

# CONTENTS

<i>Acknowledgements</i>	x
<i>Series Preface</i>	xi
<b>Introduction</b>	<b>1</b>
<b>1 The Media Business</b>	<b>6</b>
1.1 Introduction	6
1.2 Hollywood: a business history	7
1.3 Contemporary Hollywood: the high concept	10
1.4 Synergy	16
1.5 Viacom	19
1.6 Broadcasting	21
1.7 The press	23
1.8 News Corporation	29
1.9 Convergence and the Internet	31
1.10 Conclusion	33
<b>2 Regulation and Censorship</b>	<b>35</b>
2.1 Introduction	35
2.2 British legal regulations	36
2.3 Self-regulation – Press Complaints Commission	40
2.4 Freedom of information	41
2.5 British broadcasting regulation	42
2.6 Public service broadcasting	44
2.7 Classification or censorship?	53
2.8 Pressure groups	60
2.9 Institutional practices	62
2.10 Conclusion	63
<b>3 Media Texts as Commodities</b>	<b>65</b>
3.1 Introduction	65
3.2 Films	66
3.3 Stars, celebrities and personalities	70
3.4 The effect of advertising on newspapers	73

## CONTENTS

3.5	Commercial broadcasting	78
3.6	Media imperialism	79
3.7	Music as commodity – MTV	86
3.8	News and the developing world	88
3.9	Eurocentrism	90
3.10	Conclusion	91
<b>4</b>	<b>Marketing and Public Relations</b>	<b>92</b>
4.1	Introduction	92
4.2	Marketing mix	92
4.3	Advertising	99
4.4	Branding	100
4.5	Public relations (PR)	109
4.6	Vortex of publicity	112
4.7	The Net future?	117
4.8	Conclusion	119
<b>5</b>	<b>The Independent and the Alternative</b>	<b>120</b>
5.1	Introduction	120
5.2	Definitions of ‘independence’ and ‘alternative’	120
5.3	Independent film	122
5.4	Crossing over: the commodification of the oppositional	127
5.5	Music, mediation and industry	134
5.6	Access programmes	142
5.7	Conclusion	143
<b>6</b>	<b>Approaches to Audiences</b>	<b>144</b>
6.1	Introduction	144
6.2	The ‘effects’ debate (the hypodermic model)	145
6.3	The ‘uses and gratifications’ theory	156
6.4	Encoding/decoding	171
6.5	Ethnography	173
6.6	Conclusion	179
<b>7</b>	<b>Defining and Persuading Audiences</b>	<b>180</b>
7.1	Introduction	180
7.2	Audience classification	181
7.3	Persuasion	188
7.4	Audiences and scheduling	195
7.5	Modes of address	200
7.6	Sub-cultural groups	201
7.7	Conclusion	205

## CONTENTS

<b>8 Audience as Citizens</b>	<b>206</b>
8.1 Introduction	206
8.2 Information and knowledge	207
8.3 Representation and access	217
8.4 Conclusion	221
<i>Bibliography</i>	223
<i>Index</i>	231

# 1

## THE MEDIA BUSINESS

### AIMS OF THE CHAPTER

- To see how films have been commodified by Hollywood.
- To investigate how synergy is the driving force of many media businesses.
- To look at the structure of Viacom as an example of a synergistic company.
- To look at how broadcasting and newspapers operate as businesses.
- To examine the growth of News Corporation.
- To investigate how the Internet has prompted convergence of media.

### 1.1 Introduction

Media businesses are the organisations that produce media texts. Media businesses are not, in themselves, necessarily institutions; but the way the organisation operates, and the processes by which texts are produced, are probably 'institutionalised' – that is, they work in set ways. For instance, journalists usually structure their reports around a particular series of questions: the 'who?', 'what?', 'when?', 'where?', 'why?' and 'how?' of the event. Similarly, while we can consider the individual businesses that make up Hollywood, Hollywood itself is an institution because it describes the way in which films are made by all these businesses. This chapter focuses on the dynamics of business and assesses how this influences both the way texts are produced and the contents of those texts.

In the last years of the twentieth century old ways of doing business were under threat from rapid changes, mostly motivated by the Internet. Jane Stokes, in the opening chapter of *The Media in Britain* (1999), suggested the key themes of media industries were:

1. concentration of ownership,
2. globalization, and
3. the impact of new technologies.

(Stokes and Reading, 1999, p. 4)

A mere one year later there had been a seismic shift: all the above points were still important, but the impact of new technologies – specifically the growth of the Internet and ways of accessing it – dominated the business landscape. Before considering Net-related issues we shall look at how media businesses operated in the twentieth century, considering, separately, the industries of film, broadcasting and newspapers (music, magazine and book publishing are also important industries but constraints of space mean they cannot be dealt with here). However, there is obviously a great deal of overlap in these industries as many media organisations aim to own a portfolio of companies under the banner of what can loosely be called the entertainment industry. For example, News Corporation owns 20th Century Fox, which produces films and television programmes, as well as owning satellite television broadcasters, book publishers and numerous news organisations. We shall see that, at least since the 1980s, media companies have tended to dispense with non-core businesses in order to focus on the production of media texts.

Media businesses are responsible for an increasing proportion of the Gross National Product in Britain. In 1999 publishing generated £18.5bn of revenue, employed 141,000 people and achieved £1.7bn of exports; TV and radio had £12.1bn of revenue, employed 102,000 and had £440m of exports; and the music industry's figures were £4.6bn, 122,000 and £1.3bn respectively (source: Wells, 2001, p. 7). The entertainment industry is big business.

## 1.2 Hollywood: a business history

The first new mass medium of the twentieth century was cinema; an industry that began in a rather haphazard way as entrepreneurs exploited what was thought to be merely a 'novelty act'. However, the industry that was to dominate the film world eventually developed in Hollywood during the 1910s.

The 1920s through to the late 1940s is often characterised as the Golden Age of Hollywood, when the major studios generated

revenue at every level of the 'cinematic apparatus'. Cinema requires:

1. films to be produced,
2. then to be distributed to
3. cinemas, which exhibit them.

One of the main problems film producers had, and still have, is getting their films distributed to cinemas. It has been estimated that of the 4,000 films produced in North America every year, 3,000 go unreleased in cinemas (Stables, 2000). The best way to guarantee exhibition is to produce, distribute and exhibit your own films; companies that can do this are 'vertically integrated'.

During the 1920s the American film industry consolidated itself with a series of mergers and takeovers that left four vertically integrated companies, which were known as the Majors. These were: Fox (merged with 20th Century in 1935, to be known as 20th Century Fox), MGM (then known as Loews, Inc.), Paramount, and Warner Bros.

Although capitalism is supposedly built upon the idea that competition between companies leads to the availability of the best products at the cheapest prices, the practice of the theory is often somewhat different. The history of American capitalism can best be characterised as companies forming cartels and acting as an oligopoly. In other words, the Majors did not compete with one another to any great degree and each was happy with its market share of the audience. They differentiated their product, so that during the 1930s, Warners was famous for its gangster movies, RKO its musicals and Universal its horror movies. In effect, the major companies were acting like a monopoly but because they were more than one company, they formed an oligopoly (two companies would be a duopoly). When supposedly competing companies act together they are forming a cartel. Cartels are usually outlawed because they are anti-competitive, but it is difficult to prove that companies are acting in such a manner.

Like many other industries, films in North America were made using 'production line' techniques; the Hollywood of the Golden Age was dubbed a 'dream factory'. However, filmmakers could still make their own creative mark on production. Indeed, Paul Kerr (1979) has shown how the extremely restrictive constraints of making B-movies during the 1940s had an immensely beneficial influence on the development of *film noir*.

Once an oligopoly has been formed it becomes very expensive for a new company to enter that market; in other words, the barriers to entry are very high. In the late 1920s RKO became the fifth, and smallest, major film company, with the help of capital from RCA (a big radio company).

Despite this industry 'stitch up', cinema was not a very profitable business. An estimated return of 2 per cent on investment is poor (Maltby, 1995, p. 60). However, the Majors were able to generate Wall Street investment capital to pay for the expensive switch to sound at the end of the 1920s by mortgaging their valuable real estate, that is, their cinemas. When the Depression struck in the 1930s, Wall Street called in its loans and basically took over the major studios.

In 1938 the Department of Justice's Antitrust Division filed the Paramount decrees; these led to the major studios being ordered to sell their cinemas because they were operating in a non-competitive fashion. These decrees did not take effect until 1948, and it was not until the 1950s that they were – more or less – fulfilled (Conant, 1976). The effect of this forced divestiture of cinemas, combined with a massive decline in audiences in the post-war period, led to a crisis in Hollywood.

