CHAPTER 2

The Industrialization of Culture Framework and Key Economic Concepts

Key Takeaways:

Understand the general features of the Industrialization of Culture framework

Understand the various economic features that distinguish media industries

Understand the variety of strategies media industries have developed in response to the peculiarities of media as a commercial good

Just as the last chapter focused on preparing the book's investigation of the media industries by explaining the broad relevance of having a rich understanding of media industry operation, and of how recent adjustments in the international economy have affected the media industries, this chapter aims to offer some additional concepts and context. First, however, we introduce the Industrialization of Culture framework that organizes the book and sets the context of its investigation by explaining key developments that have prepared the media industries to operate as they do. The remainder of this chapter then presents a variety of economic peculiarities that cut across the media industries and some practices that have developed in response.

THE INDUSTRIALIZATION OF CULTURE FRAMEWORK

We organize the book using the Industrialization of Culture framework because it will still be relevant whether you read this book when it first comes out or pick it up 5, 10, maybe even 20 years after publication. The media industries are incredibly dynamic, norms vary in different media sectors, and even those norms vary from country to country, so the framework offers a foundation—think of it as a set of tools—that should be helpful regardless of the specific industry or context that you need to understand now or in the future.

The framework we use for explaining the operation of media industries features three different levels of influence particularly related to the making of media. At the

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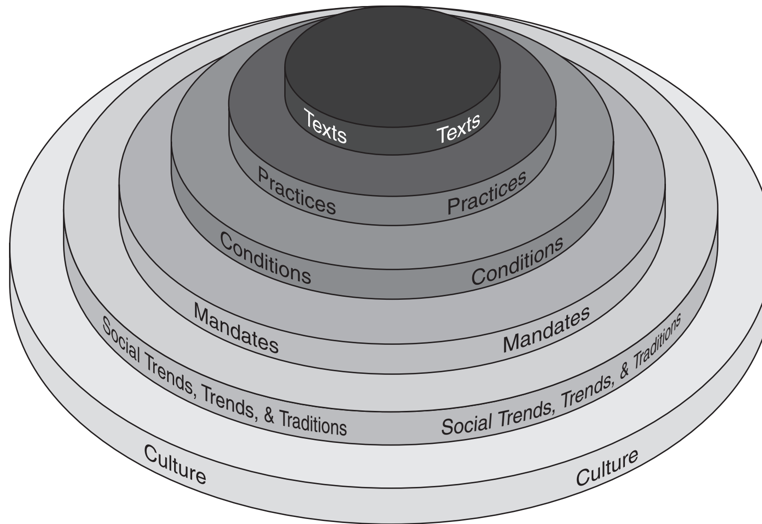

Figure 2.1 Industrialization of Culture framework

base of the framework illustrated in Figure 2.1, are the contextual features of Culture and Social Trends, Tastes, and Traditions. These are present to remind us that these industries and the people who work in them exist in a context that shapes what they do.

The first level of the actual Industrialization of Culture framework addresses the **mandate** of the media outlet under analysis, or the organization's foremost goals—its reason for operating. The second level of the framework examines the various **conditions** under which the media industries operate, which are typically broader than an individual company and regulate the behavior of an entire media sector. Finally, the third level addresses the day-to-day **practices** of the organizations and individuals who work in the various media industries. In order to represent this framework in two dimensions, we must place one of these levels first, but we do not propose a consistent hierarchy of importance among them. Instead, each of the levels influences all of the others.

We begin with the assumption that *in theory* media industries could create just about anything, from the most abstract expressions of high art to the most offensive forms of pornography. Those bottom, contextual levels of "Culture" and "Social Trends, Tastes, and Traditions," identify the range of social and cultural resources that media producers might possibly draw on when creating media goods. Every culture possesses cultural and aesthetic traditions, such as common genres, themes, and myths that shape the kinds of media content a media producer is likely to imagine, even before the operations of the media industries begin to influence the process. In addition, political traditions, such as freedom of the press in the United States and the opposite condition common in authoritative regimes, affect how journalists envision their jobs and the kinds of stories they seek out. Each of the ensuing levels of the framework shapes the

media content until we wind up with the actual media that are produced and circulated within society.

Notice that culture forms the base for the entire Industrialization of Culture framework, suggesting how culture influences the industries' mandates, conditions, and practices. We use the term **culture** in two related senses throughout the book: first, in an aesthetic sense, to refer to the content that the media industries produce, such as films, newspapers, and the like; second, in an anthropological sense, to refer to the specific social practices, values, mores, and hierarchies associated with a particular group of people. The anthropological sense of culture explains why some nations favor public or commercial mandates, why they enact particular laws governing the types of content that can be broadcast, and a whole host of other conditions and practices. More commonly, however, we use the anthropological definition of culture to address the ways in which the people who work at all levels of the media industries exist within industrial cultures that shape their views of themselves, the media they produce, and the audiences they engage.

Our use of the term "culture" in the framework also includes members of the public in a variety of different roles that relate to the media industries: as members of political pressure groups, as consumers of commercial products, as audiences for media, and as citizens. Groups of citizens banded together can influence the regulatory conditions of the media industries, as well as the industry's economic conditions through advertiser boycotts. As consumers, members of the public are divided into demographic groups by the advertising industry and persuaded, often through commercial media outlets, to buy products. Although media audiences do not get direct input into the practices of the media industries, commercial media producers always have audiences in mind when making production decisions. In a sense, the audience functions as a ghost that haunts every level of our framework. Thus, although we don't focus much on how audiences consume media, what importance media plays in their lives, or the economics of media consumption for audiences, the acknowledgement of culture in our framework accounts for the variety of ways that members of the public influence media industry operations.

Mandates

The first level in the Industrialization of Culture framework asks, "What is the mandate of the media industry?" A mandate is the primary goal or the reason for being of the media industry—and this contributes significantly to how the media industry is likely to behave and what content it is likely to produce. Almost all large-scale media operations today function under a **commercial mandate**. Such media primarily value the earning of profits and thus make decisions based on the perceived consequence of the profitability of content, whether such content is sold directly to audiences or supported by advertisers. With the exception of the Public Broadcasting System and National Public Radio, nearly all media of nationwide scale in the United States operate with a commercial mandate. Commercial media systems tend not to be democratic—in other words, some audiences are considered more valuable than others. As a result, some

people—typically those who are younger and/or have higher incomes—enjoy far greater choice in the media content designed for them.

There are exceptions to media with a commercial mandate, as we explain in more detail in Chapter 3. Various **noncommercial mandates** include public, community, alternative/do-it-yourself, and governmental mandates. Media operating with these mandates primarily value something other than commercial profits. In the case of public systems such as the British Broadcasting Company and the Public Broadcasting System, that priority is serving the needs of the citizens of the nation that support those media outlets with tax money or contributions. Media with a community mandate are similar, but they exist to serve far more specific groups, as in the case of community radio or a community newsletter. Media produced with an alternative, or do-it-yourself, mandate often seek to fill a void in existing media outlets or are primarily vehicles of self-expression for creators. Finally, media produced with a governmental mandate are characterized by tight governmental control over content and are typically run by authoritarian regimes. In fact, most authoritarian regimes of the past century have exhibited this tendency to use media outlets as mouthpieces; such media systems continue to persist in China, and efforts by the Egyptian government to limit information about uprisings in 2011 also illustrated a governmental mandate.

