citar neste espaço o texto deste trabalho (Albarran, 2013).

Palavras-chave

Gestão de meios de comunicação, pesquisa e desenvolvimento, administração dos meios de comunicação, economia. (Fonte: Tesouro da Unesco).

Research centered on the managerial and economic aspects of media industries has a rich, diverse, and interdependent history. It is hard to say exactly when the earliest investigations began by scholars, as the earliest published work that can be identified appeared in the 1940s, at least in the United States. There were many governmental investigations that examined the development of media industries in the US, focusing mostly on the effects of media, the economic power of media institutions, and concentration of ownership. These governmental hearings did not generate research in the sense that we think of academic-based research today.

In 2015, media management and economics (MME) research will be 75 years old, as near as can be determined. As we celebrate this “diamond” anniversary, it is important to consider how the field has grown and what lies ahead. First, how do we define media management and media economics research? Second, what are the important historical milestones in the development of MME research? Third, how do we assess the state of media management and economics research in the 21st century, and some of its challenges? Fourth, what are the important research questions the field needs to consider as it pursues a research agenda?

Defining Media Management and Media Economics

Interestingly, there is little consensus among scholars as to what constitutes a definition of media management and media economics. Albarran (2008), in summarizing his tenure as editor of the *International Journal on Media Management*, could “not claim to have any answers as to how to *define* the field of media management” (p. 184). Picard (2006), one of the founding scholars in the field of media economics, posited a similar view by writing, “In a technical sense, there is no such thing as media economics . . .” (p. 23). This is not intended to sound pessimistic; the field is difficult to define, because it is a complex and evolving area of study affected by many external forces.

Albarran and Picard, and many other scholars agree that the study of media management and economics historically involved the *application* of managerial and economic concepts and theories to media industries. The

initial scholars/researchers looked to existing theories in the domains of business and management, along with theories drawn from general economics that would help in conducting the early research on media industries.

In the area of media management, this meant drawing from the generally-agreed upon schools of management: the classical school, the behavioral school, and the modern school of management thought. Albarran (1997) and others authoring texts on media management have used this framework in several editions. The three schools are compared in Table 1.

Table 1. The Three Schools of management

Name	Philosophy	Key Theories
Classical School	Increase productivity and efficiency.	Scientific management, Administrative management, Bureaucratic management
Behavioral School	Considers the goals of employees to help improve organizational productivity.	Hawthorne effect, Motivation, Theory X & Y, Theory Z,
Modern Approaches	Considers both the micro- and macro-forces impacting the organization in order to improve productivity.	Management by Objective, Total Quality Management, Systems Theory, Leadership, Resource Dependence, Strategic Management

Source: Adapted by the author from various sources.

In examining the development of media economics, Picard (2006) posits that the field was organized among three domains (theoretical, applied, and critical) operating at different levels of analysis. This framework is presented in Table 2.

These frameworks have helped in the development of the fields of media management and economics, but they have not necessarily clarified exactly *how* the fields should be defined. This has become even more challenging, given the numerous changes that have occurred during the past few decades as a result of technological, regulatory, economic, globalization and social forces (Albarran, 2010b; Downes, 2009).

Defining these fields becomes even more muddled from a descriptive standpoint when we consider all the possible permutations involved in

Table 2. Theoretical Domains in Media Economics Research

Domains	Theoretical Foundations	Level of Analysis	Topics Examined
Theoretical	Neoclassical economics	Consumer, firm, market, industry	Supply, demand, price, production, elasticity, concentration, diversity
Applied	Industry-based Also influenced by neoclassical economics	Consumer, firm, market, industry	Structure, conduct, performance, spending, diversification, strategy
Critical	Marxist studies British cultural studies Political economy	Nation-state, global	Ownership, power, policy decisions, social and cultural effects of media, globalization, welfare

Source: Albarran (2010a); Picard (2006).

