



# From Transnational Companies Abroad to Cross-Border Activities

Towards a motivation-based typology of media companies' cross-border engagement

J.E. Möller<sup>1</sup>, P. Nölleke-Przybylski<sup>2</sup>, D. Voci<sup>3</sup>, M.B. von Rimscha<sup>1</sup>,  
K.-D. Altmeyen<sup>2</sup>, M. Karmasin<sup>3-4</sup>,

<sup>1</sup>Johannes Gutenberg University Mainz

<sup>2</sup>Catholic University of Eichstätt-Ingolstadt

<sup>3</sup>Alpen-Adria-Universität Klagenfurt

<sup>4</sup>Austrian Academy of Sciences



68<sup>th</sup> Annual ICA Conferences

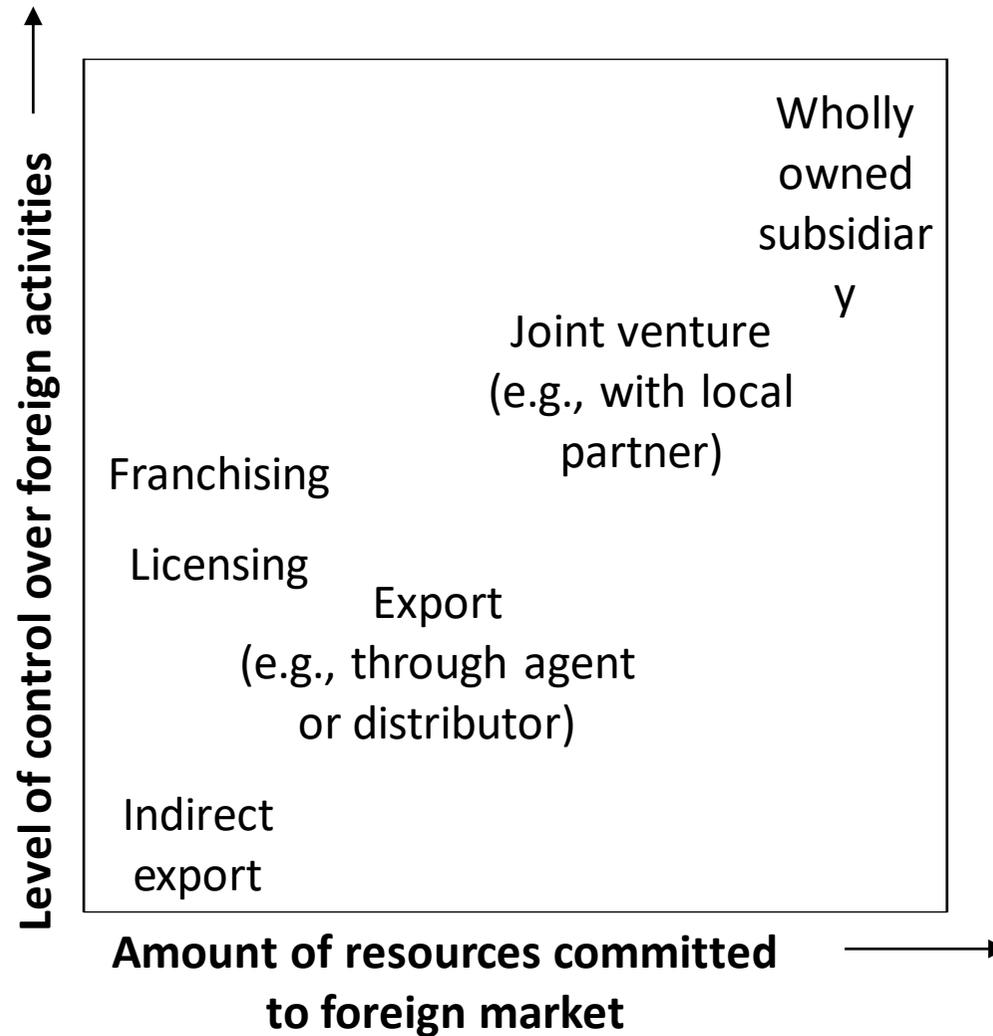
Prague, Czech Republic, 24-28 May 2018



# Researching cross-border engagement



# Cross-border activities



(Source: Bartlett & Beamish 2014: 12)

# Motivations to cross borders



**Ensure economic survival  
through growth**

Crisis → re-invent media business

Shrinking advertising revenues

Saturated media markets

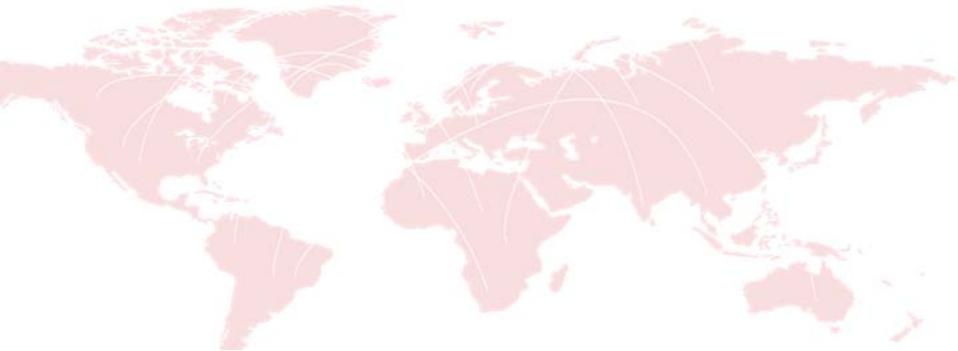
Raising competition with technology  
companies

Digitization

# Research questions



- (1) Which activities do media companies pursue abroad?
- (2) Which motivations for venturing abroad do they mention?
- (3) How do media managers relate these motivations to specific activities?