The decline of the film business continued during the 1960s and by the 1970s the Majors were surviving only as part of large conglomerates. Paramount, for example, was part of Gulf+Western Inc., which included the New Jersey Zinc Co., La Romana Sugar Mill and Collyer Insulated Wire as well as media companies such as the publishers Simon & Schuster, and Famous Music Corp.

By the 1980s deregulation was in full swing as the right-wing policies of President Ronald Reagan reduced pro-competition measures and, in effect, reversed the Paramount decrees. Business practices then switched back to vertical integration, except that companies were no longer solely involved in film, they were now part of the 'leisure business'. Douglas Gomery (1998) demonstrated how Steven J. Ross turned Warner Communications into a

diversified entertainment conglomerate involved in a wide range of 'leisure time' businesses such as film and television, recorded music, book publishing, cable communications, toys and electronic games, and other operations. (Gomery, 1998, p. 62)

The business logic behind this movement was synergy, that is the ability of various parts of an organisation to cross-promote each other as well as generating value that is greater than the sum of its parts;

this is investigated in section 1.4. The next section looks at the current state of Hollywood.

### 1.3 Contemporary Hollywood: the high concept

Making money from the cinematic release of films is exceptionally difficult. James Shamus (1998) described the breakdown of revenue between the exhibitor, distributor and producer. Exhibitors like to retain their weekly box-office take until they have covered their overheads, or their weekly 'nut'. After that, assuming the film does at least moderately well, a major distributor will receive 50% of the remaining gross; independent distributors, through lack of corporate muscle, will receive only 35–45%, which is known as 'rentals'.

The distributor will retain a 'top-off' fee of around 30% and the print and advertising ('p and a') costs also need to be deducted. What is left remains as profit for the producer – assuming there is anything left. Shamus uses the example of a 'wildly successful' independent film that grossed \$10 million but cost only \$1 million to make. The producer is left with a 'profit' of *minus* \$333,000.

Making a profit is not only difficult for the independent sector, considered in Chapter 5; the Majors themselves rely upon a handful of releases to make film distribution viable. In 1999, 17 films broke the \$100 million barrier in North American box-office gross receipts. These accounted for 40% of the total revenue. The other 60% was spread across 327 films at an average of only \$14 million each. Given that the average cost of producing and marketing a Hollywood film stood at \$76 million that year (including \$25 million 'p and a', which was up to \$27.3m in 2000), the economics obviously do not add up for most films. Even if we focus upon the major studios, which are likely to be more successful, their 145 releases yielded only an average movie gross of \$51 million (source: *Screen International*, January 7, 2000). And this yield does not take into account what the 'middle people' of exhibition and distribution take out, although these are often members of the same organisation that produced the film. (It should be noted that the figures quoted for the purchase of advertising are based on the 'value of the ads bought' (Goodridge and Frater, 2001, p. 1); however, it is unlikely that all – or even the majority of ads – were purchased at full price.)

Making movies for distribution only in the cinema is not, and never has been, a particularly profitable venture. The fact that the major studios do not go bankrupt every year is due to the inter-

national box office, the various platforms for distribution and the ancillaries.

In any one year there are up to twenty or so films making \$100 million plus (in the North American, including Canadian, market) that make the distribution of films to cinemas at all profitable. These effectively subsidise the vast majority that perform adequately or poorly at the box office. This is not to say that individual movies may not be immensely profitable under the \$100 million box-office mark or that those above it will not lose money. However, the major studios have what is, in investment terms, a portfolio of movies and they expect their 'blue chip' blockbuster investments to offset any losses in the medium budget range. These cheaper movies are produced in the hope of a 'surprise' hit that will be very profitable (for example, the phenomenally successful *The Sixth Sense*, 1999, cost approximately \$40 million).

In 1975 *Jaws* changed the economic landscape of Hollywood cinema and the high-concept film has dominated much of the world's box office since. Now, the 'main [economic] event' in cinema is the summer box-office season. In 2000, *Screen International* listed 28 potential blockbusters, of which only eleven went on to break \$100 million at the North American box office, and most of these movies can be characterised as being high concept.

Justin Wyatt (1994) has offered an excellent definition of the High Concept and this is described below with examples – the headings are derived from Richard Maltby's investigation of Wyatt's ideas (Maltby, 1998, p. 38).

### **1. A style of 'post-generic' filmmaking based on the simplification of character and narrative**

'Post-generic' filmmaking uses numerous genres in one text. For example, *The Faculty* (1999) was a youth picture, horror movie and science fiction. *Narrative and Genre* (chapter 5) considered how action-adventure narratives usually consist of super-genre (another way of describing post-generic) films, movies that draw upon generic conventions but do not articulate the myths associated with that genre. The genres a movie is based on are simply a framework on which to hang special effects and through which to appeal to the widest possible audience. The mixture of genres makes it easier for studios to market the film; we will consider this in Chapter 4.

Similarly, neither character nor narrative complexity is required. The 'event' movie is like a theme-park ride, the sensations physically

experienced are more important than any ideas that the film may be articulating. Simple characters and narratives do not demand much thought from audiences and so can be more readily enjoyed.

Paul Verhoeven's (it has his finger prints) casting of *Starship Troopers* (1997) uses actors from US teen TV: Casper van Dien, Dina Meyer and Denise Richards. Their characterisation is so flimsy that 'two-dimensional' overstates the case; Richards, in particular, is unable to summon more than two emotions: one signed by a smile, the other by a frown. This is not simply to denigrate the actors' abilities (Richards was good in *Wild Things*, 1998) as Verhoeven is satirising their 'good' looks (Aryan in van Dien's case) by having the characters live in an authoritarian society. He is suggesting that the emphasis on beauty is fascist in nature. The characters originate from Buenos Aires and go by the names of Rico, Flores and Carmen Ibanez (following Robert Heinlein's source novel), making you wonder what has happened to *Latin America*: has the whole world become WASP? The wonderfully over-the-top newsreel/news broadcasts (a reporter gets 'squidged') set the tone for ironic distancing from the text.

The movie's end occurs when the Gestapo-like Carl Jenkins uses his psychic powers to save Ibanez. He then proclaims, having read the 'Queen bug's' mind, that 'she is afraid' and the massed troops, who are treated like dispensable 'bugs' by their commanding officers, enthusiastically cheer Jenkins' proclamation. Fear is the foundation of the fascist state and the film is clear in its condemnation of militarism. While such satire is rare in the high-concept film, ironic distancing is not (see point 10).

## **2. Extended montages, which are in effect pop videos**

These are sequences in high-concept films that are designed to appeal to the young 'MTV' audience but are also easily extractable to be used in music videos. Virtually all Hollywood releases have an associated soundtrack that is used both to generate revenue and to promote the film (which in turn markets the soundtrack album). Although these albums can include music written specifically for the film, they are invariably compilation albums featuring popular artists. A number of these are usually released as singles thereby getting airplay on the radio and their videos shown on television. The latter is an exceptionally useful marketing tool.

The music videos will feature scenes from the film as well as the performing artist. Occasionally the two are brought together as in *Austin Powers: The Spy Who Shagged Me* (1999): Madonna sang 'Beautiful

Stranger' on a stage, gyrating 'sexily' while Mike Myers, as Austin Powers, gurned nerdishly in the audience. Thus any time the music video is played the movie is promoted free of charge. This is particularly useful on the BBC, which does not take advertising.

Occasionally regulators deem this mix of music video and film to have gone too far. Ronan Keating's video for 'You Say Nothing At All' not only featured scenes from *Notting Hill* (1999), but included comments praising the film and a character attempting to buy a video of it. Although the Independent Television Commission criticised this music video it took no action against it.

### **3. Physical design (look) frequently reflects graphic design and layout of contemporary advertising**

This point refers to the overall look of the high-concept film, which can probably be best summarised by the word 'glossy'. The surfaces are lit to have an attractive sheen and any night shooting is likely to be punctuated by spectacular blue light. As in point 5, it is more important that the *mise en scène* looks good rather than that it generates meaning.

Much of this derives from British directors who came to Hollywood from advertising; including the Scott brothers (Ridley and Tony) and Adrian Lyne. There is a scene in Ridley Scott's *Thelma and Louise* (1991) where it is raining very heavily and the sun is shining: it looks fantastic but, when you think about it, bizarre as well.