Conditions

The next level in our framework encompasses what we call conditions. Conditions, such as regulation, economics, and technology, are larger than any individual entity and organize how media industries can operate. **Regulation** functions as a condition—often particular to a specific country and industry—that encompasses the legal rules within which media companies operate. There are many different types of regulation that govern media industries, but most can be categorized as regulations on content, industry structure, or technical standards. Media industries face some of the same regulations that every industry in the United States faces, such as antitrust rules; however, we emphasize those regulations that have developed to deal with the particular social and political features of media.

Economic norms provide another significant condition that affects how media industries operate. Economic considerations include how the ownership norms of a specific media industry might affect the content it produces. Two of the most significant changes in media industries over the past few decades have been the steady **conglomeration** of many different kinds of companies under a single corporate umbrella, and the **consolidation of ownership** into a handful of global companies. At the consumer level, economic matters such as norms for funding media production and whether consumers pay for media through subscriptions, by direct transaction, or by consuming advertisements also play important roles in media industry economic norms.

Finally, the available **technology** contributes considerably to defining the possibilities available to media industries. Technology can affect how professionals produce media and change a media industry from previous norms, as in the case of digital publishing and recording equipment. Technology can also affect the distribution of media, as in the case of Internet music distribution that expanded piracy and ended the

dominance of the album as the primary unit of music sale, which in turn forced adjustment of traditional music industry economic models. Technology also governs how we access media, enabling us to freely move content among various devices, which has led to entirely new ways of using media.

One final point about each of these conditions is that they rarely operate independently. That is, changes in one of the conditions typically alter each of the others.

Practices

The final level of our framework encompasses the myriad of individual and organizational roles performed by people who are responsible for the day-to-day operation of media industries and the content they produce. We designate these as practices, an umbrella term that can include a broad range of workers and activities. In one of the classic textbooks about media systems, Joseph Turow identified at least 13 different "power roles" that describe the duties and activities of media industry workers (see Table 2.1).[1]

For the sake of clarity, we have organized these roles into two distinct types of practices: creative practices and distribution and aggregation practices, although there are also roles that don't neatly fit into these categories as well.

Creative practices encompass the tasks and workers involved in the making of media. **Distribution and aggregation practices** include workers and activities that bring finished media goods to the audience. We can also identify a variety of other practices not well described as creative or distribution/aggregation practices—such as audience measurement and employment representation by guilds, unions, agents, and lawyers, which comprise numerous other practices that exist somewhat outside the central media industries. We generally refer to these as **auxiliary practices**. Such roles are too varied to address in a general overview textbook, but we offer examples of such roles in discussions of the others.

Table 2.1 Turow's "Power Roles" of a Mass Media Industry

Set conditions of media-making	Authorities
Make, fund media	Producers
	Creators
	Investors
	Clients
	Auxiliaries
	Unions
	Facilitators
Make media available	Distributors
	Exhibitors
	Linking pins
Consume, respond to media	Publics
	Public advocacy groups

HOW DOES THIS FRAMEWORK WORK?

Our framework is intended to be *multidirectional*, by which we mean that each level influences the others. In most instances, we imagine the Industrialization of Culture framework functioning sort of like an old-fashioned pinball machine, in which every individual ball, or media project, travels a unique path through the playing field. Forces as varied as the skill of the player, the various objects that each ball encounters, and a bit of chance lead to the ball's varied paths and trajectories. In our metaphor, illustrated in Figure 2.2, the particular culture within which a media industry operates determines the placement of the bumpers, spinners, chutes, flippers, and special bonuses that each ball (or idea) must negotiate.

The large bumpers that deflect the balls and determine their speed and trajectory might represent the "Mandates" in our framework. The other bumpers, spinners, ramps, and chutes also alter a ball's speed and direction in dramatic ways and represent "Conditions." Finally, the players themselves, who demonstrate varying degrees of skill when operating the plunger and the flippers to initiate and redirect each pinball, represent the "Practices" of the industries and the people who work in them.

For example, if we used this pinball metaphor to understand a hypothetical new television news magazine program, we'd start by considering its mandate. Imagine this show airs on Fox Broadcasting, which is owned by the media conglomerate News Corp. that owns, among other things, the *Wall Street Journal*, Fox News Cable Channel, and 20th Century Fox studio, and is headed by Rupert Murdoch. Fox has a commercial mandate, and the purpose of this show is producing commercial profits, so we can imagine a strong bumper push toward creating content that is commercially successful. Of course a news show can be commercially successful in lots of different ways (e.g., by maintaining a reputation for the highest quality, by reinforcing the worldview of a particular segment of the audience, by emphasizing things that are interesting even if not that important), so that commercial mandate alone doesn't tell us everything.

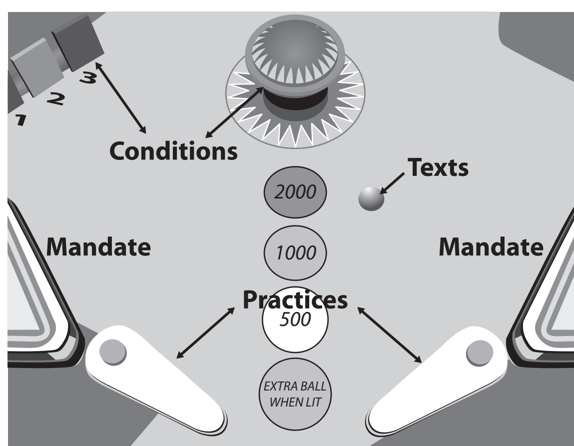

Figure 2.2 The process of cultural creation as a pinball game

For example, the range of News Corp. holdings illustrates that the company has found ways to be profitable with a lot of different kinds of content. Fox Broadcasting has tended to be an irreverent and younger skewing media outlet for the company, so since the show is being developed for this arm of the News Corp. conglomerate, we might imagine the company would design a news show for that audience—one quite different from its other news audiences. Because Fox is a broadcaster, the news show would have to fulfill broadcasting regulatory norms—which are different than cable—another flip across the pinball board; and Fox is mostly advertiser-supported, so needing content that would appeal to advertisers—rather than drawing subscribers in—likewise sends the ball in a certain direction.

Maybe Fox designs the show so that people don't have to watch it at a certain time but can view it on any screen technology. This aim for technological flexibility would affect the show and make it different from a show meant for television-only consumption. Then what if Fox hired Anderson Cooper away from CNN and gave him the authority to make the kind of news show he'd always wanted for young people? The personal imprint of Cooper would make the show different than if Fox hired Jon Stewart or, for a very different show yet, Chelsea Clinton. The point here is that the primary creative decision-maker can affect media content in a manner like the deflection of a ball in the game—even if all the other aspects of the framework remain the same.

Even though the framework is the same every time, each ball—or each idea for a song, news story, film, TV show, or game—travels a unique path through the playfield, making the impact of the mandate, conditions, and practices on each bit of content and on industry operation uncertain. Any thorough analysis of how a particular media product comes into being must account for the ways in which all of the conditions and practices represented in the framework influence one another and the final product, and these insights are not inevitably transferrable to other media goods, industries, locations, or historical periods.

The discussion of media systems' mandates, conditions, and practices offered here is meant as a quick introduction to these concepts. The next chapters focus on each level and their components in much greater depth to better explain what they are and why they are important to understanding the operation of media industries. First, however, we need to introduce some basic concepts of media industry economics that cut across the media industries and the levels of our framework.

