

The Structure and Dynamics of Global Multi-Media Business Networks

AMELIA H. ARSENAULT
MANUEL CASTELLS

University of Southern California

Today, the media empires of Time Warner, Disney, News Corp., Bertelsmann, CBS, NBC, and Viacom span large portions of the globe and exert considerable economic, political, and cultural power. This article presents a macro-level portrait of the networked forms of organization, production, and distribution in which the world's largest multi-national media organizations operate. First, it provides a detailed accounting of the internal structures of and the partnerships between these transnational media conglomerates. Second, it examines the production and distribution arrangements and the financial partnerships between conglomerates and regional and local media organizations. Third, it examines the role of open-ended network connections (i.e., links to parallel business, political and creative networks) in shaping this global network of media organizations.

Key words: Media ownership; Media concentration; Globalization; Localization.

Today, media are organized around a global network of multi-media corporations that extend from a core of diversified multi-national media organizations, to large national and regional companies, and to their local affiliates in different areas of the world. A number of scholars have documented the ramifications of media corporatization and ownership concentration (e.g., Bagdikian, 1983, 2000, 2004; Bennett, 2004; McChesney & Schiller, 2003; McChesney, 2007, 2008; Thussu, 2006; Hesmondhalgh, 2007). But contemporary processes of globalization, digitization, networking, and cultural differentiation of media have induced new forms of organization, production, and distribution through which these multi-national media businesses operate. The global network of media organizations is a vast and complex entity constituted by countless players. In this article we focus on the role of the world's largest multi-media corporations with diversified media-holdings — Time Warner, Disney, News Corp., Bertelsmann, NBC (owned by General Electric), CBS, and Viacom — and the largest Internet

Amelia H. Arsenault: aarsenau@usc.edu

Manuel Castells: castells@usc.edu

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companies with diversified media holdings — Google, Microsoft, Yahoo! and Apple — in this global network of media networks.¹

All of these corporations remain rooted in the West, just as the majority of media organizations remain regionally or locally focused. However, local and regional players are actively importing and/or re-appropriating foreign products and formats while corporate transnational media organizations are pursuing local partners to deliver customized content to audiences. While capital and production are globalized, the content of media is customized to local cultures and to the diversity of target audiences. So, in ways that are typical of other industries, globalization and diversification work hand in hand. In fact, the two processes are intertwined. Only global networks can master the resources of global media production; but their market share depends on their ability to localize their content and/or to connect to national and local distribution channels. Capital is global; identities are local. Globalization and diversification are thus jointly solidifying the formation of a global network of interlocked media businesses, the backbone of which is formed by a select number of multi-national media conglomerates. This process is further complicated by the introduction of new media markets, facilitated deregulation, the proliferation of new delivery platforms, the digitization of information, and the related convergence of the Internet, media, and telecommunications networks.

Proceeding with this analysis, we first provide a brief overview of the principal trends that have facilitated the rise of this global network of media networks. Second, we provide a detailed accounting of the internal structures of and the partnerships between the world's largest multi-national media conglomerates, which constitute the main nodes of this global network. Third, we present an analysis of the processes of production, distribution and financial partnerships between these conglomerates and regional, national, and local media organizations. And finally, we examine the role of parallel networks (i.e., business, political and creative networks) in shaping these processes.

Media in the Network Society

Multi-national media giants such as Time Warner and News Corp. are simultaneously the products and the agents of larger trends of deregulation, corporatization, and the digitization of communication. Their evolution and current business practices must therefore be contextualized against these broader processes (Flew, 2007).