### **4. Easily replicated in trailers, TV commercials or publicity stills**

The origin of the High Concept was TV movies developed at the end of the 1960s by the ABC network in the USA. Owing to the high cost of buying Hollywood films for transmission, producers at ABC started making TV movies, which were much cheaper to broadcast. However, unlike Hollywood films, TV movies are unfamiliar to the audience as they have never been released. The idea behind these movies therefore had to be easily saleable, hence the simplification of genre, character and narrative mentioned in point 1. They needed a 'high concept', 'a movie that any producer could pitch in thirty seconds and any audience could understand without even thinking' (Fleming, 1998, p. 14).

By the early 1970s the emphasis on the importance of *marketing* of the film over the film itself was becoming felt in Hollywood. The idea that films were primarily saleable commodities certainly was not new; however, the High Concept took this commodification to

a new extreme. Writing a screenplay in contemporary Hollywood has been likened to preparing a prospectus for an offering on the stock market (Kent, 1991, p. 121).

For easy replication of marketing material, complexity is eschewed and simplification embraced. Inevitably, the surface attraction of material is more important than any depth it might possess. This tendency is also apparent in the next point.

**5. Formal excess which simply ‘looks good’, be it in the lighting or in the acting of the star**

The *mise en scène* is important in the making of meaning in film. However, for the high-concept film, meaning is less important than appealing to an audience. Thus ‘looking good’ predominates over the ‘artistic’ agenda of expression. For example, in *Blade* (1998), when Blade (Wesley Snipes) gets into a lift the shot cuts from outside the lift to inside in a high-angle ‘over the shoulder’ position. Although this serves to make the character appear vulnerable this has no basis in the narrative of the sequence. It simply offers something new to look out for while the character moves from one location to another.

In most action-adventure movies the special effects are designed to be as over-the-top as current technology allows. At the climax of *Blade* our hero decapitates the villain, Frost, only to see him reconstitute himself in an amazing welter of blood. Blade is seen to mouth ‘what the fuck?!’, just as many in the audience will be doing having witnessed yet another eye-popping special effect. The abundance of special effects is one element of entertainment.

**6. Music track interrupts narrative**

Possibly as a result of the need to create sequences that can be used in publicity material and/or music videos, many high-concept films include passages that are montages with musical accompaniment. This type of sequence is not limited to high-concept films; for example, the ‘independent’ *Things to Do in Denver When You’re Dead* (1996) includes such a sequence.

In *Armageddon* (1998) the Liv Tyler and Ben Affleck characters make their farewells against a sunset and a silhouetted tree to the strains of Aerosmith. The shot lingers slightly longer than would be necessary for an establishing shot and the song is foregrounded on the soundtrack, momentarily freezing the action in favour of MTV aesthetics. The fact that the singer is Liv Tyler’s dad also acts as a self-conscious allusion.

## 7. Self-conscious allusion to films and TV

### ■ Exercise 1.1 ■

Watch *Toy Story 2* and pick out as many references as you can.

Your initial response to the above exercise may well have been ‘You’ve got to be kidding!’ or even just ‘No.’ *Toy Story 2* referenced, according to the Internet movie database ([www.imdb.com](http://www.imdb.com)), nearly 50 films. There is no point to the above exercise; most of the references are there for ‘fun’ and no other reason. Many are meaningless, in terms of *Toy Story 2*, and are merely an example of postmodern playfulness (see chapter 2 of *Narrative and Genre*). They spark the pleasure of recognition in the audience and we can congratulate ourselves on how clever we are to spot the allusion and how knowledgeable we are to know it.

Films also reference computer games; a whole sequence in *Lost in Space* (1998) features the youngest member of the family Robinson, Will, helping to combat the alien spiders by controlling a robot by remote control. He does this as if he is controlling the robot in a computer game. The spin-off also works the other way: 1999’s *Wing Commander* was based on a computer game and *Tomb Raider* was successful in 2001.

## 8. Detached appearance of stars

*Face/Off* (1997) was, in part, built around the ‘detached appearance’ of both John Travolta and Nicolas Cage. The bizarre, and immensely entertaining, plot required the central characters – played by the stars – to swap faces so audiences had the prospect of seeing John Travolta act like Nicolas Cage and vice versa. They each took on the mannerisms of the other, mannerisms that were not integral to the character they were playing but part of the standard repertoire of acting possessed by each of the stars: hence their ‘detached appearance’.

## 9. Hyperbolic physiques of protagonists and hyperbolic action

This was particularly true during the 1980s and was epitomised by Sylvester Stallone’s *Rambo* films and Arnold Schwarzenegger as various Terminators. By the time of *Twins* (1988), the Arnie character could be seen smirking at Stallone’s overblown masculinity in a *Rambo* poster; this film, and *Kindergarten Cop* two years later, were part of

Schwarzenegger's successful attempt to reinvent himself for the family audience.

Stallone, too, attempted to reinvent his macho persona in *Tango and Cash* (1989) but merely substituted one form of masculinity for another. It was not until *Copland* (1996) that Stallone eventually gained critical plaudits in a non-macho role.

The hyperbolic action refers to the special effects that drive many high-concept movies. Films such as *The Perfect Storm* (2000) are wholly built around the narrative idea of an enormous wave and the invitation to 'feel its fury'.

### 10. Ironic distancing: walking-talking brand

This was epitomised by Arnie's 'I'll be back' in *The Terminator*. Macho Arnie never gives in, he always returns. This operates in a similar way to point 8 but here the stars offer the pleasures associated with the way they perform, such as Mel Gibson's eye rolling in the *Lethal Weapon* series and Will Smith's concern for his 'threads'. In this way the stars are brands rather than actors playing a particular role.

Not all Hollywood films are high-concept. The above is simply a typology of most studios' 'tent pole' summer releases – movies they hope will make so much money that they will prop up, financially, the whole industry. Hollywood is often derided for merely producing 'eye candy' but it should not be forgotten that the second biggest hit of 1999 was the thoughtful *The Sixth Sense*, and later that year *Fight Club* was released, one of the decade's most startling movies.

The High Concept was developed to help commodify films. The actual production of a film is barely, if at all, profitable. The most profitable area of the film industry is in exhibition, though cinemas make their profits from concessions (soft drinks and pop corn) rather than the actual film.

In order to offset this difficulty in making money from the actual celluloid (which is now being replaced by digitisation), the studios are now part of large corporations that hope to benefit from the advantages of synergy.

## 1.4 Synergy

Unlike the 1970s, when it seemed that size was all that mattered, the businesses of the 1980s went for consolidation that focused on

one industry. In the 1970s it did not matter that the businesses a corporation owned might have nothing to do with one another, they were simply conglomerated; the 1980s saw the rise of the integrated corporation.

The big idea was that each part of the corporation could help the others. For example, New Line's (a subsidiary of Warners) *Austin Powers: The Spy Who Shagged Me* (1999) had a soundtrack that featured Warner's artists including Green Day, Lenny Kravitz, Madonna and REM. Madonna's specially composed single for the film *Beautiful Stranger* (released on her own Maverick records – part of Warners) was not released as a single in North America (in Britain it reached number two), so Americans had to buy the soundtrack album if they wanted the hit single; the album sold 1.3 million copies. The movie made money; the soundtrack album was a success; Warners artists were promoted: synergistic bliss.

As part of this drive toward synergy in the 1980s two Hollywood studios were the subject of takeovers from Japan, Matsushita and Sony bought MCA (Universal studios) and Columbia respectively. The synergistic logic being that the Japanese companies manufactured the hardware (televisions, VCRs and so on) but also needed to produce software (in this case films) to be shown on their equipment. This may seem like control freakery but Sony had lost out in the 'video format' battle of the late 1970s when their (superior) system, Betamax, foundered as consumers chose VHS. VHS won the battle because there were more films available in that format. Sony thus bought Columbia to guarantee a stream of products for whatever format they would manufacture next.

Sony had already purchased CBS records for \$2 billion in 1987 and followed this with the \$3.4 billion purchase of the studio two years later. Matsushita spent \$6.9 billion on MCA in 1990. Both companies struggled to integrate filmmaking into their businesses, probably because they found the culture of the massively extravagant Hollywood, alien. Matsushita gave up in 1995, selling 80 per cent of the business to Seagram for \$5.7 billion, but Sony eventually hit 'pay dirt' with several successes in the late 1990s.

