MEDIA ECONOMICS, CONTENT AND DIVERSITY

PRIMARY RESULTS FROM A FINNISH STUDY

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The mass media and the related fields of advertising, telecommunication and other elements of the "information society" are growing in importance, in terms of both their economic and socio-political significance in society. But in addition to its overall growth, the media-telecom sector is undergoing a structural – indeed historic – change as the twenty-first century begins. This is not only due to the so-called new media, based on computer-telecommunication applications (Internet, mobile media, digital television, etc.), but first and foremost due to shifting economic structures of the media industries, accompanied by shifting socio-cultural roles played by the media in society.

These changes are affecting media company operations, increasing the size of media firms (Barnouw, 1997; Sánchez-Tabernero, 1993; Smith, 1991), and changing the content of media, yielding new types of content that is skewed towards entertainment and consumerism (Bagdikian, 1997; Gaunt, 1990; Herman & McChesney, 1997; Underwood, 1993). Concurrently, there is a growing international trade in media content and domestic audiences are increasingly exposed to globalised content, particularly from Europe and North America (Herman & McChesney, 1997; Mattelart, 1996).

The most fundamental aspect of this structural change relates to the theory and practice of democracy and to the potential for participation in both civil and information society. The role played by media in shaping contemporary society is thus a central question for communications research. Indeed, questions about the operations and effects of media are being raised both at the national and international level, including discussions in the European Union and the Council of Europe (Commission of the European Communities, 1992; Council of Europe, 1998; Picard, 2000).

Social and political theorists recognise that preconditions for the establishment and preservation of democratic governance include freedom of expression for individuals and groups with divergent views, accompanied by mechanisms for an uncompromised pursuit of truth. The basic tenets of democracy hold that through an airing of such views and a dissemination of truthful information citizens will be able to choose the most meritorious from among the ideas and that society will thus be advanced.

Therefore it is logical to relate the media structures to the content produced by the media and to ask whether current structures and operations lead to homogenisation and whether consumers really get the kinds of communications they want and need (McManus, 1993; Picard, 2000). This has seldom been done on a systematic basis. Media studies have typically been fragmented and looked at one dimension at a time. Even research on media content has been mostly short-term and case-based, although currently there is a growing interest in monitoring the overall media content. Good examples of this approach are the British project "Information and Democracy - An Audit of Public Information in the Media,"(Nordenstreng & Griffin, 1999) and the European Science Foundation programme "Changing Media - Changing Europe" (European Science Foundation).

In the realm of media theory and policy this concept has been manifest in the idea that media plurality, i.e., multiple media outlets, is a primary goal for providing the opportunity for diverse voices to be heard and for ideas to circulate. The number of views about a particular event and the amount of information that each medium can carry are already limited by time and space constraints. Although the existence of multiple media outlets makes it theoretically possible for a larger number of views and opinions to be communicated, the mere existence of media plurality does not ensure message pluralism, i.e., diversity of viewpoints (McQuail, 1992). Most studies of media content have shown that different units of a medium and different media tend to provide relatively similar content, programming, and views because of commercial concerns, the adoption of standard industry norms and business practices, and dependence on a small number of similar sources of news and opinion (Picard, 1998).

In Finland and most of the developed world, the first goal of establishing additional competing media has been and continues to be accomplished. Much of the world has had a history of state-related telecommunications and broadcasting supplemented by a commercial and party press. The primary commercial medium in many countries was magazines. In many developed nations, the government monopolies in broadcasting and telecommunications were broken in the 1980s and 1990s, and they are now being supplemented by commercial systems subject to the same pressures as those seen in the most commercialised media globally.

These developments of additional competing media, however, have led to new forms of private ownership and commercial operation. Because these tend to follow the same practises that have led to limitations on the marketplace of ideas, a great deal of interest is being raised about their effects. This is especially true where the deregulation and increasing commercialisation of media and communications systems has been accompanied by the growth of large firms serving domestic and foreign markets world-wide.