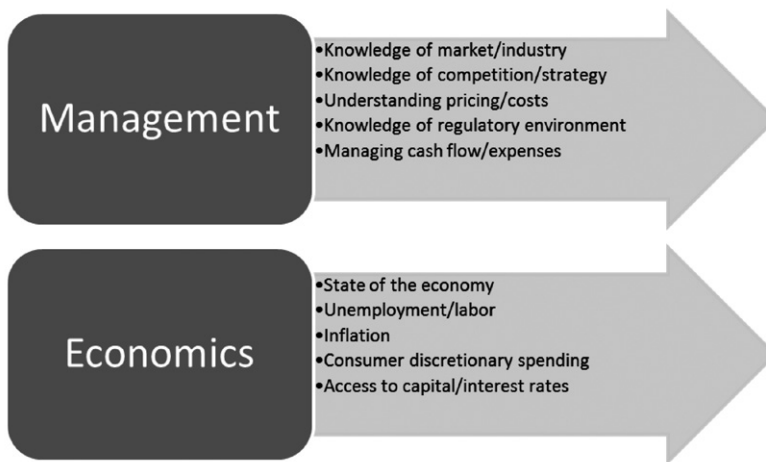
each area. For example, in considering media management research, there are many possible levels of focus. One might focus on management activities at the corporate or ownership level, studying those actions or responses to external forces encountered by corporate officers and CEOs. One might concentrate on management at the level of an organization, such as a television station, newspaper, or digital enterprise. Even there, “management” occurs at different levels of the organization, so there is a need to further define and differentiate among these levels. Even self-employed entrepreneurs in media management must initially “manage” their own business and make decisions. These examples just point to the challenges of how to define media management.

The situation is no different with the study of media economics. Economic activities occur at many different levels. Albarran (2010a) suggests considering four different levels of analysis (individual, household, nation/state, global) to analyze what is called “the media economy.” There are also many different types of economic transactions that occur from business to consumer, business to business, and consumer to consumer, which could constitute a part of media economics. The entire area of critical scholarship or political economy, which is concerned with concepts like hegemony, power and technological determinism, also claims part of the field, yet is vastly different when considering micro and macroeconomic forces.

The Interdependent Nature of Media Management and Economics

Perhaps some of the challenges in trying to define media management and media economics are due, in part, to their interdependence. Both areas are, in fact, related to one another. Management is responsible for the economics of an entity, usually with the goal to earn profits for owners and shareholders. Yet, management's ability to earn profits is dependent on many factors, such as the number of competitors in a market, the state of the economy, unemployment, inflation and, in the case of media industries, consumer discretionary spending (see Figure 1).

Figure 1. Examples of Interdependent Factors Influencing Management and Economics



Source: Author's rendition.

All types of businesses combine managerial and economic responsibilities. While there may be particular roles or titles that specialize in one area or another, one is more likely to encounter managers higher up in the organization who spend a good amount of their time monitoring and analyzing the financial/economic condition of their enterprise. For example, a comptroller or accountant in a typical media facility will prepare financial statements that are reviewed by the General Manager. Down one level, department heads typically will have authority over a budget, in addi-

tion to their day-to-day managerial responsibilities. The department heads, usually regarded as middle managers, might not deal with economics on a daily basis, but are mindful of the economics of their part of the enterprise and the need to control expenses.

This interdependence between management and economics has, of course, evolved over time in media industries. Contemporary media managers now must be concerned with managing a host of digital platforms, and finding ways to monetize their use. These new platforms—such as smart phones and tablet devices, to name just two - continue to grow in popularity and further fragment the traditional audience/media relationship. Many digital platforms have yet to produce the kind of revenues generated by their analog or “traditional” holdings. Former NBC Executive Jeff Zucker, now President of CNN, once quipped about “trading analog dollars for digital pennies,” which was later amended to “digital dimes” (Verna, 2010). Efforts to generate revenues via digital platforms remain a huge management challenge.

Media Management: Milestones and Development

In assessing the development of the field of media management (and later media economics), a simple framework will be used for the sake of organization. We will consider the predominant theories that have guided the field during its first 75 years of existence, and then consider some of the key milestones in the MME field through a decade-by-decade look at the evolution of media management and economics research.

Important Theories used in Media Management Research. In assessing media management research, Mierzejewska and Hollifield (2006) found that “most theory is drawn from the larger field of organizational studies” (p. 39), but recognized that media management is unique because of the nature of media information products and the economic characteristics of the media. The authors reviewed 15 years of published research (1988-2003) in the *Journal of Media Economics* and the *International Journal on Media Management*, and found there were six common approaches clustered into six

categories: strategic management theories (54); technology, innovation and creativity (21); audience/consumer theories (12); contingency/efficiency theories (9); political economy and normative approaches (5); and organizational/professional cultural theories (5).

Aside from the published research in IJMM, a review of the last 70+ years of research devoted to media management topics will show studies that utilize a number of common theories developed in other areas of communication research, broadly defined. These include such theories as the diffusion of innovations, the uses and gratifications tradition, general economic theory, and various theories related to leadership and entrepreneurship.