Photo 2.1 A, 2.1B, 2.1C Hypothetical talk show hosts

KEY ECONOMIC ASPECTS OF THE MEDIA INDUSTRIES

As we noted in the previous chapter, conventions of genre, camerawork, editing, scale progression, band composition, and so on are commonly observed in popular media industries, just as journalism, likewise, has equally numerous and rigid conventions. To some extent, these conventions ensure quality, but more than that, they help diminish the economic risk that commercial media organizations face. Along with a host of other adaptive strategies, "conventions" help to make commercial media production more predictable—or, at least, they help media executives to feel that the business is more predictable. Small and independent media organizations—and those with noncommercial mandates—engage in these adaptive strategies selectively. However, because many of the strategies develop from fundamental attributes of the media commodities themselves, these strategies can help smaller businesses and nonprofits reduce costs and stretch resources. In this section, we trace both distinctive attributes of media commodities and some of the adaptive strategies that the industry has developed to help combat their challenges.

Fundamentals of Media Commodities

Economist Richard E. Caves identifies some of the particularly challenging aspects of media industry operation that make them financially riskier than many other industries.[2] First, he recognizes an issue he calls "**nobody knows**," which describes how much more difficult it is to predict what media industry products will succeed than it is in most other industries. Countless times, media producers have developed films, albums, games, and so on with every characteristic of a previously successful one, only to see the new one fail. Just as often, an idea that has never before succeeded unexpectedly draws record crowds. Although every industry faces financial risks, the unpredictability of cultural commodities' success prevents many of the tactics that reduce risk and uncertainty in other industries from being effective.

One of the unique aspects of the commercial media industries is the high level of **sunk costs**. If you are making a movie, for instance, you need to spend the entire budget of millions of dollars before you have any sense of whether it's any good. Consequently, media industries typically have what are called high **first-copy costs** and relatively low **marginal** or **reproduction costs**. In other words, nearly all of the money that goes into media production must be spent to shoot the film, record the album, or make the show (first-copy costs). After that, the cost of distribution—or getting the content to millions of homes, theaters, or retail outlets—is comparatively low (reproduction costs).

Due to high sunk costs and low reproduction costs, economists consider most media as **public** or **semipublic goods**. Despite what the name suggests, public goods are not things that are good for the public but rather commodities that are not destroyed or used up in the process of consuming them. An expensive dinner is an example of a **private good**, because once you've eaten it, no one else can enjoy it. By contrast, when you watch a television show or see a film, it typically doesn't prevent someone else from also doing so.

To understand the peculiarity of media industries on this point, compare them with the automotive industry. Carmakers also have extensive first-copy costs, as millions of research and development dollars are required to design a new car model. Although those expenses can be amortized over the millions of cars built in that model, each car still has substantial marginal costs—the steel, glass, materials, and labor necessary to build each car. The result is a private good: when you buy or lease a car, no one else can benefit from the labor and goods required to manufacture it. In contrast, the cost of burning a CD or DVD or distributing a television show by broadcast or digitally online is comparatively insignificant compared to the cost of making the original version. Moreover, that content may be consumed by millions of fans, all of whom can enjoy the music, program, or film without preventing anyone else from doing so as well.

The high sunk costs associated with media production create their own challenges for media companies because larger production budgets do not always lead to greater revenues. Producers can always spend more money on a product—perhaps in more costly special effects or in paying for a bigger star—but those expenditures are less guaranteed to pay off than in many other industries.[3] For example, in crafting a chair, a furniture maker might face a choice between using pine, a light and fairly inexpensive wood, or oak, a dense and more expensive wood. The furniture maker knows the decision to use oak will make it a stronger chair and that consumers will recognize that strength and be willing to pay more for it. Media consumers, by contrast, typically pay the same amount for media products (a ticket to a first-run film costs the same regardless of its production cost). Instead, media producers must try to calculate how many more people might see a film if more expensive special effects are used or whether it is shot on a sound stage or on location, and whether those additional people will provide enough additional revenue to balance the cost.

An issue related to the questionable benefits of additional costs is the **A-list/B-list issue**.[4] Selecting talent for media goods defies norms that govern the economic decisions of many other industries. A relatively unknown actress may offer just as good of a performance as an established star with a salary 10 times higher, but sometimes featuring the star is what makes people see the film—though it is impossible to know whether the film will gross the difference in salary as a result. Unlike the example of furniture construction, in which oak will always be sturdier than pine, the popularity of actors and directors can wane without cause, or an actor who had previously offered top performances may turn in below-par work or experience some sort of celebrity scandal just before the film is released. It is very difficult to assign value to the status of creative staff in the media industry in a manner similar to tallying the production costs of many other industries.

Sometimes the products of the media industries also require a long period before they begin returning profits. In the case of television production, for instance, it has been commonplace for studios to lose money on network shows for the first three to five years, and some movies do not begin to turn a profit until they are released on DVD or for in-home streaming. On the other side of the equation, companies may continue earning profits on a media good for decades after production is completed, a phenomenon known as the **ars longa,** or the long economic life of media industry products.[5]

For instance, Apple Records, a label founded by the Beatles in 1968, continues to receive revenues when a consumer buys one of its Beatles CDs today, and CBS Corporation, which holds the license to the 1950s television show *I Love Lucy*, reports that it continues to earn more than a million dollars a year from continued licensing of the show around the world.

Finally, the creative products that the media industries produce lead to what might be considered irrational behavior in other industries. Many of the creative workers who supply the lifeblood of the media industries pursue their crafts with an **"art for art's sake**" attitude. Indeed, there are many who work in these industries whose primary incentive is to make the types of shows, music, games, or movies that are likely to make the most money, but there are also many who would willingly give up some of the profits in order to have more control over the production, to make the story they really want to tell, or to work on a schedule that better matches their creative process. As a result, those involved in the media industries often do not behave in the same profit-centered manner as workers in most other commercial industries.

Media Industry Responses to Risk

In response to the particular economic conditions that distinguish the media industries from other commercial endeavors, practitioners have developed a number of strategies to balance or compensate for the challenges. Here we first list a series of strategies with brief detail and then examine two others more extensively that are particularly important for understanding contemporary industry norms.

Media industries engage in **intentional overproduction** in an effort to offset inevitable miscalculations against a broad repertoire; this is a strategy that attempts to compensate for the unpredictability of success—defined earlier as "nobody knows." For example, David Hesmondhalgh notes that "nearly thirty thousand music albums are released in the U.S. each year, of which fewer than two percent sell more than fifty thousand copies."[6] Record industry executives are well aware that most albums—98 percent by Hesmondhalgh's figures—won't achieve wide sales, and, in response, they are faced with choosing among a few strategies to try to achieve profitability.

An alternative strategy to intentional overproduction would be to produce fewer albums and put far more resources into them. Instead, most media industries spread budgets widely knowing most of their offerings will fail because they lack reliable tools for predicting hits and failures. The film industry, for example, draws a bit from both strategies—it allocates its production budget variably, putting far greater resources behind some films—those that a studio believes likely to be **blockbusters** if successful—instead of allocating production dollars equally across all films. Even still, at least a few films with blockbuster budgets fail to find audiences and end up losing studios millions of dollars.