The 1989 merger between Warner Communications and Time Inc., forming what was then the world's biggest media company, set the tone for the 1990s. It was believed, and still is, that only massive companies would be able to compete in the global market. This followed News Corporation's takeover of 20th Century Fox in 1985 and Rupert Murdoch's aggressive expansion policy of attempting to make Fox Broadcasting a fourth major television network (see also

section 1.8). Later in the 1990s Disney purchased Capital Cities/ABC for \$19 billion and Time-Warner consolidated its position as the world's biggest media corporation by buying Turner Broadcasting (for \$7.5 billion). In 2001, AOL and Time-Warner merged to form an even bigger company.

Synergy does not, however, always work. From an organisational point of view:

The commercial prospects of many media conglomerates have proven to pale in light of the excessive debt connected to mergers, the inability to cut overheads or put efficiency plans in action, and the failure of much of the product placed before an oversaturated public. (Sanjek, 1998, p. 177)

And although, as we shall see in Chapter 3, media artefacts are commodities, the management of artists as if they were a product, in the same way that baked beans are, is not always a success. George Michael, a massive star in the early 1990s, was unhappy with the way he was treated by Sony (after its purchase of Columbia). He refused to make any more records because he felt he was being treated as a commodity and not an artist. He sued Sony and lost; Dreamworks SKG (in America) and Virgin (in Britain) bought out his contract. Michael did not make any albums for a number of years and Sony did not make any money out of one of their top artists.

The case was also interesting as it revealed financial details normally held secret. Michael received 37p for every CD sold (they were retailing at over £10 in Britain at the time), and:

Michael's gross world-wide royalties, in a five-year period up to December 1992, amounted to £16.89m. Sony's share was £95.5m. Over the same period, his gross profits were £7.35 m while Sony's were £52.45 m. This disparity is justified, by record companies, by the argument that the music business is high risk and most of their musicians lose money. The big stars, in effect, subsidise the lesser ones. (Smith, 1994, p. 3)

It is an axiom, of the music business at least, that the bigger the corporation, the further it is from the 'street'. And as the 'street' is where youth culture gets its credibility from, this can be commercially disastrous (see Chapter 5). Despite these difficulties, synergy is still seen as the way forward for media companies.

The benefits of synergy are not necessarily only accrued by a single company. The magazine and radio group EMAP joined forces with Channel 4 to exploit their youth-oriented material on the Internet:

The agreement with Channel 4 [is to] build a website combining content from both companies' youth brands, including Dawsons' Creek, Hollyoaks, Smash Hits, Match and J17. The business will make revenues from advertising and sponsorship, and could lead to joint ventures in other areas – including music – where the two companies overlap. (Teather, 2000, p. 26)

Although making money out of producing films for theatrical distribution is very difficult, there are now many other platforms of distribution. Instead of simply selling the television rights (a way of making money that Hollywood did not exploit until the late 1950s, fearing competition from television), those new media companies that owned a television network could reap all the profits. In addition, the growth of videocassette recorders, followed by cable (particularly in North America) and satellite television (in Britain), and now DVD videos, offered other platforms to distribute films. One company that has successfully integrated many different media is Viacom.

## 1.5 Viacom

Viacom boasts a large portfolio of entertainment businesses. The information below, derived from Viacom's website (<http://www.viacom.com/July 2001>), includes many channels, or brands, that are not available in Britain.

### *Film*

**Paramount Pictures** – feature-film production and worldwide distribution.

**Paramount Home Entertainment** – distributor of pre-recorded videos.

### *Television*

**CBS Television.**

**CBS Television Stations Division** – 35 local TV stations.

**Paramount Television** – television programmes for broadcast and syndication, including the *Star Trek* series.

**UPN** (United Paramount Network).

**MTV (Music Television)** – mainly music aimed at 12- to 34-year-olds.

**MTV2** – alternative music videos.

**Nickelodeon** – children's channel.

**Nick at Nite** – 'classic TV' or just 'old' TV depending on your viewpoint.

**TV Land** – cable 'classic' TV network.

**Noggin** – ‘the first ever thinking network for kids’ (website).

**VH1** – music videos for 25- to 44-year-olds (note the age range is Viacom’s own).

**TNN** – ‘tops in pop culture’.

**Comedy Central** (jointly owned) – comedy programmes.

**Showtime** – pay-TV movie cable channel.

**The Movie Channel** – more movies.

**Flix** – ‘golden oldie’ movies.

**Sundance Channel** (jointly owned) – independent films.

**Paramount Stations Group** – ‘the 6th largest family of TV stations in the US’ (website).

*Radio and outdoor*

**Infinity** – radio broadcasting and outdoor advertising.

*Retail*

**Blockbuster** – video, DVD and games rental.

**Paramount Parks** – five theme parks.

**The Famous Players and United Cinemas** – international chain with nearly 1700 screens.

*Publishing, Online and More*

**Simon & Schuster** – books.

**MTVi Group** – ‘the world’s leading Internet music content company’ (website).

**CBS.com and CBS News.com** – portfolio of Internet interests.

**Viacom Consumer Products** – deals with the licensing of toys, t-shirts and games for Paramount Pictures and television.

**Famous Music** – music publishers with a catalogue of over 100,000 pieces.

This way Viacom can exploit its *Beavis and Butthead* animation on MTV, release the film on Paramount and sell the computer games through Viacom Consumer Products.

■ Exercise 1.2 ■

Investigate, using the Internet, any large media corporation to see how it can ‘re-use’ products through different divisions. For example, News Corporation, AOL–Time–Warner, Disney or Sony.

We shall see in Chapter 3 how movies are often used to drive the creation of products in numerous media. Clearly companies that cover all media are in a better position to exploit these properties.

## 1.6 Broadcasting

Most radio stations and television channels are commercially based and generate the bulk of their revenue either by selling advertising time or by subscription. A few are publicly funded; public service broadcasting is dealt with in the next chapter and advertising is considered in Chapter 4.

At the time of writing, television is undergoing major upheaval in the way it operates as a business although at the end of the 1990s it still seemed very healthy financially. In Britain, Channel 3, the ITV Network (made up of a number of companies – currently ten – excluding breakfast television), generated £1.8 billion from advertising in 1998; Channel 4 snaffled £553 million; S4C Wales, £9 million; Channel 5, £142 million. The 200-plus satellite and cable channels shared £2 billion between them from both advertising and subscriptions.

British airtime is one of the costliest in Europe:

The estimated cost of buying a 30-second slot in the nation's most popular soap opera, *Coronation Street*, stands at a staggering £100,000. This huge sum will deliver coverage of more than 25% of the UK population – some 14 million people. . . . UK media agency Zenith Media estimates that the average cost of a 30-second peaktime ad on ITV . . . is £53,000. (Darns, 2001, p. 11)

To run an advertisement nationally, airtime will have to be purchased from each of the regions, though the £100,000 refers to the total cost. Obviously the more audience a region delivers, the more it can charge.

In 1999, the arrival of digital TV both expanded the market, as more people subscribed to pay TV, and ate into advertising budgets. If advertisers have more channels at their disposal it means each channel is likely to get a smaller share. The amount companies spend on advertising is also extremely sensitive to the economic conditions of the time: when recession hits, advertising, along with jobs, is cut. When times are good – such as the late 1990s – advertising spend increases; 2000, however, saw a rapid slow-down in this growth. The amount of money raised through the sale of advertising depends upon the size and composition of the audience.

One way of measuring the audiences of television stations is by estimating the audience share each has of television watchers (see Table 1.1). It can be seen that ITV's audience, which had – in effect – a monopoly in selling television advertising until the arrival of Channel 4, had declined considerably from the early 1980s in the face of

**Table 1.1** Audience share (percentage of total audience)

<i>Year</i>	<i>BBC1</i>	<i>BBC2</i>	<i>ITV</i>	<i>C4</i>	<i>C5</i>	<i>Satellite and cable TV</i>
1981	39	12	49	–	–	–
1990	37	10	44	9	–	–
1995	32	11	37	12	–	9
1999	28.5	10.8	31.2	10.3	5.4	14.0

*Source:* Broadcasters' Audience Research Board (BARB).

competition, but it was still commercially dominant. The selective nature of the table's dates conceals some variations but gives an impression of how, inevitably, a multi-channelled environment will erode audience share; though, with its niche audience, BBC2 has bucked the trend.

The market share of many cable and satellite channels is so small that it barely registers. However, these can be successful in delivering niche audiences to advertisers. As the audience fragments, advertising revenue for each channel is likely to decrease, although this has not necessarily happened in the past because advertising inflation has far outstripped the retail price index – advertisers have paid more to reach the same number of people. This expansion cannot continue indefinitely.

