



Ambidexterity as a Strategic Option – Exploitation and Exploration in Transnational Markets

P. Przybylski¹, M.B. von Rimscha², J. Möller²,
D. Voci³, K.-D. Altmeyen¹, M. Karmasin³⁻⁴,

¹Catholic University of Eichstätt-Ingolstadt

²Johannes Gutenberg University Mainz

³Alpen-Adria-Universität Klagenfurt

⁴Austrian Academy of Sciences

Annual Conference of the
European Media Management Association
Ghent, May 12th 2017



Research context and interest



- › project: “The Management and Economics of Cross-Border Media Communication (cbmc).” » **detecting structures, goals and strategies of media companies acting on cross-border markets**
- › cross-border engagements of media companies as geographical diversification
- › Exploration needed for digitised environments › digitisation as an important topic in internationalisation
 - » **research interest:** exploration and exploitation in cross-border media communication
- › Which patterns of ambidexterity do the cross-border (management) activities of media companies reveal?



Facets of exploitation and exploration



	exploitation	exploration
	resource exploitation; focus on property-based resources	resource building; focus on knowledge-based resources
	knowledge transfer	knowledge building
meso level	increasing „basic, generic organizational knowledge...“ → „adaptive [...] production oriented learning...“	„...specialised market knowledge.“ (Keen & Wu 2011, p. 333) → „...product-innovation learning“ (Auh & Menguc 2005, p. 1652)
	portfolio, segment, geographical focusing	portfolio, segment, geographical diversification
	efficiency	flexibility
	strategical focus on profit (cf. Han 2007) economies of scale (cf. Auh & Menguc 2005)	strategical focus on generic growth (cf. Han 2007)
	Organizational integration, consolidation	Organizational, functional differentiation
macro level	horizontal integration	vertical & diagonal integration; building organizational networks (cf. Gupta et al. 2006; Yamakawa, Yang, & Lin 2011)
	hierarchy	strategic alliance (Li 2010)
	responsive market orientation	proactive market orientation (cf. Herhausen 2016)

Methodological approach and data basis

- › 24 interviews with senior executives responsible for (international) management
 - › qualitative category-led content analysis
 - › contextualising document-based company analysis (including annual reports; external reports and industry-specific media publications)
- › sample:
 - › 3 Austrian, 3 Swiss, 8 German, 1 Dutch, 2 British, 6 US and 1 European media company
 - › 14 „rooted“ in publishing and news agency services, 10 „rooted“ in audiovisual media » differences in economic preconditions



Getting to the core of value creation



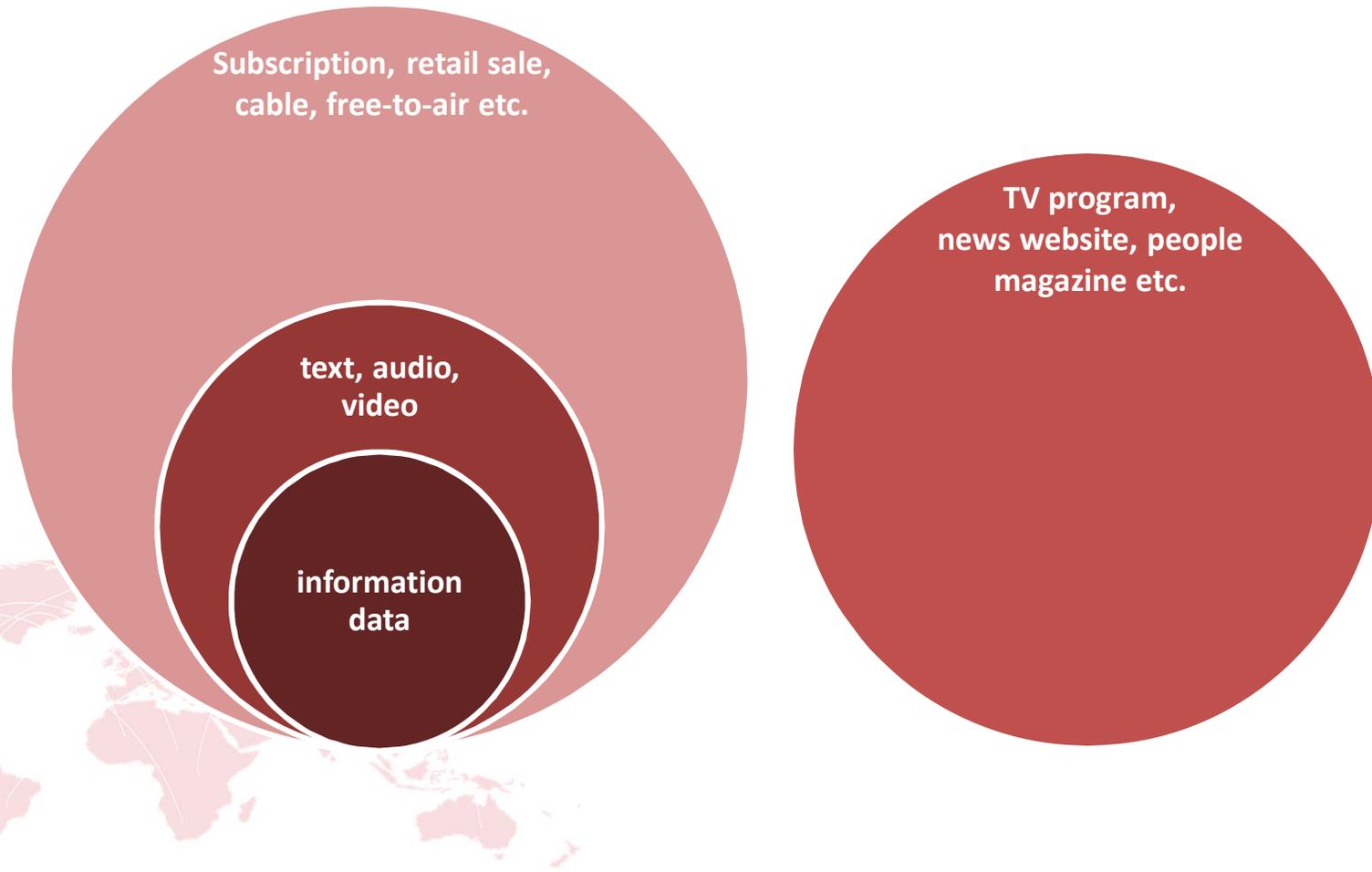
Subscription, retail sale,
cable, free-to-air etc.