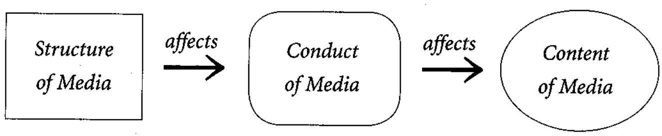
This study explored developments in Finland between 1950 and 2000 to determine changes in the nature and operations of Finnish media, their relations to the content available within Finnish media, and how emerging developments can be expected to affect Finnish media in the future.

Part of the study focused on industry structure, economics and finance, concentration, and business strategies. This provided essential information for understanding the media industry and a 50-year history against which content developments could be measured. Content of Finnish media was measured to compare to points of media developments in the 50 years period. Content of newspapers, radio and television, magazines, and news services was studied in the process. The full results will be published as a book in 2003, but this report provides an overview of the primary results.

METHODS

This broad project operated within a unified approach so that the various aspects built upon and drew from the work of other portions of the project. The common approach stemmed from the philosophy that the economic structure of media dictates the conduct of media firms and the extent to which they perform the social, cultural and political roles they are expected to play in society (Figure 1). Thus, when the economic structure is altered the conduct changes, and the performance of media – evidenced in its content, modes of presentation, etc. – is affected as well (Picard, 2001).

Figure 1: Philosophical rationale of this project



The researchers accepted the view that media are an important institution of society and that social influences affect and often determine the structure and operations of media. Similarly the researchers accepted the view that media influence citizens' perceptions of themselves, their society and the world around them. The citizens' perceptions in turn create new pressures and influences on social institutions including media.

The main portions of this project included 1) creation of a 50 year economic history of Finnish media, focusing on economic, policy, technology, and structural developments and changes in businesses strategies and operations; 2) an extensive content analysis designed to show changes in content types, choices, and characteristics; and 3) exploration of contemporary technological developments and how they can be expected to change media in the future.

The economic history was constructed by reviewing political and policy initiatives in national economics, foreign affairs, domestic affairs, communication policy, and cultural developments across the 50 years. Major developments in media and media companies were then compiled, along with quantitative business data for the newspaper, magazine, book, radio, television, audio recording, cinema and advertising industries across five decades. It is founded in the traditions of media economics research and analysis (Albarran, 1996; Alexander, Owers, & Carveth, 1993; Picard, 1989; Picard, 2002).

The content portion of the study involved both quantitative and qualitative analysis of content for nine newspapers, STT (the Finnish news agency), YLE (national public service broadcaster) main radio news, YLE television news, MTV (national commercial TV channel), and four public affairs magazines. A sample week's content was selected for the years 1955, 1970, 1990, and 2000. These years were selected from within the four media eras identified, but also to allow comparisons with similar international studies. In the quantitative analysis, more than 30,000 content items were coded with 41 different topics of content.

The future developments section of the research focused on trends in technological developments, the potential effects on audiences, media companies, employees in the sector, and content.

RESULTS

Economic History of Finnish Media, 1950-2000

The research identified four distinct media eras during the second half of the twentieth century. The first period, from1950 to 1957, represented a continuation of the era of print and universal public service radio that began before mid-century. During this era the primary information and entertainment needs of Finnish residents were served by strong regional newspapers and a dominant public service radio channel. The second era covered 1957 to 1970, which was characterised by the appearance of television and the widening of YLE radio services to include a parallel channel providing more light music than the primary radio channel as well as the introduction of YLE's comprehensive radio news service including correspondents abroad. The period of 1970 to 1985 was identified as the era of media commercialisation, in which advertising and media profitability rose and media organisations began to increasingly see strong commercial possibilities and act more as businesses than social and political entities. The final era, from 1985 to 2000, was identified as the era of media businesses and was characterised by the appearance of media investment funds, offerings of shares in media companies on the stock market, and the growth of large media conglomerates.

