

## **When MBAs Rule the Newsroom... everywhere?**

The impact of market-oriented journalism upon the global media environment.

By Doug Underwood and Johann Roppen

This is the first draft of a proposal for an international comparative study, and is written to be presented at the conference for Nordic Professors of Journalism at Biskops Arnö, Sweden, June 8-10, 2001.<sup>1</sup> Please do not quote without prior acceptance.

### **1. Background**

Much has happened since Underwood and Stamm's 1990 study of how market-oriented journalism has changed the way American newsrooms are being managed. Many of the trends described in the study have only become more prevalent in recent years:

- there have been continued mergers, buyouts, and consolidations among media ownership;
- the use of market research by news organizations has become even more common;
- newsroom managers have more aggressively pushed for a breakdown of the walls between the newsroom and the business departments;
- and the marketplace model for doing business has come to permeate all aspects of the American economy and American life.

But there also have been important developments in the world of global communications that indicate that the marketing movement in mass media has spread well beyond the scope of the original study.

The fast-paced growth of global media conglomerates has increased the possibilities for the spread of corporate marketing models beyond the borders of any one country.

The rise of the Internet and interactive electronic communications networks has introduced new ways of reshaping and marketing news and information to the far reaches of the globe, new developments in communications technologies and government de-regulation have led to a frenzy of mergers across media properties and a growing "convergence" of once distinct media channels, and media audiences and markets have become so fragmented by the availability of new channels of information that some say we can no longer even talk about mass media audiences anymore.

This combination of factors--new global interactive electronic technologies, targeted audiences, more sophisticated market research tools, and giant media and entertainment conglomerates that increasingly view the news as just one of a variety of media "products" to be marketed to the world-- has made it important to examine whether market-oriented journalism is changing the global media environment and

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<sup>1</sup> Updated versions of this document will be available at: [www.roppen.org](http://www.roppen.org)

influencing the manner in which journalism is practiced in the cultures and countries of the world.

## **2. Scope of new study**

A survey of journalists in a number of countries--beginning with the United States and Norway--will examine the influence of marketplace journalism on newsroom operations across international borders. The new study would go beyond the focus of the 1990 study by examining the influence of many of these factors--ranging from the Internet to the growth of international media conglomerates to the convergence of media channels--upon the newsroom and how they play into the trends toward marketplace journalism in the United States, Norway, and, if additional collaborating scholars can be found, in other countries as well.

The study would be designed to probe similarities, as well as the differences, in the practice of journalism in the modern media environment within different cultures.

For example, newspaper readership is much higher in Norway than it is in the United States (although newspaper readership rates are also declining in Norway). Since the fear of a declining audience led to the adoption of many of the market-oriented tactics in the United States, the study will examine whether different market factors influence the adoption of market-driven journalism tactics in Norway. In addition, the study will probe whether different cultural attitudes--such as the greater emphasis put upon community in Scandinavian countries--play a role in the way news organizations are managed and the news is shaped and marketed in different countries.

## **3. U.S. trends to be examined in the new study:**

- a. More emphasis upon "local" news at the expense of other news, particularly of international news coverage.
- b. More emphasis on news that is defined as lifestyle information that gives audiences information on personally relevant matters, such as personal finance, careers, stock market investing, real estate, educational choices, sports and hobbies, travel, health and fitness, etc.
- c. Less coverage of government because editors often believe that readers are bored with routine coverage of government matters. This means less monitoring of the government bureaucracy and less coverage of government, political, and legislative meetings.
- d. Continued emphasis upon blending the activities of the news and business (i.e., circulation, advertising, and marketing) departments and teaching newsroom employees the importance of the business and profit mission of the newspaper.