# Sample



## › 34 semi-structured interviews with top-management:

- » Austria: ORF Enterprise, Mediaprint, Kurier
- » Germany: Axel Springer, Vogel Business Media, ZDF Enterprise, DPA, Studio Hamburg, Bertelsmann, Motor Presse, Hubert Burda Media, Turner Broadcasting System Deutschland
- » Switzerland: Diogenes, Highlight Communication, Tamedia
- » Spain: Grupo Prisa, Grupo Secuoya
- » UK: Reed Elsevier, ITV, Time Inc. UK, Reuters
- » Netherlands: De Persgroep, Wolters Kluwer
- » Europe: European Broadcasting Union
- » USA: Thomson Reuters, Story House, Time Warner, TCA, Time Inc., Discovery Networks International, Associated Press, PBS Distribution
- » China: Tencent, Yue Cheng Media

# Results



## Outcome 1 – cross-border activities of media companies:

- › Well known and explored activities:
  - » M&A, joint ventures, direct investment, co-production, export + import, activities related to licensing
    - ! *Co-production also in news agencies !*
- › “Additional activities” for TNMM:
  - » Product, know-how and data exchange networks, technology development, local offices, global know-how sourcing, global content sourcing, transnational lobbyism

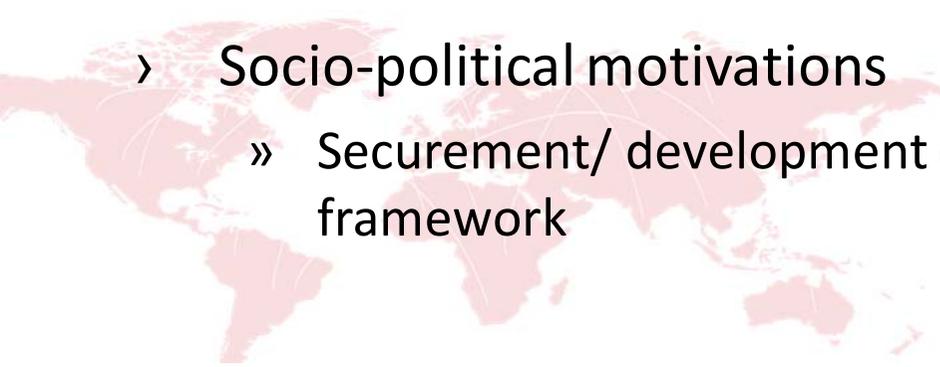


# Results



## Outcome 2 – motives of cross border engagement:

- › Economic motivations
  - » Maximize revenue or profit → *direct* monetization
  
- › Organizational motivations
  - » Securement/development of resources, structures and features
  
- › Socio-political motivations
  - » Securement/ development of external social and political framework



# Results



**Outcome 3** – a motivation-based typology of cross-border activities:



	MOTIVATIONS		
ACTIVITIES	Economic	Organizational	Socio-political
<b>Mergers and acquisitions</b>			
	income increase / balance decreasing income in publishing and advertisement business / profit from tax advantages	media brand subsidiary as marketing tool for combined profitable business / be in place for future businesses	–
<b>Joint ventures</b>			
	improve market position / merge business expertise / share economic risk / increase added value / legal reasons (China)	profit (learn) from technological lead	underline significance as publisher and improve access to politics
<b>Direct investments</b>			
	–	trial-and-error regarding future business and company profile / creative business model development / access to new business models, media markets	–
<b>Co-production (TV, movie, news)</b>			
	share economic risk / decrease costs / access to channels, distribution networks and markets / local cultural capital	access to film locations (subordinate), secure quality	–
<b>Export finished media products</b>			
	income increase	–	–
<b>Import finished media products</b>			
	increase attractiveness of own program (TV)	adaption to technological development	–
<b>Licensing (includes format trade)</b>			
	exploit / income increase / increase added value	service for authors, marketing	–
<b>License acquisition</b>			
	content production / exploit (resell) / improve portfolio, offer / improve program	service for main customer / increase speed	–

	MOTIVATIONS		
ACTIVITIES	Economic	Organizational	Socio-political
<b>Product, know-how and data exchange networks</b>			
	decrease costs / improve offer	service for members (EBU) / knowledge support and share economic risk	–
<b>Technology development, individual company or cooperative</b>			
	–	explore business opportunities / learn from technology-savvy partners / increase attractiveness for technology staff	increase independence from US-based technology companies
<b>Local offices</b>			
	increase sale / improve content sourcing / reduction of local offices	improve decision-making within larger organizations / profit from local conditions for additional services	–
<b>Global know-how sourcing</b>			
	–	media market expertise before investment / local expertise in TV, movie-production / technology application	–
<b>Global content sourcing</b>			
	improve portfolio	–	–
<b>Transnational lobbying</b>			
	–	develop shared investments / improve communication within company structures	improve legal framework for media markets

# Results



## Outcome 3 – some findings:

- (1) Absence of (primarily) economic motivations for technology  
! *Digital technologies* !
- (2) Insights into cross-border activities as part of marketing strategies  
! *Marketing function* !
- (3) Decrease in cross-border physical presence is not a decrease in cross-border activities  
! *Digitization* !



# Conclusion



- » Activities instead of companies as units of analysis
- » Overlook of economic motivations in the field
- » Digitization as trigger and booster for new activities and motivations