These eras did not occur spontaneously but resulted from economic, social, and policy changes in the country. The structure of the newspaper press was affected by urbanisation, industrialisation, and southward emigration within the country, which reduced readership and resources for the rural press and began increasing the import of newspapers in the largest cities. These factors also helped develop needs for city-based radio by increasing the size of cities and towns and creating policy arguments for more news, information, and regional and local content than was provided by national radio channels. The development of commercial broadcasting was promoted by the decreasing role of the state in the economy, general policies supporting a market-based economy, and the lack of additional resources being provided to public broadcasting to provide new broadcast services in radio and television.

The developments in media and their operations and the four media eras are illustrated in Figure 2.

The study also found that the range and amount of domestic media available in Finland increased dramatically during the 50 years. By the year 2000, there were 5 times as many books published annually as in 1950. Similarly there were 4 times as many magazines, slightly more newspapers, 10 times more radio stations, and 4 national television stations. In addition, better distribution systems for print media and cable and satellite systems and the amount of external media available also increased dramatically. The Finnish residents were faced with explosively increasing choices of sources of information and entertainment.

The increase in media was made possible by dramatically increased funding for media. The research showed that by the year 2000 total expenditures for media in Finland were 10 times higher than they had been in 1950 (Figure 3). This occurred because the advertising market grew and supported new types of media and because consumers themselves spent more money on media. Overall, media spending grew faster than the general economy.

Figure 2: Significant Developments in Finnish Media in the Second Half of Twentieth Century