- e. Requiring journalists in the newsroom to be responsible for the development of new “products” (i.e., special sections focused on target audiences) that will increase profit revenues.
- f. Greater emphasis upon news that will appeal to new reader groups such as minority and immigrant groups.
- g. More use of market research in many news media quarters while at the same time other groups are becoming more skeptical of market research as the “magic bullet” to solve the problem of declining audience.
- h. More aggressive use of employee evaluation systems and performance-monitoring programs to ensure that journalists comply with market-oriented newsroom strategies.
- i. More coverage of business and the stock markets as a reflection of the greater involvement of readers in investing and managing retirement assets.
- j. More pressure on journalists in news organizations that operate multiple channels of information (i.e, the newspaper, Internet web sites, cable channels, local television news).to write for all those formats.
- k. The production of news that must be constantly updated because of the needs of newspaper web-sites, thus putting an emphasis upon immediacy over depth and turning newspaper reporting jobs increasingly into roles more similar to broadcasting.
- l. More focus on competition with tabloid news organs and Internet “gossip” sites that increasingly drive the news agenda but don’t observe the traditional standards of fairness and accuracy as to what makes a news story.
- m. More use of stock options for newsroom managers and investment opportunities for newsroom employees in company stock --- all of which helps to make journalists more amenable to seeing their profession in business and profit terms.
- n. Continued use of graphics, redesigns, capsulized information formats, and visual devices to convey the news.

#### **4. Major differences between US and Norwegian (Nordic) media systems**

A number of differences between the media systems and values of journalism will have to be considered when carrying out a comparative study. At the level of editorial matters one can identify some important overall structures:

- The US publisher is unknown in the Nordic countries
- The strong and independent position of the editor in the Nordic countries
- Party-press tradition and shallow tradition for independent journalism

At the level of the industry as well as the level of politics and the industry, other aspects are important to keep in mind:

- The level of newspaper-readership in the Nordic countries also is very high on a global scale
- The level of concentration in the newspaper industry is high in the Nordic countries
- The Nordic countries still have very strong state-owned public service broadcasting corporations
- There is virtually no regulation of cross-ownership in the Nordic countries
- Commercial TV is a novelty in the Nordic countries
- Government press subsidies are still an important tool in the media policy in most of the Nordic countries

### **5. Norwegian trends to be examined in the study:**

The US experience will be a starting point for a Norwegian study. Major trends towards corporatisation and market-thinking are now being introduced in Norway. On the other hand the US newspapers shift towards the local market is actually making US newspapers more similar to Norwegian newspapers which traditionally have been very locally oriented.

Still a number of trends are important to keep in mind and to examine more in depth:

- a. Norway has had a very high level of newspaper readership, but there are indications of a falling rate of readership, as the overall circulation is increasing less than the growth of households.
- b. Since the beginning of the 1990's newspapers have experienced a higher level of competition from broadcasting media, and since 1995 from the Internet as well.
- b. Government subsidies for second newspapers in newspaper markets have been cut back, and the number of newspapers receiving support have steadily declined.
- c. The concentration of newspaper ownership has reached a very high level, with three emerging chains and only two local dailies not being controlled by national chains.
- d. The chains are constantly improving their tools for market research both in the editorial and the business side of the newspapers.
- e. Most major newspapers have established web sites, though the effects upon sales and circulation remains unclear.
- f. The chains are constantly developing and maintaining systems for management and control of newsroom staff and management.

## **6. Conceptual elements of the new study:**

- a. The paradigm (as discussed in Underwood's chapter: "Reporting and the Push for Market-Oriented Journalism: Media Organizations as Businesses") of news organizations treating their audiences as "citizens versus consumers" and the impact upon the future of news and democracy.
- b. The homogenizing impact of conglomerate ownership (as discussed in Roppen's examination of the management policies of Norwegian media companies) upon the unique role that the news media have played within different cultures..
- c. The effectiveness of news media in helping to build a sense of community and the ties that readers have with community (as reflected in the community ties research of Stamm) and the impact that market-driven journalism has upon this role in the U.S. and Norway.
- d. The impact of the breakdown of the walls between the news and business departments upon the role of journalists (as reflected in Underwood's recent articles for Columbia Journalism Review) and whether this trend is evident internationally.
- e. The effect of the Internet and multi-media technologies upon the job of journalists and the pressures this creates to make the news more market-oriented and audience-driven.