Some hope that the increasing information about audiences' media use and behavior provided by digital technologies and services will offer new tools to "know better." For example, the video streaming service Netflix has argued that its vast databases of what subscribers watch, how long they stay tuned, and how quickly they consume episodes enabled them to "predict" the success of the highly serialized original production

House of Cards and allayed concerns about the risk of producing new episodes of *Arrested Development*. Though media industries—like other industries—are now able to gather much more data about consumers, the use of such big data doesn't really solve the "nobody knows" principle with regard to new products.

Another practice, which has begun to erode in some sectors of the industries, is the creation of **artificial scarcity**. For decades, film viewers have accepted that they must go to a theater if they want to see the newest films, that they'll have to wait six months to a year to rent or buy a copy of the film, and that they must wait even longer to have the opportunity to view it on television. Long before the advent of the VCR, residents of small and rural towns accepted that films would "open" in big cities and that they'd have to wait weeks or months for the films to reach local theaters. There is nothing natural about such practices; rather, they indicate a strategy by which the industry attempts to create scarcity in order to stretch the life of creative goods and allow **price differentiation**, a practice that describes why it costs about $15 to see a movie right now in the theater but only a few dollars if you wait a few months for it to be available on iTunes, a video on demand service, or as part of a subscription fee paid to a service such as Netflix. These efforts to create price differentiation through artificial scarcity are part of the process of distribution windowing**,** which we explore in more detail in Chapter 8.

Another strategy widely used in media industries is that of **bundling**. Selling songs packaged together as an album or news stories together as an issue of a newspaper are examples of bundles. Many subscriptions provide access to a bundle of goods—all the content licensed to Netflix, for example, or all of the issues of a magazine for a year. One of the most pervasive bundles is found in television—90 percent of people with television pay a cable or satellite provider for a bundle of channels, and each of those channels is basically a bundle of programs. Bundling may be valuable to both industry and consumers in some instances, particularly where bundles provide a more efficient form of distribution. When cable first launched, providing a bundle of channels was valuable because people were attracted to the service for different reasons—some for sports programming from ESPN, others for CNN's news, others yet for MTV's pop culture videos. Digital distribution has changed the norms and made it possible to efficiently distribute content without bundling it. Digital distribution enabled the transaction of single songs in the recording industry, and the television industry now faces similar concerns as viewers have grown frustrated by pricey bundles in an era in which alternative ways to distribute content exist.

Ownership and Conglomeration Strategies

The media industries have also adapted to some of the complicated features of their enterprise by making use of a variety of strategies related to ownership. This section first explains some of the ownership strategies most evident in the media industries and then details the adoption of these strategies in the past 30 to 40 years, the time period we identified in the last chapter as the "Long Downturn" and transition to mass customization. Although the strategies we review here are also common outside the media industries, the particular risks and opportunities associated with the media industries make these ownership strategies particularly attractive. In addition, given the longstanding

connections between media and the functioning of democracy, concerns about negative implications for democracy arising from consolidation of ownership in the media industries is particularly worrisome for many observers and activists.

Conglomeration and consolidation of ownership defer the risk created by the uncertainty of media goods' success by placing media production within massive, often diversified corporations. **Conglomeration** refers to the integration of previously distinct sectors of media industries under a single corporate umbrella. The Walt Disney Company, for example, was once merely a film studio, but it has since expanded into broadcast and cable television, magazine publishing, radio and recorded music, and even book publishing, as well as a number of sectors not traditionally identified as media—such as theme parks and toy merchandising—though clearly these enterprises also relate to the media industries' function of creating intellectual property. Before the 1980s, each media industry was quite distinct and generally dominated by a small **oligopoly** of large corporations. These companies tended to experience both hits and flops with a certain level of consistency—and managed risk by hoping the hits offset the flops. Conglomerating further helped manage risk by adding other types of products into the corporation.

Media conglomerates are able to diversify their profit centers and spread risk by developing multifaceted corporate networks that include holdings in production and distribution and span a broad range of media and entertainment services such as film, television, magazines, books, sports teams, and entertainment parks. In this way, conglomerates can both subsidize less successful business segments with more successful ones and reduce overall risk by combining media ventures with less risky, nonmedia ventures. Media law scholar Tim Wu notes that the ability of one significant failure—as in the case of United Artists' legendary failure *Heaven's Gate*—to destroy a studio motivated media companies to grow to a scale and diversity so that a single failure would not produce such dire consequences.[7] Disney's *The Lone Ranger* (2013) provides a recent example of this. Despite losing $190 million on the film, Disney profits were the same for 2013 as they'd been the previous year, illustrating how broad conglomeration can allow a company to absorb a massive failure.

Concentration, or consolidation of ownership, is another industry strategy that is often noted in concert with conglomeration. According to David Hesmondhalgh, concentration of ownership "refers to the extent to which a market or industry is dominated by the largest businesses."[8] Since the Long Downturn, media businesses in the United States have become both much more *consolidated* (meaning fewer competitors), as well as *conglomerated* (because the same few owners that have consolidated the industry are also highly conglomerated entities with a wide range of media and other holdings). Although the terms "conglomeration" and "consolidation" are often conflated, much of the concern about shifts in ownership patterns in recent years centers more on consolidation than conglomeration. Consolidation more precisely describes the concentration of many media industry operations into the hands of just a few companies.

We often think of consolidation as a recent development brought about in the wake of the Long Downturn and the deregulatory policies that allowed consolidated ownership beginning in the 1980s (see Chapter 4), and that is the case for media industries

such as radio and television, but similar sizable shifts in ownership occurred in the newspaper industry at the beginning of the twentieth century. Between 1910 and 1930, the number of cities with competing local papers fell from 689 to 288; by 1960, only 4.2 percent of cities with a daily newspaper had a competitive local market. Consolidation of the newspaper industry was already apparent by 1933, when the six most powerful chains controlled about one-quarter of the daily circulation in the United States.[9]

Some recent policy research has identified that cross-ownership in which a company owns various media should be less of a regulatory concern in the digital era but that concentrated ownership is more problematic. Policy scholar Des Freedman makes a case that the resources of large-scale organizations are needed for comprehensive public service, and this may well be the case for contemporary media with commercial aims as well.[10]

Conglomeration can refer to two different organizational strategies: **vertical integration** and **horizontal integration**. Vertical integration describes the attempt to control every stage of a media good's development, from production through distribution and sales. For example, the music industry has become highly vertically integrated since the 1990s, as major music distributors have bought up record labels that record and produce music, manufacturing companies that press CDs, and retail and online outlets from which people buy music. Indeed, a key challenge of digital distribution and the dominance of iTunes in this area is that the labels must give up some of the revenue from sales they previously controlled. Of the $0.99 or $1.29 you pay for a song on iTunes, about 40 percent stays with Apple. If the labels were more vertically integrated so that consumers would come to a site with Sony recording artists who are owned and managed by Sony music, that share of revenue would stay with the conglomerate—illustrating the value of vertical integration.