First, policies of deregulation, liberalization and privatization have transformed the media landscape in most of the world. The founding of the World Trade Organization (WTO) in 1995, and pushes for media privatization by the International Monetary Fund (IMF) and other international regulatory bodies helped to

¹ Both Sony and Comcast rival these companies in terms of revenue and market capitalization. However, the majority of Sony's revenue comes from consumer electronics and gaming and Comcast has yet to make major inroads in markets outside the United States and does not own significant diversified media holdings outside of the cable TV and Internet provision industry. At the time of writing, Microsoft had made an unresolved attempt to take over Yahoo!. However, the results of this attempt remained uncertain.

denationalize the processes of media production and distribution (Sterling, 2000; Artz, 2007). Moreover, national media regulatory institutions around the world have also played an integral role. The role of the United States Congress and the U.S. Federal Communications Commission (FCC) in relaxing media ownership regulations through the 1996 Telecommunications Act and subsequent rulings is just one example. News Corp. was only able to expand its Star Satellite network into the lucrative Indian and Chinese markets after leveraging political networks for favorable regulation (Chadha & Kavoori, 2000; Thussu, 2007). By allowing investors and media companies more latitude and by bringing down the barriers historically set up to prevent the formation of monopolies, governments have left market strategies to reconfigure the media business environment. As so often happens with unfettered markets, the net result has not been diversification of ownership, nor has it been an increase in citizen control over media. Instead, in a market with fewer regulations, the power of major corporations is unmatched by the regulator. Global and local oligopolistic networks are solidifying. As will be explored in more detail later, these networks capitalize upon the richer, diversified, interactive communication offered by the technological revolution and by the emergence of a digital culture.

Second, these policies of deregulation have facilitated a corresponding corporatization of most media platforms. Today, the media operate, by-and-large, according to a business-logic regardless of their legal status. They depend on advertisers, corporate sponsors, and licensing fees to make a profit on behalf of their shareholders. There are some islands of relatively independent public service (e.g., the UK's BBC, Spain's TVE, Italy's RAI, and South Africa's SABC, etc.). However, many of these broadcasters are commercializing parts of their operation in order to maintain their audience share in the face of increasing competition from the private sector (Chadha & Kavoori, 2000; Ward, 2004; EUMap, 2005, 2008; Campo Vidal, 2008). Many public broadcasters like the BBC² and South Africa's SABC have launched corporate for-profit arms in order to fund their public initiatives. Corporatization is not limited to public service broadcasters. Chadha and Kavoori (2000) document how the process of deregulation has led to a "numerical plurality" of commercial programming rather than a genuine diversity of content in countries across the Asian continent (p. 418). Even in countries that maintain a degree of market protection such as China, state-controlled media operations are moving from a propaganda-oriented model to an audience-centered corporate model (Huang, 2007).³ Furthermore, while the Internet is an autonomous network of local/global communication, private and public corporations also own its infrastructure, and its most popular social spaces and Web sites are fast becoming a segment of multimedia business (Artz, 2007; Chester, 2007).

² BBC Worldwide, the commercial arm of the BBC maintains a stable of properties globally including: BBC America, BBC Films, BBC Prime, BBC Food, BBC Worldwide Music, BBC Magazines, and a 75% stake in the *Lonely Planet* travel magazine franchise. In addition, BBC Books is published through a partnership with Bertelsmann, and UK TV is broadcast in Australia in partnership with Foxtel (partially owned by News Corp.).

³ The commercialization of the domestic Chinese media market is referred to as "guan ting bing zhuan," which refers to a process in which state-owned media outlets that fail to perform economically are either: closed down or annexed, merged with commercial media organizations, or transformed in commercial corporate entities (Huang, 2007, p. 418). Between 2003 and 2007, 677 party or government newspapers were shutdown and 325 were transformed into commercial newspaper groups (Ibid.).

Third, this movement toward corporatization is critically intertwined with processes of digitization of information, a trend that has radically transformed the larger business world (Schiller, 1999, 2007; Cowhey, Aronson & Richards, forthcoming). Media concentration and conglomeratization has evolved out of and plays into the real-time interactivity between different kinds of media and communications technologies. The digitization of information means that while at one time a multitude of media and communication networks operated sometimes in concord, sometimes independently, increasingly the space of communication is consolidated into one network constituted by telecommunications, the Internet, and the mass media (Jenkins, 2006). Media products move fluidly across a variety of platforms; end-users can now choose the form and the location in which they consume media products.⁴ These same end-users can also generate, remix, and circulate their own media content via mobile and Internet devices. The behavior of big media companies, thus, cannot be examined in isolation from the behavior of major Internet players. All these businesses — whether local, regional, or global — seek out optimal corporate strategies that take advantage of the potential created by the shifting balances between mass communication and mass self-communication networks. The leading multi-national media conglomerates and diversified Internet/digital companies (i.e., Google, Yahoo!, Microsoft, and Apple) have developed strategies to ensure that the Web 2.0 Internet environment reinforces rather than undermines existing power configurations. The digitization of communication has prompted the diffusion of a technologically integrated media system in which products and processes are developed on multiple platforms, which support a diversity of content and media expressions within the same global/local communication network. The shared digital language allows economies of scale, and even more importantly, economies of synergy between these various platforms and products.