## **7. Pivotal questions**

The involvement of scholars from several countries hopefully will help to answer a number of important questions in the development of a questionnaire for journalists in different countries, such as:

- a. Do different journalistic practices in different countries reflect differences in newsroom management policy or broader cultural differences?
- b. Do different views of news standards affect the impact of market-oriented journalism differently? Do different emphases on "neutral" and interpretive journalism influence the way news organizations in different countries view the task of marketing themselves to their audience?
- c. Do cultural attitudes influence the way journalists in different countries view "target audiences" and how their news organization might appeal to them?
- d. Does the concept of market-oriented journalism mean the same thing in different countries?
- e. Do different cultural views of the civic responsibility of journalism as the Fourth Estate influence the degree to which market-driven journalism tactics can be adopted?

## 8. Overall design

The study will include questions from the 1990 study to measure any changes in modern newsroom management practices and the levels of job satisfaction among newspaper journalists in the United States, Norway, and elsewhere.

The methodology is described more in depth in Chapter 10 of Underwoods book,<sup>2</sup> but will be presented here briefly.

12 daily newspapers were visited by the researchers. The sample consisted of eight small and four large newspapers, and half of the small and half of the large newspapers were family owned, with the half owned by chains. The definition of “small” in this US context was a circulation below 100,000.

Senior editors okayed the entrance of researchers, and anonymity of newspapers as well as participating staffers were promised. The number of newspapers refusing to participate was as high as the number of newspapers participating.

Based upon official staff lists for each newspaper, a questionnaire was sent to the newspaper prior to the researchers visiting the newspapers. The questionnaire was collected by the visiting researcher(s).

A copy of the questionnaire is attached to this outline.

As a starting point for adapting the sampling to other countries, we would suggest a four-level strategy along the dimensions of way of selling, geography, ownership and size.

### 1) Sales-method

The newspapers in the original MBA-study were all prepaid newspapers, and this is also the dominant way of selling newspapers in the USA. If participating countries have another structure of newspaper sales, this must be considered as one factor in the sampling of newspapers. E.g. in countries with a poor system of distribution, single-copy sale may be the dominant way of distributing newspapers.

### 2) Geography

Most newspapers in the USA are local or regionally based. Only a mer handful of newspapers are national in the true sense that both the editorial content is of national scope, and the readers not concentrated in one particular city or region, as the capital. Again in some countries most of the newspapers are issued in the capital. In small countries there might not be other cities or towns, and in lesser developed countries

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<sup>2</sup> Doug Underwood 1993: *When MBAs Rule the Newsroom. How the Marketers and Managers Are Reshaping Today's Media*, Columbia University Press, New York

financial, technological, political or educational variables (illiteracy) might inhibit the spread of newspapers to other areas than the largest metropolitan ones.

### 3) Ownership

The main axis in the MBA-study was chain vs. non-chain. In some countries there might not be chains of newspapers at all, while the most common situation is probably one with a mix of chains and independent ones. In a few countries the chains are controlling most of the local daily newspapers. That is almost the case in Norway, thus leaving the design no other option than comparing chains to one another. To our knowledge other forms of ownership and control, such as cooperative or employee control is not common, but if it is an important feature of the ownership structure in the country in question, of course this must be considered.

When it comes to what geographical areas to select, one must strive for selecting areas with no apparent problems in relevance to the main questions in the study.

### 4) Size

Comparing newspaper by size normally would mean comparing circulation as defined by the newspapers publishers organisation. However the border between large and small newspaper will differ from country to country. In the MBA-study Underwood split the material in newspapers with a circulation of below or above 100.000. This figure is more or less randomly chosen but should be considered thoroughly for each country in order to reflect the idea that 'size matters'.

## 9. Organizing the project

With scarce funding the participation in the project will be based upon a network of interested and competent researchers in different countries. Each national participant will be responsible for funding of the national project.

A final version of this outline will be produced in order to establish a common ground when it comes to the basic questions regarding design. We further expect this common platform to be expanded in different directions in different countries, **depending** upon the local market, culture and interests of the researchers involved.

In this initial phase the project will be lead by a project group consisting of Doug Underwood (leader), Keith Stamm and Johann Roppen. Underwood and Stamm are professors at the University of Washington (Seattle), School of Communications and together in 1990 they collected the data which made it possible for Underwood to write "When MBAs rule the newsroom". Johann Roppen is assistant professor by the Volda College, Dept. of Media and Journalism and is now completing a thesis in which the Norwegian based international media company Orkla is studied. Depending on the size and scope of the total project the group might be expanded.