Channel 3 has been a cash cow, for the ITV companies, for over 40 years but now it has reached a stage where the channel has to be regarded as a 'question mark'. In other words more will have to be spent on programmes simply in order to maintain the audience market share and so profitability will decline. Whether this extra spend will be worth it in the long term is questionable. In recent years the numerous ITV companies have sought to defend their position by integrating their scheduling, via a network controller, and consolidating – by buying other TV stations.

In 1993, the fifteen ITV franchises, distributed geographically (in regions determined by transmitter reach) and temporally (GMTV's morning slot and LWT's London weekend slot), all (except Tyne Tees) had different owners. By 2000, Granada Media Group controlled Granada Television, LWT, Yorkshire, Tyne Tees, HTV, Anglia and Meridian (though it was due to sell HTV and Meridian); Carlton held the licences for London weekday, the Midlands and the south-west of England.

This consolidation was based on the assumption that in a world with multiple television channels, only large companies can survive.

The bigger the company the more likely it is to benefit from economies of scale, for example only one advertising sales force is needed no matter how big the company. At the time of writing, further consolidation was very likely and it is probable that the ITV Network will be wholly subsumed under one company (best bet would be Granada).

Another way broadcasters raise revenue is by selling programmes, or formats, abroad. The BBC, through its commercial arm BBC Worldwide, has a deal with cable operator Flextech to provide programming for channels such as UK Horizons and UK Style. Formats (discussed in chapter 4 of *Narrative and Genre*) such as *Who Wants to Be a Millionaire?* have been successfully exported from Britain to North America. *Top of the Pops* is shown in 'local' versions in Germany, Holland and Turkey, with a version also likely to appear in North America. Pearson TV has sold *Family Fortunes* to 26 countries.

## 1.7 The press

### The nationals

In England there are 10 national daily newspapers and 11 Sunday papers servicing, basically, three different markets (see Table 1.2). Although the *Financial Times* is a national daily, it is also classifiable as 'trade press' (that is, those which are aimed at a particular industry) for business and will not be considered in this section.

**Table 1.2** The nationals

<i>Market</i>	<i>Owner</i>	<i>Circulation (January 2001)</i>
<b>the 'red tops'</b>		
<i>Sun</i>	News International	3,626,561
<i>Mirror</i>	Trinity Mirror	2,149,422
<i>Daily Star</i>	Northern Star–Express Newspapers	543,807
<b>'middle market' tabloids</b>		
<i>Daily Mail</i>	Daily Mail and General Trust	2,479,768
<i>Express</i>	Northern Star–Express Newspapers	979,042
<b>broadsheets</b>		
<i>Daily Telegraph</i>	Hollingsworth	1,022,263
<i>The Times</i>	News International	734,220
<i>Guardian</i>	Guardian Media Group	410,152
<i>Independent</i>	Independent Newspapers	223,645

*Source:* Audit Bureau of Circulation.

Geographical and political reasons have meant that Britain has an influential press; Scotland has its own dailies and tailored versions of the 'English' nationals. Geographically Britain is a small, densely populated country, and this allows a clearer sense of nationality than you get in larger, more thinly populated nations. Newspapers, then, can more easily speak to a more or less unified audience:

Political, economic, legal and social power are highly concentrated in London, in sharp contrast with the much more regionalized societies of the USA and Germany. (Sparks, 1999, p. 45)

This concentration, and the fact that nearly all the newspapers are based in London, helps cement the press's influence.

Although nine, general, national newspapers suggests a competitive market, the fact that this market is split into three, and News International and Northern Star-Express Newspapers account for nearly half of total circulation, demonstrates that newspapers in Britain form an oligopoly (see section 1.2). The high barriers of entry that result from this have meant that only two general newspapers launched in the last 30 years, the *Daily Star* and the *Independent*, have survived; and both their futures – at the time of writing – are under threat. Other launches, *News on Sunday*, *Today* and the *Sunday Correspondent*, have all failed; the *Sunday Sport* and *Daily Sport* newspapers and the *Sunday Business* have survived by addressing niche audiences: the former focusing on 'tits and bums' fans, the latter addressing business people.

A Scottish newspaper aimed at business people appeared in 2000, the first Scottish national newspaper to be launched in over a century. *Scottish Business* targeted the affluent elite who are attractive to advertisers. This means relatively small circulations can be economically viable – see Chapter 7. *Scottish Business* was published by a Swedish media group, Bonnier, who can be expected to launch a newspaper in England if their foray north of the border is successful.

Despite this new entrant, Sparks concludes that newspapers are a 'slowly declining medium' (Sparks, 1999, p. 55). They are at a mature stage of their product life cycle. A product's life cycle is often characterised as an 'S' curve: that is, sales start off relatively low, rise rapidly (if successful) and then slowly decline. The decline in most British national newspapers' circulation over the past 30 years has almost certainly been engendered by a massive growth in the competition to provide news.

In the 1970s, teletext was introduced and gave rapid updates on events. This probably had little impact on newspapers, as teletext delivers very little detail. It was not until the 1990s when serious news competition appeared with the growth of satellite, cable and digital television (with dedicated news channels), and the appearance – in Britain – of Radio 5 (later re-launched as Radio 5 Live) and, most potently, the Internet.

However, one area that has bucked the trend of slow decline has been the local press.

### Local press

At the end of the twentieth century in Britain there were nearly 1400 local newspapers, run by 126 publishing groups, employing about 40,000 people (Peak and Fisher, 1999, p. 36). As an advertising medium, the local press is second only to television in the amount of revenue it generates.

#### ■ Exercise 1.3 ■

List the first 10 advertisers in your local newspaper, determining which are national and which local.

The above exercise is straightforward and the list is almost certainly going to consist mostly of local advertisers. However, some of them may be local retailers advertising national, or international, brands such as Nokia or the Ford motor company. The importance of advertising to newspaper revenue is made obvious with free local newspapers as all the revenue generated is from advertising. When free sheets were first published, over 20 years ago, they had virtually no editorial; now most look like conventional newspapers. In paid-for publications advertising revenue is important because without it the cover price would have to be much higher, so high in fact that people would probably not buy them.

Both free sheets and paid-for local newspapers are in the business of delivering audiences to advertisers. They attract this audience by reporting local news, supporting the local sports teams and campaigning on local issues. For example, the *Wharfedale Observer*, based in Otley, West Yorkshire, had a long-running campaign against Leeds City Council's decision to put 'Welcome to Leeds' all around the metropolitan district; their argument was that the sign should

have said ‘Welcome to Guiseley’ or whatever part of the district it was situated in.

Although the local press usually ‘serves the community’, it is increasingly likely to be owned by a large media corporation. At the start of 2000 the biggest local press group, in terms of sales, was Trinity Mirror, responsible for 165 titles with sales of over 15 million a week; they also own the Mirror group of national newspapers.

Consider the extract from Regional Independent Media’s (RIM) website (June 2000), shown in Figure 1.1. RIM’s portfolio of publications ranges from the large regional dailies (for example, the *Yorkshire Evening Post*’s 100,000-plus circulation) to the small *Northallerton, Thirsk & Bedale Times*, circulation 1,057. The portfolio also includes free sheets and specialist publications. Overall, RIM manages to absorb much of the North’s local print advertising.