Horizontal integration describes the conglomeration of various companies at the same level of the value chain—or companies that do the same thing. An industry that is a **monopoly** illustrates the most extreme example of horizontal integration. For instance, a company integrating horizontally might seek to purchase multiple production studios. Horizontal integration reduces or eliminates competition, which allows the entity to charge higher fees or control terms. The distribution of cable and broadband services features extensive horizontal integration. Most US residents can choose only one local cable service provider (companies such as Comcast, Cox, and Charter). If you are unhappy with its service or rates, there is little you can do other than switch to a satellite provider—an imperfect competitor as of 2015 because satellites were still technologically unable to provide Internet service. Rural homes often don't have even that choice, as cable is often unavailable, which has also made high-speed broadband difficult for rural homes to access.[11]

A key business logic behind conglomeration and consolidation is a desire to take advantage of **economies of scale.** Economies of scale operate in many industries, but they are particularly important to media industries because of the high first-copy costs and the "public good" nature of their products. Economies of scale are achieved when the average cost of a commodity decreases with expansion of output. In media industries, economies of scale explain why we have a network television system. In the early

days of radio, television's predecessor, local entities and communities developed their own stations and filled the hours with programs. The local reach limited potential sponsors to those in the local community, and developing a full day of programming for every station was costly. The reach of the broadcast signal was limited by geography, which meant hundreds of stations around the country arguably duplicated each other's efforts. The network system—in which one centralized entity creates programming that is distributed to stations throughout the country—allowed broadcasters to take advantage of economies of scale. With the ability to deliver hundreds of thousands of listeners to advertisers—instead of hundreds or thousands—networks could sell advertising to national corporations and aggregate the money spread across the programming budgets of 200-some stations nationwide into one high-end production.

Many of the entities that distribute media over the Internet today similarly rely on economies of scale. The ease and low cost of digital distribution makes it possible to reach national and even international audiences. With such reach, narrow audience tastes can be effectively turned into commercially successful markets. For example, a low-budget Web series can become profitable and draw sponsors even if reaching a small and narrow audience—as was the case of *The Guild* (2007–2013). Many of the success stories, though, begin as unfunded experiments.

Here's another example that might bring home the concept of economies of scale. Universities often use this principle in lecture classes. Instead of capping classes at 30 students, lectures often enroll 100 or more students. The lecturer might deliver the exact same presentation, whether speaking to 30 students or 130, but the university is able to meet the credit needs of—and collect tuition dollars from—100 more students. As is true for media industries, we see the advantage that can be gained by economies of scale from the university's perspective, but it is important to note that there is also a downside in both of these cases. In amassing large audiences, media often have to sacrifice some of the specificity that makes content so attractive to particular audiences, just as lecturers and students lose the intimacy of one-on-one conversations when enrollments multiply.

In addition to economies of scale, media industries consolidate in order to take advantage of **economies of scope** as well. Economies of scope refer to the decreased costs of production that come from producing a wide range of products; the efficiencies can include sharing research and development costs across multiple products and taking advantage of integrated or related marketing campaigns. The basic organization of film studios and recording labels illustrate the value of economies of scope—these organizations can more efficiently create multiple films than if each film were independently produced. Conglomerates can leverage the popularity of particular characters, stories, and setting across multiple different media. For instance, Time Warner holds the rights to the *Lord of the Rings* franchise, including the blockbuster films. Prior to the release of *The Hobbit: The Battle of the Five Armies* in December 2014, Warner Bros. Interactive Entertainment, a subsidiary of Time Warner, released the videogame *Middle-Earth: Shadow of Mordor*, which takes advantage of the popularity of the film, its setting, and its characters in order to popularize the game. Importantly, the game also helps cross-promote the movie.

Going back to our earlier discussion about how the media possess the possibility of operating as a democratic public sphere, you can probably see why so many people might have concerns about changes in media ownership structure. Monopoly power not only raises the specter of media organizations failing to fulfill their public sphere function, but, perhaps more insidiously, it can mean that they maintain the *illusion* of providing a democratic public sphere while bombarding the public with one-sided or inaccurate ideas and information. Due to these concerns, various media-reform movements have agitated—and sometimes succeeded—in both local and national politics to try to halt or reverse policies that favor media consolidation.

So have the media industries generally become more conglomerated and consolidated, and, if so, why? Ben Bagdikian begins his revised edition of *The New Media Monopoly* with some stunning descriptions of the level of conglomeration and consolidation of the media industries evident by the early 2000s. For instance, he notes that by 2003 five men controlled the range of media that had been run by 50 men just 20 years earlier.[12] In their expansive and detailed third edition of *Who Owns the Media*, published in 2000, Benjamin M. Compaine and Douglas Gomery note that the top five firms in the recorded music industry account for 80 percent of the market and that in theatrical film, six studios account for 90 percent of the box office receipts.[13] By 2005, two of the five music firms had merged, resulting in the "big four" controlling all but 18 percent of the global music market. Similarly, Hollywood studios continued to control 90 percent of the market in 2012.[14] In recent years, many have expressed concern about the oligopolies and even monopolies that control access to media production. Our distribution services are just as concentrated as content producers. Verizon and AT&T dominate mobile phone service in the United States, while many homes have access to only one high speed broadband service provider.

Radio ownership consolidated considerably after the passage of the Telecommunications Act of 1996, which eliminated limits on how many stations could be owned nationwide. The anticonglomeration activist group Free Press reports that before 1996, no company owned more than 65 radio stations nationwide, but after the act's passage, Clear Channel corporation expanded to own nearly 1,200.[15] In television, Free Press reports that "between 1995 and 2003, ten of the largest TV-station owners went from owning 104 stations with $5.9 billion in revenue to owning 299 stations with $11.8 billion in revenue."[16] And the situation is little different in print. According to Free Press, "Since 1975, two-thirds of independent newspaper owners have disappeared. Today less than 275 of the nation's 1,500 daily newspapers remain independently owned, and more than half of all U.S. markets are dominated by one paper."[17] Even in newer media industries such as gaming, the gaming console industry operates as an oligopoly among three main companies (Sony, Microsoft, and Nintendo). The publication of games is also highly consolidated among a few companies, with the added hurdle that game designers need to license their games with the various console companies.[18]

As you can see, a fair amount of evidence exists that media industries have become more conglomerated and consolidated in recent years. What remains much less certain, however, is what this means for the operation of media industries and our

understanding of them. There are generally two schools of thought on this issue. One position might be loosely described as "conglomeration equals homogenization." Scholars and media critics including Robert McChesney and Ben Bagdikian have extensively chronicled conglomeration and consolidation as we note here and often tie in examples indicating the dangers inherent in these ownership configurations. Importantly, it is not simply a matter of what these conglomerates own directly; rather, conglomeration is also relevant when you consider the complex, interconnected webs that consolidate power, such as connections among corporate boards of directors and conglomerate owners of media (particularly those with holdings outside of media), and how the commercial mandate of news entities can require them to placate advertisers and sponsors in ways that can significantly compromise the provision of news.

The other school of thought on the consequences of conglomeration and consolidation on the operation of media industries is not directly opposed to thinkers such as McChesney and Bagdikian; rather, this camp would suggest (and your authors fall into this category) that we do not yet know enough, do not have enough case studies beyond news production, and do not have a way to explain the prosocial outcomes that conglomerated media industries sometimes produce to make decisive statements about the internal operations of these conglomerates. Many in the conglomeration-equals-homogenization camp tend to rely on frameworks of media industry operation that place much more emphasis on ownership as the deciding factor of what industries do than does the Industrialization of Culture framework. In their thinking, the routines of companies and agency of individuals that we allow for in our exploration of "practices" are unimportant because they believe that workers consistently serve the needs and will of the conglomerate. These insights are based largely on a range of anecdotes because little in-depth or exhaustive research on the internal operation of media conglomerates really exists. It can also be argued that conglomerates are too vast to operate in the single-minded and concerted manner proposed.