The diffusion of the Internet and of wireless communication has also decentralized the communication network, providing the opportunity for multiple entry points into the network of networks. We are witnessing the rise of a new form of communication: mass self-communication, that is the communication processes taking place in a global web of horizontal communication networks that include the multimodal exchange of interactive messages and documents from many-to-many in chosen time. It is mass communication because it reaches potentially a global audience. But it is self-communication because individuals potentially generate their own content, choose the platform for its emission, and play an active role in shaping the reception process. While the rise of this form of self-mass communication increases the autonomy and freedom of communicating actors (they are both senders and receivers of messages), this cultural autonomy does not necessarily lead to autonomy from media business. In fact, it offers new markets and new business opportunities, so that multi-national media groups have become multi-national multimedia groups, privatizing and commercializing much of the Internet.

However, while there is ample evidence of corporate influence on regulatory decisions, we also observe increasing citizen awareness and concern about these policies (McChesney, 2007). For example, a BBC Globescan poll conducted in November 2007 in 14 countries found that 59% of respondents considered media ownership to be a major political issue. As a result, communication policies have become a battlefield in which various industries with divergent views, citizens, consumers, and communities assert their right to control the mediated public sphere (Klinenberg, 2007).

⁴ See Special Feature on Net Neutrality, *International Journal of Communication*, volume 1, 2007.

Together, these central trends have removed the traditional firewalls impeding corporate media expansion, allowing for the consolidation of oligopolistic control by a privileged few organizations over much of the core of the global network of media.⁵ In the following section, we focus on the global core of this structure, as well as on the key communication networks organized around it.

The Configuration of Multi-national Media Business

The term “global media” is typically used to describe the multi-media corporations with the greatest revenue and the largest diversified holdings in multiple regions and countries around the world. Some media businesses maintain a stronger international presence than others. However, “global media” organizations are not truly global, as local media organizations are not truly local.

What is global is the networked organization of media companies. In this section we examine contemporary trends in the organization of the internal networks of the largest “global” media organizations (measured by revenue circa 2007): Time Warner, Disney, News Corp., Bertelsmann, NBC Universal, Viacom, and CBS. In addition, we analyze the interaction of these “Big 7” with the largest diversified Internet/digital organizations: Google, Microsoft, Yahoo!, and Apple.

Looking at the configuration of this global media core, we find four major interrelated trends: (1) Media ownership is increasingly concentrated. (2) At the same time, media conglomerates are now able to deliver a diversity of products over one platform as well as one product over a diversity of platforms. (3) This fluid movement of communication products across platforms encourages the customization and segmentation of audiences in order to maximize advertising revenues. And finally, the success of these strategies is determined by (4) the ability of internal media networks to achieve optimal economies of synergy that take advantage of the changing communications environment.