Absent are theories that are unique to the area of media management and have been refined and tested over time. This is not surprising, in one sense, given the “young” nature of the field of study and a smaller base of researchers who are interested in the topic compared to the much broader area of communication research that considers all forms of human communication. But the lack of unique theory building is also one of the pitfalls affecting media management research; it is something the field of study needs to address in order to encourage future development.

Media Economics: History and Development

Important Theories used in Media Economics Research

Like media management research, theories guiding research tended to be drawn from the larger field of economics and applied to media industries. In examining the body of published research in media economics, one finds a predominance of studies using the established industrial organizational (IO) framework drawn from neoclassical economics. The IO model is also known in the literature as the structure-conduct-performance model (SCP), as it considers the market structure, conduct of the major players in the market, and the performance of the market.

An offshoot of the IO/SCP framework is the resource-based view (RBV), which considers that each firm in a market offers a set of unique re-

sources it uses to achieve a competitive advantage or position in a market. RBV has often been studied in conjunction with strategic management topics, yet another example of the interdependence between the areas of media management and media economics (e.g., Chan-Olmsted, 2005).

The principle of relative constancy developed by McCombs (1972) and the niche theory developed by Dimmick (2003) are two areas of theory that are widely used across the field and each has spawned a number of studies. Relative constancy is concerned with consumer spending on the media, while the niche theory looks at competition and coexistence among firms seeking similar resources.

New areas of theory are starting to emerge and show promise. One of the more interesting areas of theory development is attention economics (Davenport & Beck, 2001). Attention economics is particularly relevant, given the wide degree of fragmentation we are witnessing as a result of more and more choices and platforms for consumption. Attention economics considers economic concepts like allocation, but also the psychological attributes used by consumers in how they devote attention and how strongly they attend to media content products. Like media management research, we need greater theoretical development in media economics to move the field forward.

Important Events in Media Management and Economics Research

Table 3 presents a summary of some of the most important events that have influenced media management and economic research over the years.

Media Management and Economics in the 21st Century

This review and discussion results in a paradox as one tries to determine exactly where media management and economics research is as we consider its 75-year history. One can argue the MME field is rich and diverse, drawing on multiple perspectives from scholars around the globe and inves-

Table 3. Key Milestones in MME Research

Decade	Milestone
1940s	Earliest books appear on topics related to media management; post-war development of media around the globe lays the foundation for future growth.
1950s	Television emerges as a mass medium; research on newspaper management appears.
1960s	Satellites facilitate global communication; television becomes the dominant medium and research follows the shift.
1970s	Development of cable/satellite television results in shifts in research, as scholars follow suit; newspapers begin a secular decline in circulation; technology adoption accelerates with the debut of video recording devices.
1980s	Internet emerges as a mass medium with email as the primary application; network dominance by television ends; first journals devoted solely to media management and media economics debut; universities begin to offer concentrations in media management.
1990s	New technologies and delivery systems lead to fragmentation of audiences; research delves into new media; the first World Media Economics Conference is held and begins biannual meetings in even-numbered years as of 1998.
2000s	The Journal of Media Economics and International Journal on Media Management editorial boards show the composition of scholars exhibits strong diversity and encompasses the globe, with Africa being the only missing continent; the Handbook of Media Management and Economics is published in 2006; social media emerges as a new consumer-driven digital platform.
2010s	Explosion of social media adds to a very fragmented and diverse media landscape; many university programs modify curriculum and direction to account for shifts in new media; research related to new media technologies occurs more frequently than research devoted to “traditional” media.

Source: Compiled by the author.

tigating new technologies, delivery systems, and digital platforms. Conversely, one can argue MME research still suffers from a lack of identity and its ability to define itself, along with a lack of theoretical and methodological development, which should be realized in a field of study that is 75 years old.

What perhaps makes this so interesting is that we are at a point in time where media management and economics –however defined– have more areas than ever available for research and investigation. The ability to collect data from multiple levels of analysis has mushroomed, and the opportunities available through “big data” are just coming into existence.

This paradox concerning the state of the field will not be solved in this paper. So, let us consider what we do know regarding where MME stands at this particular point in its history by considering a research agenda that would aid scholars in further development of the field.

Future Research: Propositions and Needs

In assessing the first 75 years of media management and economics research, the following propositions are provided as a way to summarize the state of the field as we “look back” and plan ahead. The propositions are the author’s views; hopefully, this will spur some discussion among scholars as they consider adding their own propositions and further refining these ideas.