Although it makes sense that conglomerates would operate with extensive self-interest, their scale is often simply too great for such coordination to occur. Conglomerates are organized into units and divisions, and the individuals who work in them are much more concerned about the needs of their unit or division than beholden to the broader conglomerate as a result of how reward and evaluation are structured. For example, performance is typically measured at the level of a single division (e.g., whether the home video division made its sales goals, etc.), which means that workers tend to place the performance of their division above that of the conglomerate. This has tended to prevent the conglomerations from achieving **synergies** that conglomeration is intended to create.

A Time Warner employer relayed a story that illustrates the unpredictability of synergy and how corporate structures can discourage it. When the broadband service arm of Time Warner sought to use the Road Runner character from the Warner Bros. Looney Tunes franchise as its name, the Warner licensing division initially allowed it only with an exceptionally high licensing fee. Eventually this was worked out, and Road Runner became the trademarked name of the Time Warner broadband service, but abstract

ideas such as synergy don't always recognize the divisional self-interest that would lead one division to try to exact a high license fee from another arm of the conglomerate.

Synergy was a big buzzword of the mid-1990s through early 2000s that described the efficiencies and advantages that were imagined possible through conglomeration; basically, it is the idea that the combination of two entities can be greater than the simple sum of their parts. In a few cases, synergies could be found in successful cross-promotional efforts. **Cross-promotion** describes a conglomerate's ability to market content developed for one sector of the media conglomerate throughout the other media sectors in its organization, as described in the previous example of the *Lord of the Rings* films and video games. This kind of conglomerate cross-promotion, in which each new version of conglomerate-owned intellectual property not only makes money in each different media form but also drives sales of all other versions of the property, is an illustration of synergy.

In other media industries and instances, anticompetitive behaviors certainly do arise. The major Hollywood movie studios, for instance, own theaters around the world and often give their own and other Hollywood films privileged access to their screens, and we could list many other practices that arguably abuse the power that comes from conglomerated and consolidated ownership. The point, then, is that the ownership consolidation we've seen in the media industries over the past couple of decades has certainly enabled different arms of the conglomerate to operate in anticompetitive ways. The analysis of whether, how, and how frequently these things happen, however, requires a more nuanced assessment of particular industries, organizations, and instances.

In recent years, the key trend in media ownership has not involved continued acquisition or growth among conglomerates so much as it has involved a tension between publicly and privately held media companies. **Publicly held** companies are those that anyone can buy stock in and consequently have a responsibility to stockholders to protect their investment. They are also subject to a variety of government regulations that require disclosure of financial details and adherence to particular accounting rules. **Privately held** media companies are typically managed by a family and are not subject to the same disclosure rules. Analysts of the business performance of media companies have noted a number of cases of private media companies thriving in the uncertain times of the past decade and suggested that the daily assessment of public company performance via fluctuations in stock prices has prevented publicly held companies from developing strategies likely to allow for innovation over the long term. A trend of companies buying back publicly held stock or seeking to take publicly traded companies private emerged in the media industries in the early 2000s but did not become especially widespread. Media scholars have not yet thoroughly investigated this trend, but it does appear to be a development of some consequence that might mark the next stage in the evolution of dominant trends in media ownership. Media industries were first most commonly local family businesses before developing into broad, publicly traded global media conglomerates. Assessing who owns a media company and whether it fits the dominant ownership trend of its industry at the time are important considerations in applying the Industrialization of Culture framework.

Given the range of thinking among media scholars on the subject of media ownership and consolidation, you may be wondering what to make of this situation or what knowledge you can take away. It is clear that who owns what can be very important to the operation of media industries. What remains contested is how important ownership is. For some scholars and approaches to the study of media industries, ownership is a crucial and primary indicator of how an entity will operate. It is the position of the authors and the Industrialization of Culture framework that ownership is meaningful, but it is only one of many factors that figure into how media industries operate and what they are likely to create. Returning to our pinball metaphor, ownership may be one bumper that sends the ball forcefully in one direction, but, despite the potential of that forceful push, the ball could deflect in a number of directions when it hits the next obstacle, or it may be the case that the ball only glances the bumper, and the ownership bumper has little effect on the media good.

Formatting

Another strategy used by media industry workers to combat the uncertainty of audience behavior is composed of a variety of techniques that emphasize features of media content known to succeed in the past that might generally be called **formatting**. Perhaps the best explanation for why commercial media tend to produce content far more similar than different results from the perception that known and familiar media tend to be more popular, or at least easier to promote, than media that are more atypical.

Think of formats as the media industries' effort to follow a formula to achieve success, and the main formulas are derived from past successes. Although we may think of a formula as a precise calculation, such as what you would encounter in a chemistry class, here we use "formula" much more loosely. We consider formatting to include the reliance on known attributes in design and production of media content. Formatting might include using *known stars or creative workers*; *known products*, such as sequels or serials; *known formats* such as genres; and *standard features*. Before considering these examples of formatting in greater depth, it is crucial to acknowledge that formatting is often a good business strategy, given that media industries can be characterized by the dictum that "nobody knows." Formatting remains far from foolproof, however. As we will see, formatting might increase the odds of a media product succeeding—or at least of not failing—but there are also countless cases of media products that precisely follow known formatting that fail nevertheless.

One of the most obvious examples of formatting involves the practice of using **known talent**, or those actors, directors, writers, and producers who have succeeded in the past or with whom audiences are familiar and regard positively. In many ways, the entire "star system" that characterizes the most successful workers in media industries results from the industry's belief that those who have succeeded in the past are likely to succeed again. With some creative goods, industry workers hope that audiences are so committed to the previous record of an individual that they will purchase, view, read, or listen to a new product simply because that person is involved. Actors identified in Hollywood as members of the "A-list" may not be the most skilled (although in some cases they are), but they earn this distinction because they have established a fan base

that consistently turns out for new movies, no matter the subject or reviews. Sometimes the star power of one individual alone can lead a movie to be profitable, although star performer power can be less reliable in other types of media. For example, there have been many cases of A-list stars failing; sometimes star performer power isn't enough to overcome other features of a poorly conceived story, weak promotion, or bad buzz.

Although star performers quickly come to mind as a form of known talent, all sorts of creatives might be used in this way. We often hear of a new film by J. J. Abrams, a new novel by J. K Rowling, a new series by Shonda Rhimes, or a new album produced by Pharrell Williams. Any time you see media promoted by emphasizing the individuals involved in its creation, it can be seen as a case of formatting. Being J. J. Abrams or Pharrell Williams might also be crucial to securing the funding of a studio, network, or investors in order to create a media product, but it isn't a ticket to success. Most of those who have achieved high-profile successes have also experienced widely noted failures. A few failures often won't significantly diminish a reputation, however, partly because those who have succeeded in the past are given so many subsequent opportunities that there are bound to be failures.