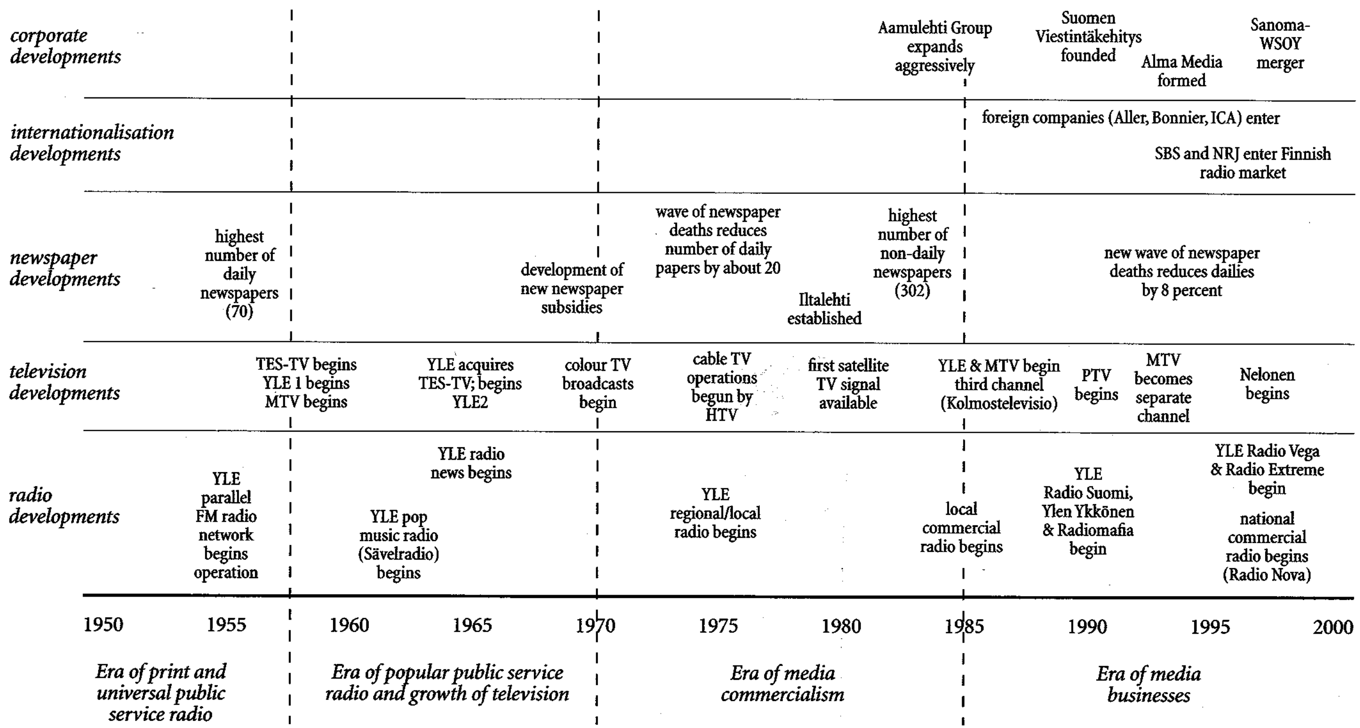
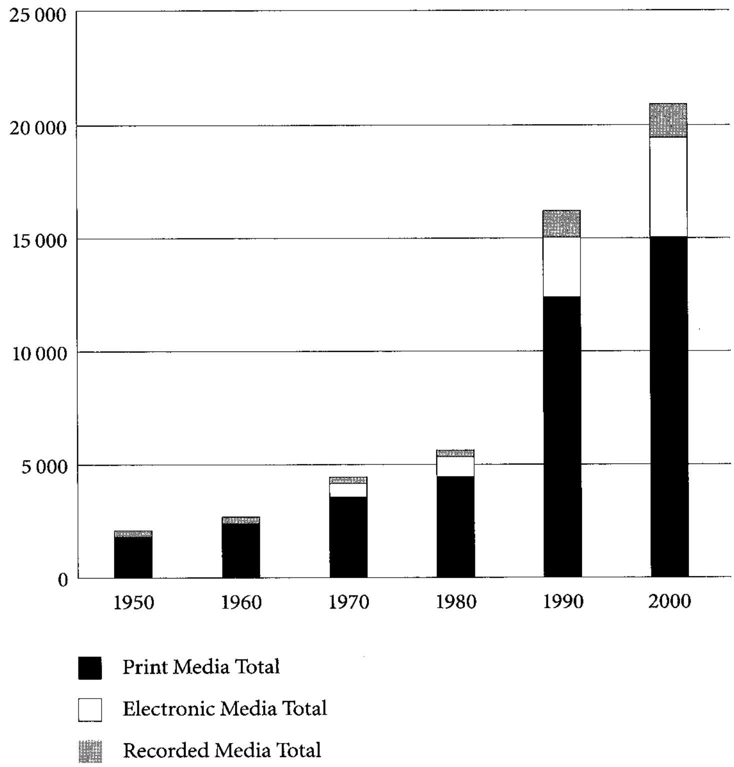
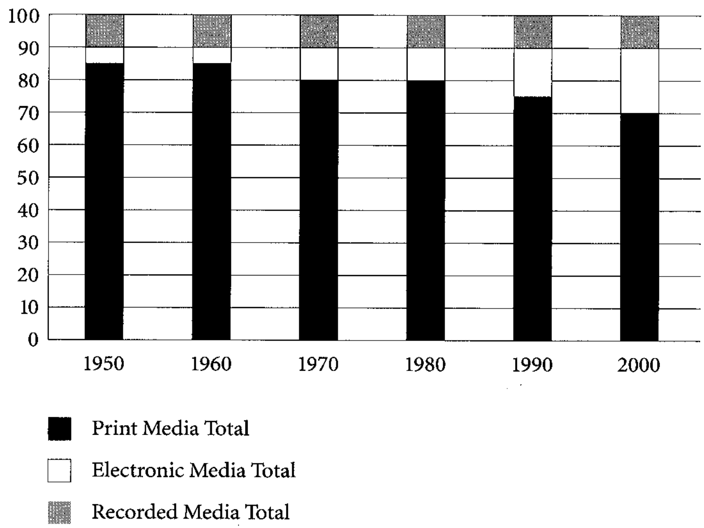