Professor Underwood will be on a one-year sabbatical leave in 2002 and will be located in Oslo during this year. All communication within the project will preferably be in English.

The tasks of the project group will be to:

- a. Complete the basic outline of the project so it can be available for examination and comments and can be used as an attachment to national application of funds.
- b. Establish an international network of researchers and institutions capable of carrying out the project on a national basis.
- c. Be a hub in the communication between the different national projects by pulling people together in seminars, keeping up electronic communication (web), and serving as a resource for the national participants
- d. Establish contact with other relevant institutions and organisations in matters of relevance to the project.
- e. Establish contact with publishing houses that may be interested in publishing the project on a global scale.

## 10. Tentative schedule

Based upon the status of the US/Norwegian participants a tentative schedule of the project can be outlined as follows:

<b>Schedule of project (draft, June 2001)</b>			
When	What	Who/Where	
2001	June 10	Initial presentation of project, Nordic professors of journalism	Biskops Arnö, Sweden. Underwood/Roppen
	June 12	Further planning of project, sum up seminar at Arnö	Oslo, Underwood/Roppen
	June 15	Application for internal funding,	Volda College, Roppen
	August 11-13	Nordic Conference on Media and Communication Resarch	Reykjavik, Underwood/Roppen
	Fall	Development of outline	
	October 1	Application for funding of Norwegian project	Norway (Council for applied media research), Roppen
	November	Status report, completion of outline	Seattle, Underwood, Stamm, Roppen
2002	Jan/Feb	Kick-off, presentation and discussion of outline	Oslo, project group, international participants
	Spring/summer	Completion of interviews, writing of national reports	
	July 22-26	IAMCR conference, "Intercultural Communications", status of project	Barcelona, project group, international participants
	July 12-13	Alternatively: "the future of Global Mass Media	Washington
	Fall/Winter	Completion of national projects, Manuscript for book(s)	
		Norwegian sources for funding of publishing: Det Faglitterære Fond, Pressens Faglitterære Fond, Forskningsrådet	
2003		Final conference, presentation of book	

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Appendix 1: Book-publishers to be contacted:

Sage  
Erlbaum  
Routledge  
Ablex  
Longman

Appendix 2: Rough draft of outline of book:

Introduction/Preface: Bagdikian/McManus?

I: General findings (syllabus-relevant)

- a) What is a chain?
- b) The global print-players
- c) Internet and newspapers
- d) Journalism at digital stake?
- e) Etc.

II: National experiences

- a) Political and legal structure of press
- b) Basic economical structure
- c) Geographical spreadout
- d) Competition from electronic media
- e) Major chains
- f) Way of running operations
- g) MBA-sation of journalism

Appendix 3:

Relevant countries to be included in study				
#	Country	Population	Institution	Contact
<i>Countries where contact is established</i>				
1	USA		UW	Doug Underwood, Keith Stamm
2	Norway		Volda College	Johann Roppen
3	Denmark		Roskilde, DJH	Anker Brink Lund, Christian Breinholt
4	Sweden		JMG	Tomas Andersson-Odéen
<i>Contacts are being made or are easily accessed</i>				
5	Finland			Ulla Maja Kivikuri/ Tom Moring
6	Poland			Silje Strand, Evijca Rusiccka (?)
7	Estonia		(Univ. Of Oslo)	(Halliki Harro)
8	Belgium			Knut de Swert
9	South Africa			(Contacts of UW)
10	Taiwan			(Book of Underwood translated into chinese and published in Taiwan)
11	South-Korea			(Former students at UW)
<i>Countries or regions that are of interest, but where contacts have not yet been made</i>				
12	EU (GB, GER, FRA, ITA (!), SPA, others?)			
13	Eastern Europe (except Poland, Estonia) (Russia, Ukraina)			
14	Latin-America (Mexico, Brazil, Argentina)			
15	Australia, New Zealand			
16	Japan			
17	India (Eivind Rønnestad, Mangalore)			