Another, also very simple use of formatting relies on **known products**. In film, we often see this in the form of sequels. Many noted the summer of 2012 as a particularly safe film season, as the schedule included sequels *The Dark Knight Rises*, *Madagascar 3, Men in Black 3,* and films with intellectual property known from other products, such as *The Avengers* (known from television show) and *The Amazing Spiderman* (film reboot, comics). The sequels offered the third installment of stories about established characters and settings, and, unsurprisingly, all had strong releases. Film sequels are a common and accepted practice that allows a measure of certainty. Another example of using known products involves taking a successful media product and reproducing it in another industry—for example, making the Harry Potter and *50 Shades of Gray* books into films. In television, **format sales**—or the sale of the features of a show successful in one country to be reproduced in another country—has become a common way to better predict success. The live singing competition of *American Idol* was uncommon in the United States during the earliest days of reality television when it arrived in 2001, and most thought it had little chance of success. Fox relied on its prior massive success in several other countries as an indicator that it would likely perform well in the United States as well—so the success of a format in a different country can also be a way to minimize risk.

Television has many other ways of incorporating formatting. The television spin-off involves taking an established character from one show and creating a new show around him or her. In the magazine industry, formatting can be seen as a way to expand the brand of an existing title, such as launching *Teen Vogue* based on market familiarity with *Vogue*. This strategy is also common among video games, where many successful games have sequels produced.

Another example of formatting is that of using **known formats**. Using known formats involves reproducing much more general, existing media products. For example, the launch of Oprah's magazine *O* reproduced the well-established women's service magazine format (as well as featuring the known talent); Fox News reproduced the

established cable news channel format but gave it a conservative slant. "Format" is a term most commonly used in the radio industry to describe the type of music a radio station plays, such as adult-contemporary, Top 40, or country. Identifying the format of a media product is probably the first thing you do to describe what it is, and concepts that seem new often come from combining various existing formats (a cop show that is a musical) or creating a product for a different audience (a fashion magazine for men).

In other media, we apply this concept of known formats when we use the term **genre**. Most generally, media genres describe content that is similar in general ways—such as the film genres of romantic comedy, action, or horror. The ability to gather and manipulate data about viewer preferences has led to far more refined understandings of genre. Netflix uses its information about who is watching in combination with what people watch, how quickly, and so on to support its recommendation engine. An *Atlantic* reporter studying Netflix's genres in 2014 determined that the service had 76,897 different genre categories that it used to recommend films and television as specific as "Emotional Independent Sport Movies," "Spy Action and Adventure from the 1930s," and "Dark Suspenseful Sci-Fi Horror Movies."[19] Media industries rely on familiar formats and genres because audiences prefer recognizable products and recognizable products also tend to be easier to promote.

Another formatting strategy can be identified in the **standard features** that develop in media industries. There is nothing that says a feature film must be between 90 and 180 minutes, that television shows are either 30 or 60 minutes (minus time for commercials), that stories perceived as most important will be at the top of a newspaper or news site, or that pop songs should be three to five minutes long. Similarly, film and television stories do not need to be presented in the conventional three-act narrative structure and don't have to end with resolution, although most do. These are examples of the standard features of media content that have been normalized in US society, mostly during an era in which media circulated in a physical form that required these norms. Notably most media now created outside the industry and distributed digitally—thus free from the distribution constraints that created many of these norms—reproduce these established norms. It is important to reflect on how norms accepted by a culture shape the types of stories told or increase the chances of some being told more often than others.

In some ways, what US television viewers accept as a taken-for-granted norm—that television series return new episodes about established characters and situations—is also a formatting strategy. Many of television's early series were called "anthology series" and featured an entirely new story each week, much like going to see a different play. This was especially true in the United Kingdom, where the British Broadcasting Company still features a large number of single-episode television plays, many of them penned by famous writers. The use of serial features—such as the same cast, setting, and story norms, even if the actual story resolves each week—is also an example of formatting.

Relying on formatting offers media industry workers helpful, yet unreliable, tools for dealing with the considerable uncertainty of their industries, but formulas have other consequences as well. Foremost, the reliance on formatting goes a long way toward

explaining the significant similarity of media products. Perhaps the biggest criticism by those who argue for structural changes to the way media industries operate is their complaint that commercial media products are "all the same." We, however, are hesitant to make such sweeping condemnations and wish to acknowledge that even subtle differences can be meaningful. The formulaic conventions of media industries—and our acculturation to these conventions—do make change and difference difficult for those foremost concerned with commercial success. Ideas that seem too far "outside of the box," whether because of an unconventional length, an irregular central character, or even just an actor who doesn't match dominant beauty standards, simply don't receive the funding needed to come into existence. Creators have also exhibited considerable creativity and ingenuity working within the constraints of these common format expectations as well. Many excellent films, albums, television series, and so on accomplish artistic and commercial success working within these formats or by deviating from them slightly and in a manner that makes the audience rethink what they thought they knew about the format. For example, once every few decades a film makes people rethink everything they knew about the horror genre, and this happens with the Western as well. Those rules that seem most ironclad can generate some of the most fascinating responses.

CONCLUSION

This chapter has introduced the basic concepts, vocabulary, and frameworks that you will need to assess and understand contemporary media industries. The Industrialization of Culture framework, in particular, offers you a tool for analyzing a wide array of media productions, organizations, technologies, strategies, and policies, as well as much more. In addition, you have learned the fundamentals of media commodities themselves and how they pose particular challenges and opportunities for companies seeking to profit from them. These fundamentals hold true regardless of the size of the media organization or its mandate as a commercial or nonprofit entity. However, the specific ways in which organizations attempt to deal with these fundamentals can differ substantially based on the size of the organization or its mandate.

Finally, we addressed a number of strategies that larger media organizations employ as a way to deal with the fundamental challenges and opportunities related to creating media commodities. These strategies tend to cut across different sectors of the media industries and are prevalent in large commercial print media, television broadcasting, film studios, and game publishers. Furthermore, these strategies of risk minimization explain a good deal of the media environment we live in today, including the large number of reruns available on television, the duplication of news stories across multiple newspapers and websites, and the release patterns of blockbuster films.

Before moving on to the remaining chapters of the book, you may want to pause here and spend some time going back over the vocabulary in this chapter. These are fundamental words and phrases—many of which are used in the industries—that will reappear throughout the book. Having a basic knowledge of these terms is crucial for understanding media industries.

QUESTIONS

1. Using the Industrialization of Culture framework, discuss some of the issues in a specific media industry where you might like to be a creative worker. Consider, for instance, if certain conditions might affect whether you can actually create media you have in mind. What practices might challenge your creative control of your project? How will your mandate influence how you approach its production?
2. Think about one of your favorite media goods in relation to the Industrialization of Culture framework. Can you identify the mandate under which it was created? How might various conditions and practices have affected its content? Identify a few of the specific features, such as a sitcom character's development or the cover of a magazine, and imagine how its path through the framework's metaphorical pinball machine might have led it to turn out the way it has.
3. Why do you think we emphasize culture as the background that structures media industry operations rather than emphasize it exclusively as the music, books, and other goods that are created by media industries? How does this definition change how you think about the term "culture" or how you think about the ways that media industries operate?
4. Pretend you are the head of a music corporation that wants to expand through vertical integration. How would you go about doing this? Which aspects of the music industry would you want to control? Similarly, what plans would you pursue if you wanted to horizontally integrate? What are the benefits of each approach to conglomeration?
5. Given the additional revenue possible by pushing consumers to buy songs from a record label's own site, why do you think labels continue to allow iTunes to sell their music instead of developing their own sites?
6. Think of a media good—a song, movie, or other media good—that you recently purchased or paid to experience. What were some of the economic risks involved in making that good? Now identify ways in which the media industry attempted to minimize those risks. Do certain risks seem like they might be harder to minimize than others?