---

**RIM Newspapers**

*The North’s leading publishers*

9 publishing centres . . . 75 publications . . . 3.5 million copies per week

---

**Dailies**

<i>Yorkshire Post</i>	75,836
<i>Lancashire Evening Post</i> (Preston)	48,831*
<i>Yorkshire Evening Post</i>	100,596*
<i>Evening Gazette</i> (Blackpool)	38,920*
<i>The Star</i> (Sheffield)	84,948*
<i>Wigan Evening Post</i>	11,508*
<i>The Doncaster Star</i>	9,716*

**Weeklies**

<i>Burnley Express &amp; News</i> (Tuesday)	14,400
<i>Batley News Series</i>	9,013
<i>Burnley Express &amp; News</i> (Friday)	19,437
<i>Dewsbury Reporter Series</i>	13,018
<i>Chorley Guardian</i>	15,129
<i>Harrogate Advertiser</i>	16,449
<i>Clitheroe Advertiser &amp; Times</i>	9,088
<i>Knaresborough Post</i>	3,470

---

## THE MEDIA BUSINESS

---

<i>Garstang Courier</i>	4,612
<i>Morley Observer</i>	3,978
<i>Lancaster Guardian Series</i>	18,409
<i>Northallerton, Thirsk &amp; Bedale Times</i>	1,057
<i>Longridge News</i>	2,721
<i>Pateley Bridge &amp; Nidderdale Herald</i>	1,958
<i>Lytham St Anne's Express</i>	9,185
<i>Ripon Gazette</i>	6,009
<i>Nelson Leader Series</i>	15,924
<i>Sheffield Telegraph</i>	20,678
<i>The Visitor (Morecambe) Series</i>	14,926
<i>Spennorth Guardian</i>	8,161
<i>Wigan Series</i>	16,959
<i>Wetherby News</i>	5,489
<b>Frees</b>	
<i>Ashton Shopper</i>	24,957 u/c
<i>Champion Shopper</i>	51,166
<i>Blackpool Reporter</i>	102,000 u/c
<i>The Herald (Harrogate)</i>	42,244
<i>Lakeland Echo</i>	19,873
<i>Leeds Weekly News</i>	167,820
<i>Leigh Reporter</i>	66,651
<i>North Yorkshire News</i>	31,426
<i>Preston Reporter</i>	74,165 u/c
<i>Pudsey Times</i>	27,405
<i>St Helens, Prescott &amp; Knowsley Reporter</i>	76,645
<i>Sheffield Journal</i>	83,378
<i>Sheffield Weekly Gazette</i>	122,856
<i>Wigan Reporter</i>	67,475
<b>Specialist Publications</b>	
<i>The Weekly Advertiser</i>	53,359
<i>Blackpool Accommodation Guide</i>	
<i>Wharfe Valley Times</i>	47,404

---

*Blackpool Lights Souvenir*  
*Blackpool Community Voice*  
*Angling Star*  
*Lancashire Bride*  
*Biker*  
*Lancashire Jobs & Careers*  
*Farming in the North*  
*Rider*  
*Farming in Yorkshire*  
*Rugby Leaguer*  
*Green 'Un*  
*Steam Railways News*  
*Leather & Footwear*  
*Style in the Fylde*  
*Profile (Leeds & Harrogate)*  
*Style in Preston*  
*Profile (Sheffield)*  
*Style in the Ribble Valley*  
*The Yeller*  
*Style in Red Rose County*  
*Yorkshire Jobs & Careers*  
*Tourist Gazette*  
*Yorkshire Post Business Magazine*  
*Trials & Motorcross News*  
*Yorkshire Sport*  
*Wedding Bells*  
*Yorkshire Farmer*  
*What's On, Blackpool*

---

Source: ABC/VDF, July–Dec. 1998.

u/c uncertified

\* Mon–Fri

**Figure 1.1** RIM's webpage detailing publications

In recent years, partly because of the sector's success and also contributing to this success, local newspapers, like the ITV companies discussed above, have undergone consolidation. Newsquest, in May 2000, owned 190 regional titles in Britain; it is a subsidiary of

Gannett, which owns 74 newspapers in North America. As long as local editors have control over their product, this foreign ownership is not likely to matter. However, as the respected commentator Roy Greenslade has asked:

Was it in our interest... for an American company which has attracted opprobrium from journalists in its own country for cost-cutting and squeezing editorial resources to own the... *Bradford Telegraph* and *Argus*. (Greenslade, 2000, p. 6)

At the time of writing, Gannett was looking to buy RIM and any takeover of newspapers had to be referred to the competition commission to make sure the move was not anti-competitive. There were signs that this regulation would be disposed of, allowing even more consolidation of the sector.

## 1.8 News Corporation

From a newspaper base in Australia, Rupert Murdoch purchased the *Sun* in 1969 and turned it from an ailing, sub-one-million circulation newspaper to one that would sell over four million. The formula was one of (female) 'tits and bums', sensationalist reporting and populism.

In 1981 Murdoch bought Times Newspapers, publishers of, amongst other things, *The Times* and *Sunday Times*. It might seem odd to combine these with the *Sun*, and its Sunday equivalent, the *News of the World*, but Murdoch was interested in the broadsheet newspapers' middle-class audience. The purchase should have been referred to the Monopolies Commission, because of the large proportion of newspapers' total circulation that Murdoch controlled, but this was not done; possibly as a favour to the then Prime Minister Margaret Thatcher in return for Murdoch's newspapers' support.

After the takeover Murdoch owned newspapers that had both a working-class and middle-class readership. In addition, *The Times* newspaper was read by many politicians and 'captains of industry' (that is, business people with a large influence) and so was an ideal mouthpiece for his ideas; ideas that invariably were – and are – about the importance of 'free market' economics. Murdoch has always maintained that editors are able to take their own line on issues; however, Murdoch appoints the editor and one would imagine that the editor knows what Murdoch wants.

For example, for at least the last 20 years Murdoch newspapers have been anti-BBC. In early 2000 his newspapers were railing about whether the BBC should be allowed to spend money on digital television.

Repeatedly the *Times* and the *Sun* have returned to the subject. In the past three weeks, *Sun* readers alone have been treated to three shrill leaders, as many 'exclusive' articles and a spread of 'big issue' readers' letters (all predictably hostile to the BBC, Greg Dyke, the licence fee and the digital licence fee). (Elstein, 2000, p. 5)

The reason for Murdoch's antipathy to the BBC is probably related to his company's 40 per cent stake in B-Sky-B, the satellite TV company that competes with the state-run Corporation. Uncharacteristically Murdoch 'missed the boat' regarding cable television in North America. By the early 1980s cable operators were minting money and so, to play catch-up, Murdoch turned his attention to satellite television. Sky Television began in 1981 and Murdoch invested in it in 1983. Satellite TV, however, did not really make much of an impact in Britain until the early 1990s when a cash-strapped News Corporation was battling for market share with British Satellite Broadcasting (BSB), a consortium of broadcasting giants. Start-up costs were immense and it soon became clear that only one satellite company would survive. Sky had started earlier and more successfully than BSB so the companies merged with Murdoch in control.

Free marketer that he is, Murdoch has a hatred of regulation that prevents businesses from expanding. For example, it was illegal for many years to own both newspapers and a television station, as it was believed the owner would have too much control over the information given to the public. In the USA it was impossible for a non-American to own a newspaper, as it was thought that it was not in the public interest to allow foreign nationals to do so. Thus in order to expand his empire into the States the Australian Murdoch took American citizenship. This lack of 'loyalty' to the country in which News Corporation operates can also be seen in their finances:

Multinational companies also have the advantage of deciding where they wish to declare their profits for the purposes of taxation. An *Economist* report showed that although Murdoch's company had made £1.4 billion in the past 11 years it had paid no, net, British corporation tax.

(*The Economist*, 1999, p. 83)

News Corporation does not have local loyalties; it operates as a global company. Murdoch's strategy in the early twenty-first century suggests that he has not lost his touch; when announcing an \$100 million investment in India he was quoting as saying: 'We are developing 100% Hindi-language programmes over the next six months. We are going to think globally, but act locally' (Lall, 2000, p. 1).

This is a mantra picked up from MTV, as we shall see in Chapter 3, but it can lead to conflicts of interest. When News Corporation's Harper-Collins intended to publish the last Hong Kong Governor's memoirs, the publisher found itself working against its holding company. At the time, News Corporation was attempting to gain access to China, a potential market of billions, and so prevented the book being published because it was unflattering to China's leaders. Many commentators shouted about how this was an affront to 'freedom of speech' because the non-publication of the book was a political, and not a commercial, decision.

That anyone should have been surprised about Murdoch's priorities betrays their naivety; just as the Harper-Collins personnel betrayed their misunderstanding of what it meant to work for Murdoch (unless they were attempting a 'wind up'). Such a high-profile case rarely happens because News Corp. employees know what is required; they know the unwritten rules of the institution in which they work.

The bottom line of Murdoch's actions is invariably the profit figure. This is not to say that he, like many British companies, operates on a short-term basis that worries only about this year's profits; he is a renowned risk taker. However, inevitably in a capitalist society, the decisions he makes are based upon what is good for his company.

## 1.9 Convergence and the Internet

When, in the late 1990s, the Internet became a mass medium it redrew the boundaries of what constituted the media. The boundaries of the Old Media, of the twentieth century, were more or less distinct: films in the cinema; television programmes and live relays on television; broadcast radio; printed magazines and newspapers. While there was overlap (television broadcast film), each medium played to its strengths. People would not read newspapers on television or listen to them read on the radio; these media had their own set of news conventions. The Internet changed this.