TV program,
news website, people
magazine etc.

text, audio,
video

information
data

Getting to the core of value creation



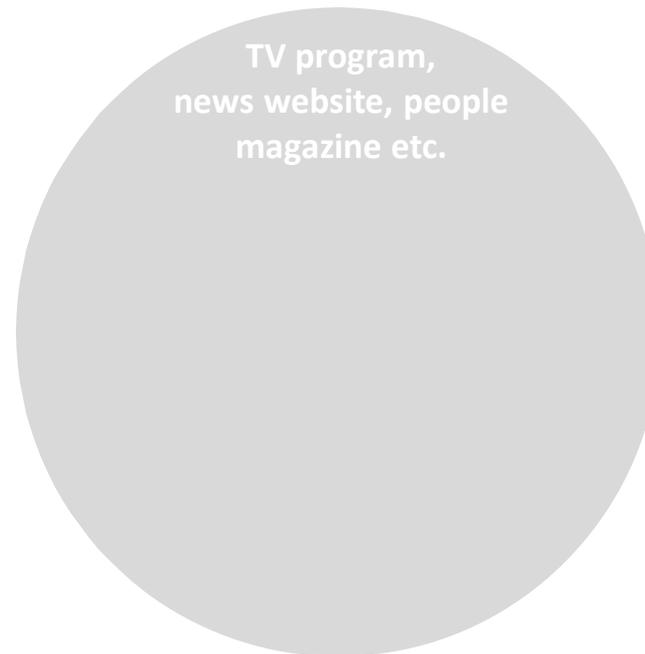
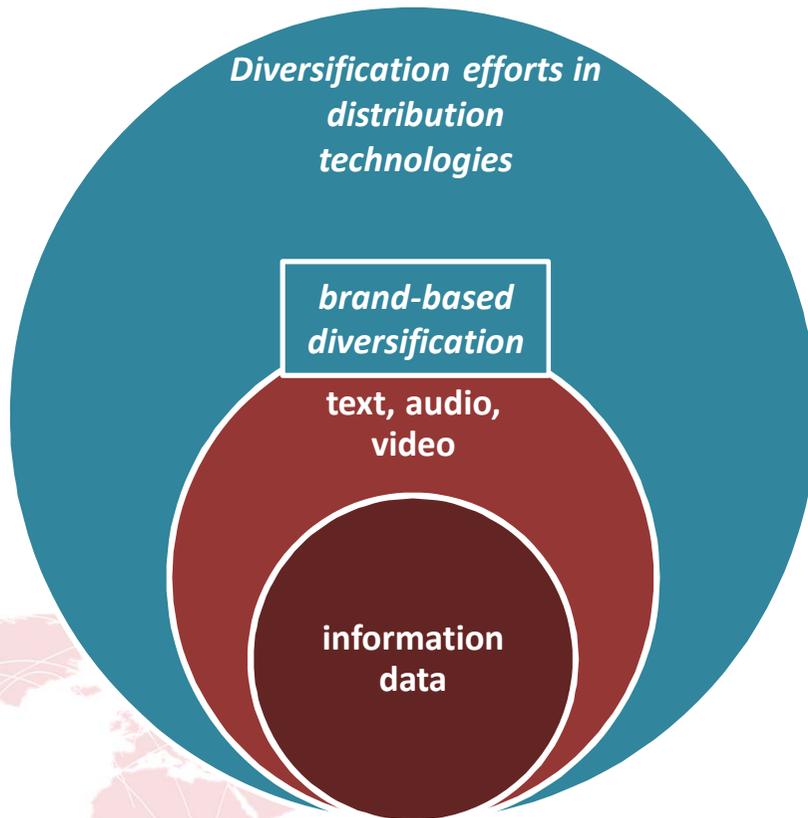
Subscription, retail sale,
cable, free-to-air etc.