FURTHER READING

We but glance the surface of the theoretical foundations of media industry studies. More detailed and comprehensive assessments can be found in David Hesmondhalgh's *The Cultural Industries*, 2nd ed. (Thousand Oaks, Calif.: SAGE, 2007). Despite its age, Joseph Turow's *Media Systems in Society*: *Understanding Industries, Strategies, and Power*, 2nd ed. (New York: Longman, 1997) remains an accessible text for dealing with many of the issues covered here and also attends in greater depth to the book publishing industry. Another framework or model for connecting the operation of media industries and the content they create is the "circuit of culture" that can be found in Paul du Gay and colleagues, *Doing Cultural Studies: The Story of the Sony Walkman* (London: SAGE, 1997). Julie D'Acci updates this framework in "Cultural Studies, Television

Studies, and the Crisis in the Humanities," (pp. 418–446) in *Television after TV: Essays on a Medium in Transition*, edited by Lynn Spigel and Jan Olsson (Durham: Duke University Press, 2004).

The subfield of critical media industry study and production studies has grown considerably in recent years; also see John Thornton Caldwell's *Production Culture: Industrial Reflexivity and Critical Practice in Film and Television* (Durham: Duke University Press, 2008) and "Cultural Studies in Media Production: Critical Industry Practices" in *Questions of Method in Cultural Studies*, edited by Mimi White and James Schwoch (Malden, Mass.: Blackwell, 2006, pp. 109–153); *Media Industries: History, Theory, and Method*, edited by Jennifer Holt and Alisa Perren (Malden, Mass.: Wiley-Blackwell, 2009); and *Production Studies: Cultural Studies of Media Industries*, edited by Vicki Mayer, Miranda Banks, and John Caldwell (New York: Routledge, 2009) for a variety of perspectives. The authors develop their own perspective in more detail in Timothy Havens, Amanda D. Lotz, and Serra Tinic's "Critical Media Industry Studies: A Research Approach," *Communication, Culture and Critique* 2 (2009): 234–253.

We are unable to go into considerable detail or provide examples from all media industries in the pages here. Those seeking more detailed information about a particular industry might consult a number of books that offer chapters focused on the basic industrial features of various industries: *Media Economics: Theory and Practice*, 3rd ed., edited by Alison Alexander and colleagues (Mahwah, N.J.: Lawrence Erlbaum Associates, 2004); and *Who Owns the Media?: Competition and Concentration in the Mass Media Industry,* edited by Douglas Gomery and Benjamin M. Compaine (Mahwah, N.J.: Lawrence Erlbaum Associates, 2000). Also, general introductions to media often provide helpful overviews, such as Joseph Turow's *Media Today: Mass Communication in a Converging World, 5th ed.* (New York: Routledge, 2013).

Some books or scholarly articles about particular industries that we've found helpful detail include

1. Film: Edward Jay Epstein, *The Hollywood Economist 2.0: The Hidden Financial Reality Behind the Movies* (New York: Melville House, 2012) and *The Big Picture: Money and Power in Hollywood* (New York: Random House, 2006); Janet Wasko, *How Hollywood Works* (Thousand Oaks, Calif.: SAGE, 2003), Jason Squire, *The Movie Business Book*, 3rd ed. (New York: Fireside, 2004), Alisa Perren, *Indie Inc.: Miramax and the Transformation of Hollywood in the 1990s* (Austin: University of Texas Press, 2013), Jennifer Holt, *Empires of Entertainment: Media Industries and the Politics of Deregulation, 1980–1996* (New Brunswick, N.J.: Rutgers University Press, 2011).
2. Television: Amanda D. Lotz, *The Television Will Be Revolutionized,* 2nd ed. (New York: New York University Press, 2014); Todd Gitlin, *Inside Prime Time*, rev. ed. (Berkeley: University of California Press, 2000); Bill Carter, *Desperate Networks* (New York: Broadway, 2007).
3. Video Games: Aphra Kerr, *The Business and Culture of Digital Games: Gamework and Gameplay* (Thousand Oaks, Calif.: SAGE, 2006); Mia Consolvo, "Console Video Games and Global Corporations: Creating a Hybrid Culture," *New*

Media and Society, 8, no. 1 (2006), 117–137; Nick Dyer-Witheford and Greig de Peuter, "'EA Spouse' and the Crisis of Video Game Labour: Enjoyment, Exclusion, Exploitation, Exodus," *Canadian Journal of Communication* 31 (2006), 599–617.

4. Music: Steve Knopper, *Appetite for Self-Destruction: The Spectacular Crash of the Record Industry in the Digital Age* (New York: Free Press, 2009); Keith Negus, *Music Genres and Corporate Cultures* (New York: Routledge, 1999).

NOTES

1. Joseph Turow, *Media Systems in Society: Understanding Industries, Strategies, and Power*, 2nd ed. (White Plains, N.Y.: Longman, 1997), 26.
2. Richard E. Caves, *Creative Industries: Contracts between Art and Commerce* (Cambridge: Harvard University Press, 2008).
3. Ibid.
4. Ibid.
5. Ibid.
6. David Hesmondhalgh, "Ownership Is Only Part of the Media Picture." , November 29, 2001; http://www.opendemocracy.net/media-globalmediaownership/article_46.jsp (accessed August 31, 2010).
7. Tim Wu, *The Master Switch: The Rise and Fall of Information Empires* (New York: Vintage, 2011), 217–219.
8. David *Hesmondhalgh*, *The Cultural Industries*, 2nd ed. (London: SAGE, 2007), 309.
9. Joseph Turow, *Media Today* (New York: Routledge, 2008), 309, 312.
10. Des Freedman, *The Politics of Media Policy* (Cambridge: Polity Press, 2008), 114.
11. In some parts of the United States, competition with cable from telco companies such as AT&T or Verizon exists, but it tends to only be in the most lucrative markets.
12. Ben Bagdikian, *The New Media Monopoly: A Completely Revised and Updated Edition with Seven New Chapters* (Boston: Beacon Press, 2004), 3.
13. Benjamin Compaine and Douglas Gomery, *Who Owns the Media? Competition and Concentration in the Mass Media Industry,* 3rd ed. (Mahwah, N.J.: Routledge, 2000).
14. James B. Stewart, "When Media Mergers Limit More Than Just Competition," *The New York Times,* July 25, 2014; http://www.nytimes.com/2014/07/26/business/a-21st-century-fox-time-warner-merger-would-narrow-already-dwindling-competition.html (accessed February 10, 2015).
15. http://www.stopbigmedia.com/chart.php?chart=radio (accessed October 21, 2008).
16. http://www.stopbigmedia.com/chart.php?chart=tv (accessed October 21, 2008).
17. http://www.stopbigmedia.com/chart.php?chart=pub (accessed October 21, 2008).
18. Aphra Kerr, *The Business and Culture of Digital Games: Gamework/Gameplay* (Thousand Oaks, Calif.: SAGE, 2006), 55–58.
19. Alexis C. Madrigal, "How Netflix Reverse Engineered Hollywood," *The Atlantic*, January 2, 2014; http://www.theatlantic.com/technology/archive/2014/01/how-netflix-reverse-engineered-hollywood/282679/ (accessed January 24, 2014).