Potentially the Internet can deliver everything. Ignoring for a moment the problem of bandwidth, which meant picture quality for

moving image was poor for many years, the Internet can offer magazines and newspapers to be read, or television news to be watched and radio news to listen to. The Internet can deliver films, television programmes and music (via MP3 for example). As a medium, a delivery system, the Internet was the 'killer application'; nothing could compete with it. This did not mean the death of all Old Media, indeed television may eventually supersede computers as the Internet interface, but *all* the Old Media can be delivered through the Net.

Old Media companies realised that without the ability to deliver their product via the Net they risked being marginalized. This theoretical dominance of Net companies was reflected in their initial stock market valuations, some of which were astronomically high despite the companies never having made a profit. Blue chip stock, such as Time-Warner, found itself marginalized despite having massive assets, back catalogues, and the ability to make media products that had mass appeal. This 'dot.com bubble' did burst in the early twenty-first century but that is unlikely to affect the effect the Internet will have upon our consumption of media texts.

The latter part of the twentieth century has been dubbed the 'information age', in contrast to the 'industrial age' that preceded it. In media terms this information refers to any textual content, be it news, documentary, entertainment and so on. So it is ironic that stock markets saw fit to inflate the New Media bubble when, without Old Media content, it would be full of nothing. Not many people watch TV channels that are off the air; we do not sit in cinemas that are not projecting movies, or read blank pieces of paper. In essence that is all the Internet is: a medium that, without content, is empty. Hence the need for Internet companies to have relationships with content-providers and the providers requiring access to the Net to transmit their product. The merger that really grabbed the headlines in early 2000 (though not completed until 2001) was AOL and Time-Warner. This represented a link between New Media (AOL was an Internet service provider) and the Old Media (Time-Warner, a 'traditional' media group from films to publishing). This merger was particularly significant as it represented, at an organisational level, the principle of convergence.

Possibly the Net's primary 'killer application' is its interactivity. Unsurprisingly in a capitalist society, the Net's ability to sell goods and services, by creating a new contact between customer and business, energised the world's biggest corporations to get involved with the new medium. This contact does not require consumers to leave their private space; all the world's products can infiltrate their home.

In May 2000 Sony was restructuring itself in order to benefit from the convergence stimulated by the growth of the Internet:

In [Sony's] vision of the future, Sony films and Sony music will be distributed through Sony networks, downloaded by Sony PlayStation terminals, edited on Sony computers and screened on Sony televisions. (Watts, 2000, p. 29)

One of the first big name authors to use the Net for publishing purposes was Stephen King. His novella *Riding the Bullet* sold half a million 'copies' in two days; that is, half a million people paid \$2.50 to download it onto their computers. This form of distribution was organised by the publishers Simon & Schuster, a company that obviously recognised it was in the publishing business and not simply the book business.

This is not the place to speculate on what effect this might have on the high street, which may well disappear if many stores close down. It is cheaper to buy many products such as DVDs and CDs on the Net because the virtual 'shop' does not have the large overheads (such as lighting, heating, staff) that traditional outlets have to pay for.

One of the most empowering aspects of the Internet is its status as a system of distribution that does not need an organisation to mediate between it and the audience, other than an ISP (Internet Service Provider). The cutting out of the distributor enables media practitioners to speak directly to their audience, assuming the audience can find them.

The Net is famed for 'democracy'; anyone with access to a computer and web page-making software can publish (although clearly there are many people who have no such access). The Net has millions of pages created by people who have never worked in a media business. Although businesses have increasingly used the Net as a new way of reaching consumers, it is likely that we will always be able to produce what we want, within certain legal restraints, and publish it on the World Wide Web. So although the Internet will continue to transform the way businesses operate, it also offers audiences the opportunity to produce media products.

## 1.10 Conclusion

The driving economic force in western society is capitalism, the pursuit of profit. This means that most media organisations need to

commodify their product in order to generate revenue. This has particular consequences for the way in which media business operates, from the high-concept Hollywood blockbuster to the synergy exploited by organisations such as Viacom. As media companies increasingly operate on a global basis this will affect their way of operating as they try to 'act global but think local'. The next development in the media will be the increasing influence of the Internet, a medium in which all other media can converge and be delivered to audiences.

Students need to be aware of the businesses that lie behind most of the media texts they consume and analyse. Knowing that AOL and Time-Warner are the same businesses helps explain the predominance of the latter on the former's websites.

# INDEX

- Academy awards, 123  
Access programmes, 142–3  
achievers, 183  
acid house, 138  
ACORN, 185  
action adventure, 11, 14  
Adorno, Theodore, 130, 145–6  
advertising, 99, 113–14, 160–1, 190–4  
    aspirational advertising, 194  
    during the 19th century, 72–4  
    and broadcasting, 21–3, 51  
    and Channel 4, 50  
    corporate, 99  
    as a cultural event, 112–13  
    and films, 13, 69, 210  
    influence on national press, 37, 73–7  
    and the Internet, 106–9, 117–18  
    and local press, 25–6, 76  
    and persuasion, 153–4  
    and *The Sunday Times*, 187  
    and television, 43–4, 78  
    women in the advertising industry, 218–19  
Aerosmith, 14, 139  
*Ally McBeal*, 68  
alternative, 120–7, 174  
Amber Films, 126  
Annan Commission, 50  
AOL, 18, 32, 107  
AOL–Time Warner, 20  
*Armageddon*, 14  
art, 66  
Artisan Entertainment, 117, 122  
attitude formation, 178  
audience  
    classification, 181–6; Values, Attitudes and Lifestyles (VALS), 183–5  
    Registrar General’s Social Scale, 182  
    representation and access, 217–18  
    and scheduling, 195–9  
*Austin Powers: The Spy Who Shagged Me*, 12–13, 17, 69  
*B*, 156–8  
Bacardi Breezer, 186  
Ball-Rokeach and De Fleur, 178  
Basuta, Manjit Kaur, 60–1  
Baudrillard, Jean, 104–5  
*BBC One O’Clock News*, 213–16  
BBC Radio 1, 45, 77, 115, 197  
BBC Radio 2, 45, 197  
BBC Radio 3, 45, 77, 79, 134, 197  
BBC Radio 4, 45, 88, 196–9  
BBC Radio 5 Live, 25, 142  
BBC Worldwide, 23, 47  
BBC1, 22, 103  
BBC2, 22, 142  
Benjamin, Walter, 130  
Berwick Street Collective, 125  
*Big Brother*, 50, 200, 201  
‘Biograph Girl’, 71  
Black Audio Film Collective, 126  
*Blair Witch Project, The*, 98, 117, 123–4  
Bon Jovi, Jon, 112  
Bonnier, 24  
Bourdieu, Pierre, 173, 217  
Bourret, Caprice, 73

- branding, 100–9,  
and globalisation, 104–6  
heritage, 101  
and the Internet, 106–9
- brands  
Dove, 101–2,  
Levi jeans, 87, 88  
Nike, 107, 191  
Sunny Delight, 100, 101–3
- British Board of Film Classification  
(BBFC), 53–9, 151
- broadcasting, 21–3
- broadcasting regulation, 42–4
- Broadcasting Standards  
Commission, 44
- B-Sky-B, 30
- Calcutt Inquiry, 40
- Campaign for Press and  
Broadcasting Freedom (CPBF),  
61
- cartels, 8
- Cartoon Network, 67
- C-Bo (Shawn Thomas), 131–2
- celebrities, 72, 191
- Channel 3, 21–2, 103
- Channel 4, 18–19, 21–2, 49–53
- Channel 5, 21–2, 49
- Chariots of Fire*, 81
- children, 148–9
- cinema exhibition, 16
- Classic FM, 103
- CNN, 104
- commercial broadcasting, 78–9
- Cosmopolitan*, 156–8
- Crash*, 55–6, 72, 149–52
- Criminal Justice Bill, 59
- crossing over, 127–33
- cultural imperialism, 80–4, 86–8
- cultural rights, 206–7
- Daily Mail*, 23, 59, 60, 150–2, 207
- Daily Telegraph*, 23, 94, 207, 212
- Defence, Press and Broadcasting  
Advisory Committee, 39
- digital radio, 79
- digital TV, 21
- Disney Corporation, 18, 67, 69, 122
- distribution, 10, 19, 33, 94–5
- D-notice, 39
- drum 'n' bass, 134–8
- Dyer, Richard, 158 *passim*
- East is East*, 98
- EastEnders*, 50
- Eco, Umberto, 115
- Ecologist, The*, 38
- Eminem, 133
- encoding/decoding, 171–3
- entertainment, 158–70, 192
- Ethiopian famine story, 216–17
- ethnography, 173–8
- Eurocentrism, 90–1
- Eurosport, 104
- Evening Standard*, 149, 151
- Express, The*, 23, 207, 208
- Face/Off*, 15, 155
- Falklands War, 39, 51
- fanzines, 174–5, 203
- Ferman, James, 53, 56
- Film Council, 85
- Financial Times*, 23
- Frankfurt School, 79, 145–6, 164
- freedom of information, 41–2
- Funny Games*, 155
- gangsta rap, 132
- Gannett, 29
- Gauntlett, David, 145, 153
- Geraghty, Christine, 168–9, 178
- globalisation, 104–5, 119
- Goldcrest, 81–2
- Goldsmiths Media Group, 218
- Granada Media Group, 22
- Greenpeace, 36
- Guardian, The*, 23, 41, 75, 201, 207,  
210–12, 215
- Gulf War, 110
- Habermas, Jürgen, 217–18
- Hall, Stuart, 171–2
- Haneke, Peter, 155
- Harper-Collins, 31
- high-concept, 11–16, 70
- hip-hop, 130–3, 202–4, 218
- Hollyoaks*, 78
- Hollywood, 7–17, 70–1, 80–3, 85, 147,  
155, 167, 169–70, 219
- hypodermic model, 145–55