text, audio,
video

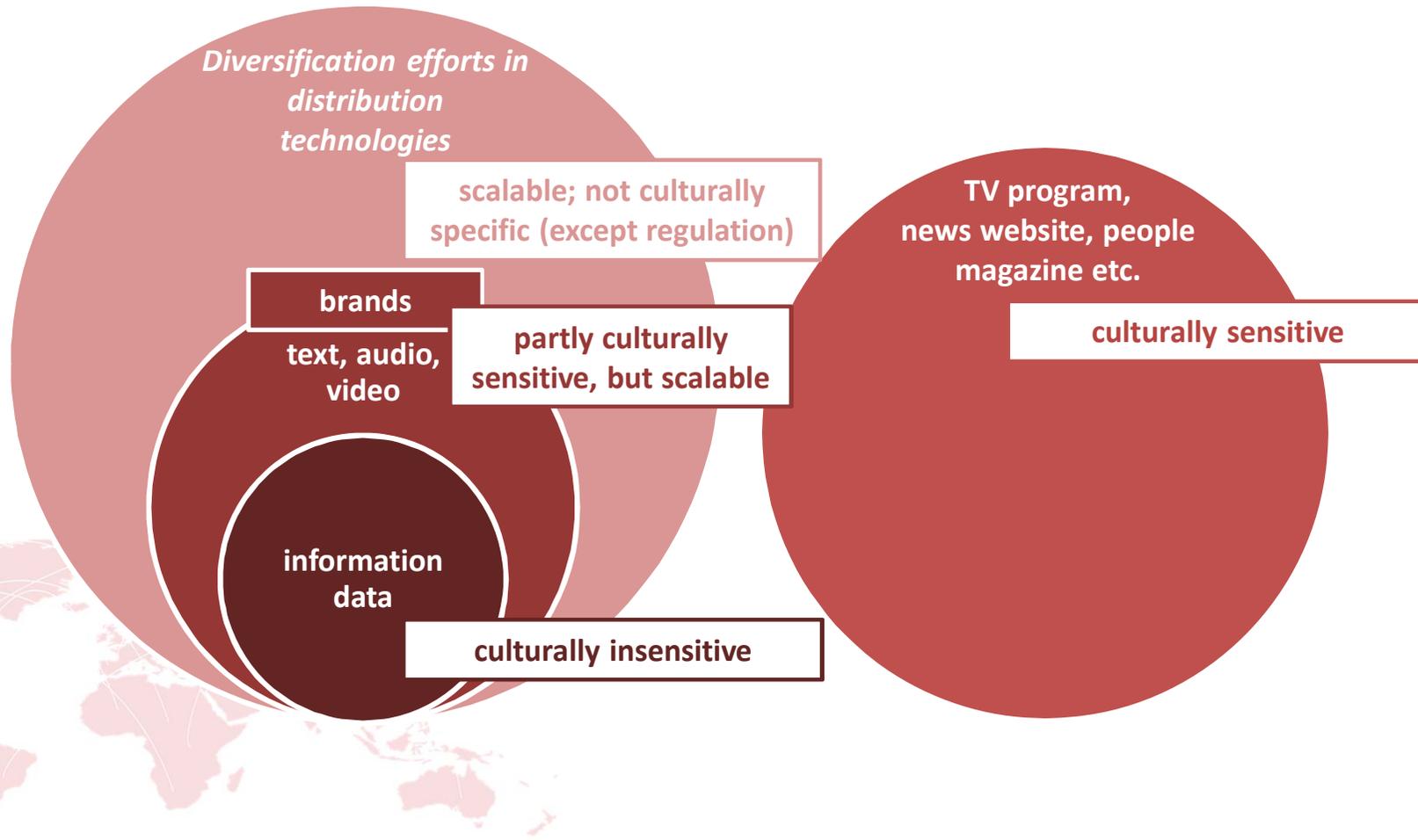
information
data

TV program,
news website, people
magazine etc.