Figure 3: Total Expenditures of Media, 1950–2000 (million FIM, current prices, 1 EUR = 5,94573 FIM)



During the period the shares of expenditures shifted, reflecting the introduction and growth of electronic media. Despite that shift print media dominated spending throughout the second half of the century. They accounted for 85 percent of expenditures in 1950 and declined only to 72 percent in 2000 (Figure 4). Electronic media accounted for only 3 percent of expenditures in 1950 but rose to 19 percent in 2000, while recorded media dropped from 12 percent in 1950 to 8 percent in 2000.

Figure 4: Expenditures Shares for Print, Recorded and Electronic Media, 1950–2000 (%)



As a result of these types of changes, media companies became increasingly profitable and commercialized during the second half of the century and media owners began to view and operate media as competitive and normal business enterprises. The proliferation of media altered traditional media use and consumption patterns among the public and caused established media to adapt their operations and content to new roles and functions.

Changes in Content

Across the 50 years the total amount of content increased, not merely because of the proliferation of media but because the number of pages and articles in average issues of newspapers and magazines rose and the number of broadcast hours in radio and television increased.

In terms of style and content, the research showed that newspapers became more standardized in terms of formats and their agendas, that journalism became more professional, less partisan, and more willing to convey multiple viewpoints. The openly political 'propagandist' language seen earlier diminished when journalism turned more neutral as political party affiliations were discontinued in print media.

The content analysis show that differences in content between newspapers narrowed over time and that the topics covered and amount of coverage become more uniform among newspapers across the second half of the century. Whereas there were large differences in what was covered and the amount of coverage in newspapers in the 1950s, there was high similarity in the profile of coverage in 2000.

Other findings show that the percentage of content devoted to news declined and the percentage devoted to non-news articles increased. These kinds of changes are evident in overall percentage of content devoted to the top-ten topics of content in newspapers in 1950, 1970, 1990, and 2000 (Table 1).

These results occurred mainly because the amount of content increased and the new content was primarily content other than conventional news. In terms of opinion material, the study revealed that the percentage of content devoted to editorials and columns increased, as shown in the case of newspapers (Table 2).

The general patterns of shift toward more entertaining content and general patterns of changes in genres are also found in other media including magazines.

Table 1. Top Ten Topics of Newspaper Content

1955		1970		1990		2000	
total items coded: 6,385		*total items coded: 8,264*		*total items coded: 6,784*		*total items coded: 6,138*	
Foreign Countries	13.3 %	Sports	13.3 %	Sports	18.9 %	Sports	19.4 %
Sports	13.2 %	Culture	9.5 %	Culture	12.2 %	Culture	14.3 %
Culture	10.2 %	Business	7.4 %	Business	11.0 %	Business	11.7 %
Other	7.4 %	Transport	7.2 %	Foreign Countries	8.9 %	Foreign Countries	5.7 %
Transport	6.6 %	Labour Market	6.5 %	Local Government	6.5 %	Environment	4.4 %
Business	6.3 %	Foreign Countries	6.5 %	Politics	5.3 %	Transport	4.2 %
Disasters	5.3 %	Other	5.9 %	Transport	4.7 %	Local Government	3.9 %
Politics	4.8 %	Politics	5.1 %	Labour Market	4.0 %	Law and Order	3.9 %
Law and Order	4.6 %	Local Government	4.9 %	Environment	3.8 %	Other	3.4 %
Economy	4.3 %	Religion	4.7 %	Law and Order	3.6 %	Science/ Technology	3.4 %

Table 2. Types of Texts in Newspapers

	1955	1970	1990	2000
Opinion Texts	5 %	7 %	10 %	9 %
News Texts	79 %	72 %	69 %	62 %
Other	16 %	20 %	21 %	29 %

The Future of Media

The study concluded that the borders between different media industries will continue to blur as digitalisation increases, allowing most types of content to be used in different forms and in different distribution channels. These changes will require increased cross-media skills within workforces as well as more specialised knowledge among some workers.

