



Media company engagement abroad

A typology of motivation for and types
of cross-border activities

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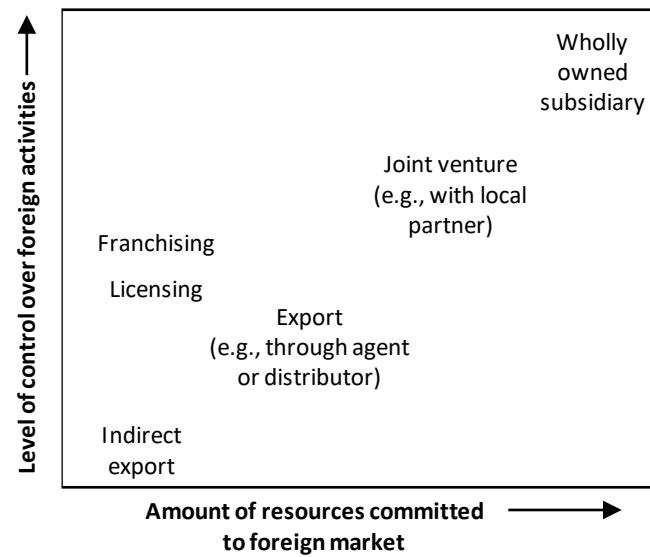


Aspects of cross-border engagement



1. Motivations to cross borders
 2. Cross-border activities
 3. Market development
3. Motivations to cross borders

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
- indirect* monetization
-
- A diagram consisting of two blue arrows. One arrow originates from the text 'Securement/development of resources, structures and features' under 'Organizational motivations' and points to the text '
- indirect*
- monetization'. The second arrow originates from the text 'Securement/ development of external social and political framework' under 'Socio-political motivations' and also points to the text '
- indirect*
- monetization'.

Results



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



	MOTIVATIONS		
ACTIVITIES	Economic	Organizational	Socio-political
Mergers and acquisitions			
	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	–
Joint ventures			
	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
Direct investments			
	–	trial-and-error regarding future business and company profile / creative business model development / access to new business models, media markets	–
Co-production (TV, movie, news)			
	share economic risk / decrease costs / access to channels, distribution networks and markets / local cultural capital	access to film locations (subordinate), secure quality	–
Export finished media products			
	income increase	–	–
Import finished media products			
	increase attractiveness of own program (TV)	adaption to technological development	–
Licensing (includes format trade)			
	exploit / income increase / increase added value	service for authors, marketing	–
License acquisition			
	content production / exploit (resell) / improve portfolio, offer / improve program	service for main customer / increase speed	–

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

Results



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

- (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



- › Preliminary and explorative study:
 - » 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



Thank you for your attention!



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