Focusing on the core of value creation



Aiming at scaling & cultural neutrality



Diversification efforts in distribution technologies

scalable; not culturally specific (except regulation)

brands

text, audio, video

partly culturally sensitive, but scalable

information data

culturally insensitive

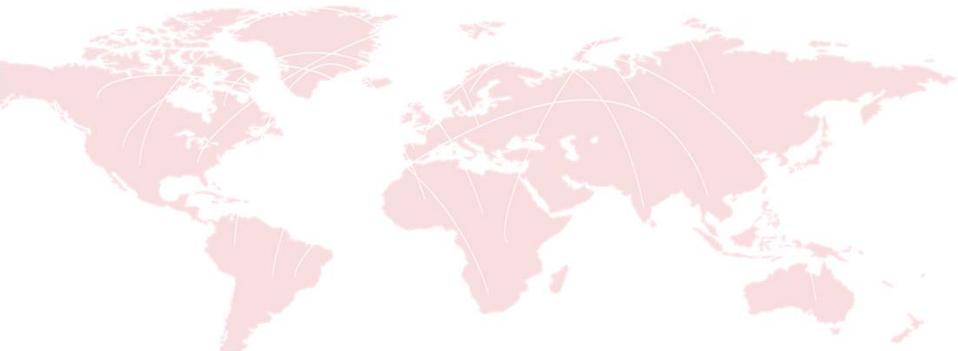
TV program, news website, people magazine etc.

culturally sensitive

Patterns of ambidexterity: Exploitation by pruning



- › Publishing companies try to
 - (1) refocus on their key resources (exploitation)
 - (2) explore digital businesses (exploration)
 - » to overcome need for cost-intensive geographical diversification:
focus on scalable products & services that are culturally less sensitive



Patterns of ambidexterity: Exploration for exploitation



- (1) refocus on their key resources (exploitation)
- (2) explore digital businesses (exploration)

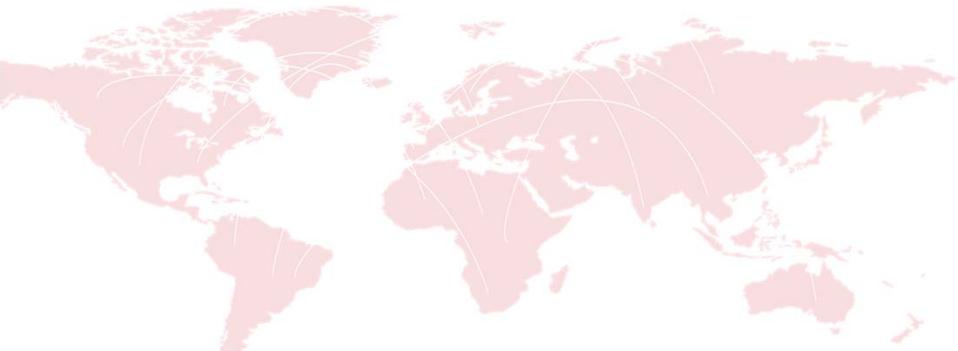
- (1) re-defining the USP » allows for exploration activities resulting in exploiting these resources further » **ambidexterity**
- (2) exploration of digital applies to both (former) print and audiovisual companies » these engagements actually aim at scaling and/or exploitation
 - » **sequential ambidexterity with a pro-profit focus**



Patterns of ambidexterity: Exploration for scaling



- › centralising decision-making: local knowledge acquired in alliances
 - » localised activities to re-transfer locally acquired resources
 - » local entities motivated to think globally » de-nationalisation of companies
 - » publishing: re-directing to licensing and local partnerships as O&O-operations wouldn't scale



Conclusions



- › cross-border engagement is tending towards exploitation
- › traditional (home) markets are saturated: cross-border engagements allow for growth – in the sense of scaling
- › exploitation by re-focusing and pruning
 - » preparing brands for generic use
 - » publishers are re-thinking their core resources and competences
- › exploration for exploitation
 - » not a strategy „in itself“





Thank you for your attention.

contact: pamela.przybylski@ku.de

More information on the project: www.cbmc.info