- There is a growing body of MME literature that offers many practical and theoretical contributions. Yet, overall, the field has struggled for its own sense of identity and standing, and the ability to clarify the contributions it makes to the larger area of communication science.
- We do not have consensus on how to define media management and economics research, despite 75 years of investigation. The field needs to recognize that management and economics occur on different levels in media enterprises and are interdependent concepts.
- The field needs greater theoretical development. One can argue there are no truly unique theories found in media management and economics research; instead, there are applications of theories developed in other fields or adapted for analysis in an MME context.
- Likewise, the MME field would benefit from new methodological tools to help in analyzing data and conducting research designs. This is especially true in media economics research, where we lack new tools to assess such important areas as concentration across industries and the significance of intellectual property.
- There is more interest in the MME field than at any time in its history and more opportunities for study, given the growing number of digital platforms and new ways to connect information goods with consumers.

Given these propositions and their challenges, how should we focus our attention as a field in regards to a future research agenda? What follows are a few thoughts regarding future research in the MME field to help move the field forward.

- Most media management and economics research has tended to take place at a single level of analysis; however, we know that management occurs *across* levels and economic activities function the same way. Research should be based on these multiple levels and consider how the various levels impact one another.
- We have very few studies conducted across time, specifically longitudinal studies or time-series analysis. Much of the research is done at single points in time; thus, it is unable to observe longer term trends and patterns that may exist and affect business practices. Likewise, there are no real meta-analyses of single point studies that could help to alleviate some of these concerns.
- More theoretical development is needed, especially in the area of media management, where there are no theories unique to the field. Media economics also would benefit from greater theory development, especially as new platforms and mediums enter the markets. Two areas are particularly ripe for such development: social and mobile media.
- Methodological tools are at best outdated and in need of refinement, especially in the area of media economics. One example is the study of concentration, where the field still relies on measures developed decades ago that only take into account unrelated and unique markets.
- MME is truly a global phenomenon. Yet, the majority of research is limited to management or economic practices found in a single nation. Integrating a global perspective or even a pan-regional perspective could provide new ways to evaluate and assess managerial and economic performance across countries/regions of the globe.

These are just a few ideas that will help to strengthen research in the MME field. Regarding the last point, Latin America, as a region, would strongly benefit from more pan-regional research. Latin America is growing in stature and influence, but our understanding of media industries and markets within Latin America is limited.

With the rapid pace of evolution through technology and other forces impacting media industries, we know there will be ongoing change as to how we approach the study of media management and economics. We can look to the past for the work that has provided a foundation on which to build new directions and new opportunities for study and inquiry.

References

- Albarran, A. B. (2008). Defining media management. *The International Journal on Media Management* 10 (4), 184-186.
- Albarran, A. B. (2010a). *The media economy*. New York: Taylor and Francis.
- Albarran, A. B. (2010b). *The transformation of the media and communication industries*. Pamplona: EUNSA.
- Albarran, A. B. (2013). Media management and economics research: The first 75 years. In Albarran, A. B. (ed.). *Media management and economics in a transmedia environment* (pp. 5-17). New York: Routledge.
- Albarran, A. B. Chan-Olmsted, S. M. & Wirth, M. O. (2006). *Handbook of media management and economics*. Mahwah, NJ: Lawrence Erlbaum.
- Chan-Olmsted, S. M. (2005). *Competitive strategy for media firms*. New York: Taylor and Francis.
- Davenport, T. H. & Beck, J. C. (2001). *The attention economy: Understanding the new currency of business*. Boston: Harvard University Press.

- Dimmick, J. (2003). *Media competition and coexistence: The theory of the niche*. London: Lawrence Erlbaum Associates.
- Downes, L. (2009). *The laws of disruption: Harnessing the new forces that govern life and business in the digital age*. New York: Basic Books.
- McCombs, M. (1972). Mass media in the marketplace. *Journalism Monographs*, 24.
- Mierzejewska, B. I. & Hollifield, C. A. (2006). Theoretical approaches in media management research. In Albarran, A. B., Chan-Olmsted, S. M., & Wirth, M. O. (eds.). *Handbook of media management and economics* (pp. 37-66). Mahwah, NJ: Lawrence Erlbaum.
- Picard, R. G. (2006). Historical trends and patterns in media economics. In Albarran, A. B. Chan-Olmsted, S. M. & Wirth, M. O. (eds.). *Handbook of media management and economics* (pp. 23-36). Mahwah, NJ: Lawrence Erlbaum.
- Verna, P. (2010, October 7). *How much longer can old-guard media slow the shift of dollars to digital video?* Retrieved March 22, 2012 from: <http://www.emarketer.com/blog/index.php/buy-mansion-digital-dimes/>