- I Spit on Your Grave*, 54, 57  
*Idiots, The*, 53, 54, 149  
 independence, 120–2  
*Independent, The*, 23, 24, 94, 99  
 independent films, 122–6  
 Independent Television  
     Commission (ITC), 13,  
     42–4, 155  
*Insider, The*, 77  
 Internet, 6–7, 31–3, 55, 117–18,  
     146, 174–5  
     branding, 106–9  
 Interscope Records, 132  
 ITV, 22–3, 42–4, 48–51, 89, 102,  
     103, 195–6
- James Bond franchise, 68  
 Jameson, Frederic, 133  
*Jaws*, 11, 96–7, 189  
 Jungle (music), 134–9
- Knuckles, Frankie, 138
- Label bleu*, 83  
 Laemmle, Carl, 71  
 legal regulations, 36–9  
 lifestyle magazines, 156–8  
 Loach, Ken, 155  
 lobby system, 39–40  
*Lolita*, 57–8  
 Looney Tunes, 67
- Madonna, 12–13, 17, 208  
 major studios, 8–10  
 marketing mix, 92–9  
 Matsushita, 17  
 media imperialism, 79–86  
 'MEDIA PLUS', 84–5  
 Medved, Michael, 147  
 merchandising, 67–8, 116  
 Mercury Prize, 135–6  
*Mercury Rising*, 169–70  
 Milli Vanilli, 66  
 Miramax, 122–4  
*Mirror*, 23, 26, 40–1, 207  
*Mixmag*, 136  
 modes of address, 200–1  
 Monsanto, 38, 110–11  
 moral panics, 146–9  
 Morley, David, 177–8
- Motion Pictures Association of  
     America (MPAA), 55  
 MTV, 19, 43, 86–8  
 Mulvey, Laura, 125  
 Murdoch, Rupert, 17, 29–31, 208
- National Academy of Recording  
     Arts and Sciences (NARAS),  
     138  
 national culture, 85–6  
 National Viewers' and Listeners'  
     Association (NVLA), 152  
*Nationwide*, 177–8  
 news,  
     and PR, 111–12  
     primary sources, 209  
     secondary sources, 209–10  
*News at Ten*, 42  
 News Corporation, 7, 17, 29–31  
 News International, 23, 24, 93–4  
 news sources, 209–16  
 news value, 77, 89–90, 167–8, 179  
 newspapers, 23–9  
     circulations, 24  
     free sheets, 25  
     lifestyle sections, 74–6  
     local, 25–9  
     political bias, 207–9  
     red-top, 23, 72, 114, 182, 207  
 Newsquest, 28–9  
 nine o'clock watershed, 196  
 Non-Aligned News Agencies Pool  
     (NANP), 90  
 Northern Ireland, 39, 59–60  
 Northern Star-Express Newspapers,  
     23, 24
- Office of Telecommunications, 44  
 Official Secrets Act, 38–9  
 Oftel, 44  
 Old Media, 31–2  
*On Deadly Ground*, 170  
 Oscars, 123
- Palgrave, 2–4  
 Paramount, 9, 19–20, 69, 122  
 Paramount decrees, 9  
 parasocial interaction, 156  
*Payback*, 69–70  
 Peacock Report, 50–1

- People for the Ethical Treatment of  
   Animals (Peta), 37, 201–2  
 personalities, 72  
 persuasion, 188–95  
   AIDA mnemonic, 188–9  
   DIPADA mnemonic, 189–90  
 political bias, 207–9  
 Ponting, Clive, 39  
 post-generic, 11–12  
 preferred reading, 54, 87  
 Presley, Elvis, 128–9  
 Press Complaints Commission,  
   40–1  
 pressure groups, 60–1, 64, 209  
 Prevention of Terrorism  
   Act, 38–9  
 primary sources, 209  
 prime time, 42, 195–6  
 product placement, 68–9  
 psychographic variables, 183  
 public enemy, 131  
 public relations (PR), 109–12  
   and the Gulf War, 110–11  
   and the news, 111–12  
 Public Service Broadcasting (PSB),  
   44–53, 77, 207  
   and Channel 4, 49–53  
 public sphere, 217–18, 221  
 Puff Daddy, 203–4  
 Pulse Radio, 77  
  
 radical press, 72  
 Radio 1, 45, 77, 115, 197  
 Radio 2, 45, 197  
 Radio 3, 45, 77, 79, 134, 197  
 Radio 4, 45, 88, 196–9  
 Radio 5 Live, 25, 142  
 Regional Independent Media  
   (RIM), 26–8  
 Registrar General's Social Scale,  
   182  
*Reservoir Dogs*, 56, 153  
 rock 'n' roll, 54, 128–9,  
   139, 147  
*Romance*, 55, 149  
 Run-DMC, 131–2, 139  
  
*San Jose Mercury News*, 76  
*Saving Private Ryan*, 172  
 Sayles, John, 124–5  
  
 scheduling, 197–200  
 Schoenberg, Arnold ('12-tone'), 127  
 Schwarzenegger, Arnold ('Arnie'),  
   15–16, 72  
 seriality, 115  
*Sight and Sound*, 116  
 Size, Roni and Reprazent,  
   135–7  
 Sky Television, 30  
 SLAPP (Strategic Lawsuits against  
   Public Participation), 38  
 Smith, Will, 16, 71  
 soap operas, 165, 168–9  
 Sony, 17–18, 33, 82  
*South Park – the Movie*, 55, 67  
*Space Jam*, 67  
 speed garage, 139–40  
 spin doctors, 110  
 Stallone, Sylvester, 15–16  
*Star Trek*, 19, 174–5  
 stars, 70–2, 98, 115  
*Starship Troopers*, 12, 57  
*Straw Dogs*, 56, 153  
*Sun, The*, 23, 29–30, 40, 200–1,  
   207, 208  
*Sunday Times*, 187–8  
 Sun Microsystems, 95–7, 188–9  
 synergy, 16–19  
  
 television, 21–3  
   production of TV programmes,  
     62–4  
 Thomas, Shawn (C-Bo), 132–3  
*Times, The*, 23, 29–30, 94, 207  
 Time-Warner, 18, 32, 34, 132  
 Total Newsroom, 74–5  
*Toy Story*, 67  
*Toy Story 2*, 15, 68–9  
 Trinity Mirror, 23, 26  
 Turner Broadcasting, 18  
  
 United International Pictures  
   (UIP), 82  
 unique selling proposition (USP),  
   95  
 uses and gratifications theory,  
   156–71  
  
 vertical integration, 8, 9  
 Viacom, 19–20

## INDEX

- Virgin 1215, 79  
vortex of publicity, 112–16
- War of the Worlds, The*, 170  
*Wharfedale Observer*, 25–6  
*Wire, The*, 116–17  
Wollen, Peter, 125, 169  
women and access to the media,  
218–20
- Woo, John, 155  
Woodward, Louise, 60
- Xena, Warrior Princess*,  
175–6
- Yahoo!, 107  
Yorkshire Television, 51–2  
youth culture, 86–7, 173