Media companies can be expected to grow in size because cross-media activities, changing cost structures, operation of distribution networks, and audience service needs all promote consolidation into larger firms. The business potentials, ownership structures, and preferences of companies will ultimately decide which companies manage the value chain, but significant competitive advantages created by convergence and economies of scope and integration tend to support the growth of large media and communication conglomerates. It is expected that large domestic media blocs in Finland will be formed around large companies such as SanomaWSOY, Alma Media, Bonnier, Schibsted and Bertelsmann and that they will acquire smaller firms.

This consolidation will not necessarily reduce content sources because the technologies make it less expensive and less difficult for new content producers to appear and operate. Their success, however, will depend upon access to the distribution systems operated by the larger firms or the degree of subcontracting, networking, and amount of independently produced content they acquire.

Surviving firms in the coming environment will be relatively large, innovation-driven, trim multinational firms with strategic alliances, as well as smaller, highly efficient and integrated regional and local firms and others serving specific target groups.

From the consumer side the study foresees increased consumption of media and communication products and services, continuing fragmentation of mass audiences, creation of special audiences, and individualised patterns of media use that are more focused and interactive.

Much content will become increasingly globalised as large world players compete more heavily for audience attention, but there will still remain markets for domestic, provincial, and local information. New media and communication systems will increase the availability of Finnish information, and language technologies will allow Finnish content access to the global information market. The biggest problem will be gaining attention to the content, so it will need to be high value content and data available as innovative and attractive products and services.

Discussion

The results of the study show that changes in media structure and operations and content are both helpful and harmful to the goals of diversity of information and entertainment sources and content. There was a widening of content in the second half of the twentieth century in individual print media titles and broadcasts, but the media themselves became more uniform in term of content practices, becoming more professional and less partisan in presentation of news and information and increasing content that is less serious and more popular.

Ownership and operation of media has both widened and concentrated at the same time. Changes in types of media and new opportunities for additional media units have brought new owners into the media and communication fields. At the same time, the largest media outlets in print, broadcasting, and new media have moved into the hands of a few large commercial firms which compete with the established public service broadcast media.

Paradoxically, these changes in media ownership and communications have created both more and less opportunity for political and social discourse and action. On one hand, changes in technology and deregulation resulted in increasing numbers of broadcast stations, cable and satellite distribution systems, and broadcast and cable/satellite networks throughout the world and in Finland in the past decade. These media changes, along with telecommunications developments that have made possible wide diffusion of fax, e-mail, and related Internet services, have created more opportunities and means for communications in Finland. On the other hand, however, the changes have simultaneously resulted in communications to smaller audiences and fewer individuals than were reached by traditional mass media and have created conditions resulting in larger, more commercialised media firms.

A concise answer to what these changes mean to diversity is not available because contradictory tendencies are at work. On the one hand, loosening of political control and the increase in media availability seems to increase diversity. On the other hand, professionalism and ownership tends to produce uniform agendas and frames of reference. The researchers conclude that changes observed cannot be attributed merely a result of the structural changes in media and that more subtle qualitative analysis and case studies will be needed to explore this delicate interplay.

In terms of future policy, this study supports the idea that increasing the opportunities for multiple media sources and multiple providers of content is beneficial. Clearly, policy mechanisms that support those goals are desirable. The study has found that policy changes in the past 50 years have been useful in increasing both domestic and global diversionary and entertainment content, but that they have not necessarily supported goals of increasing content that supports the cultural, political and social needs of society.

The needs to support overall communication needs cannot come merely in the form of increasing the number of competitive media and employing anticartel laws, but will also require policies and professional practices that promote increases in the ability of non-mainstream voices to be heard and promote alternative means of coverage of social and political issues.

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