Concentration of Ownership

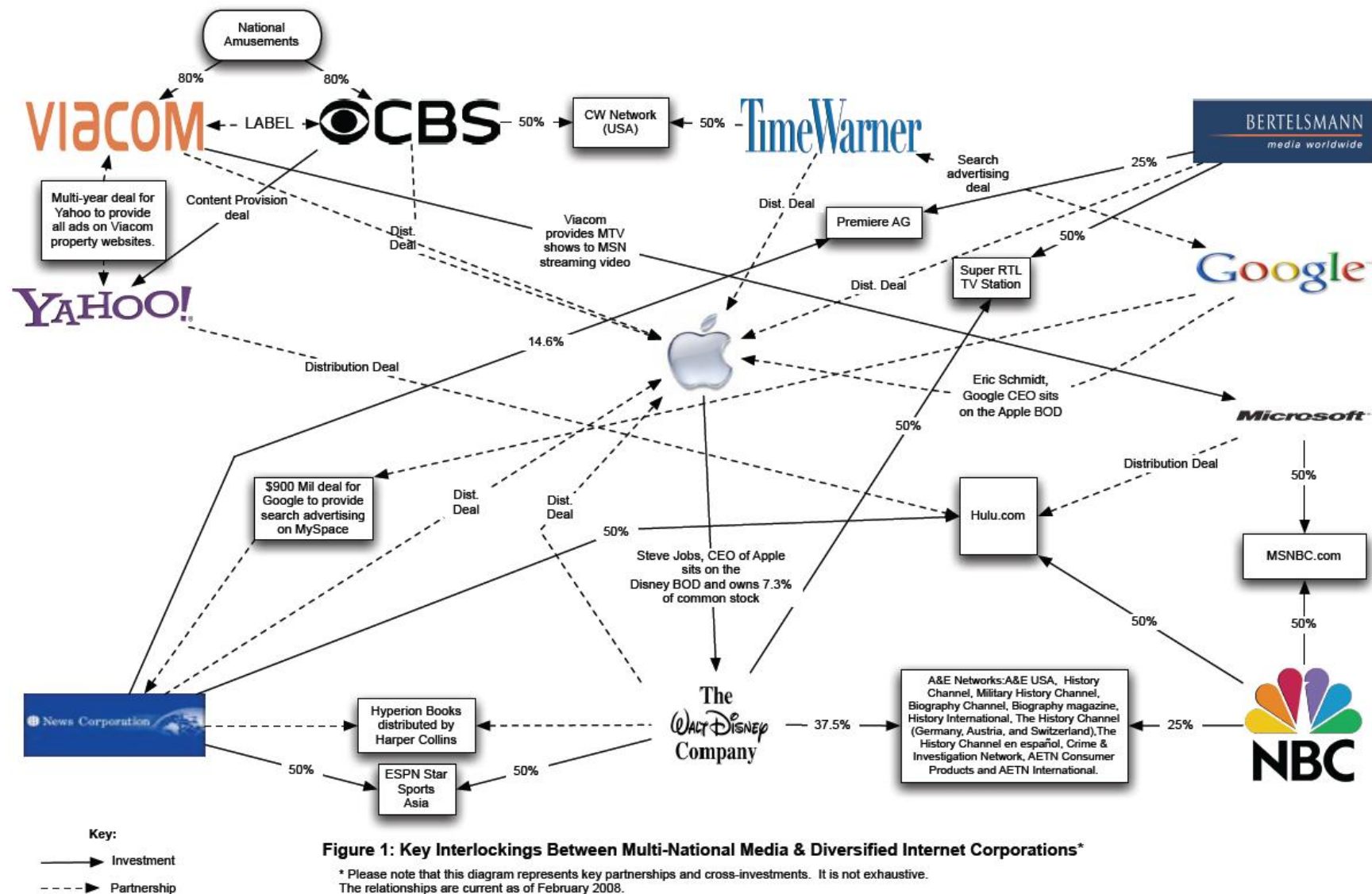
Media concentration is not new. History is rife with examples of oligopolistic control over the space of communications. In the United States, the “big three,” ABC, CBS, and NBC dominated both radio and television networks into the 1980s. Though the early 20th Century, the news agencies Reuters (UK), Havas (France) and Wolff (German) formed a “global news cartel,” which maintained rigid control over the transmission of international news stories (Rantanen, 2006). Moreover, in most countries outside of the United States, governments traditionally maintained a monopoly on radio and television networks. Control over the space of communication has thus always ebbed and flowed out of complementary and contradictory changes in regulation, economic markets, the political environment, and technological innovations. However, the digitization of information and the

⁵ The post-World War II Hollywood Studio era was also marked by vertical integration and disproportionate control by a privileged few over the world cinema market. However, digitization and globalization means that contemporary multi-media conglomerates now control a much broader range of delivery platforms (Warf, 2007).

rise of satellite, wireless, and Internet communication platforms have diminished traditional firewalls to ownership expansion. Beginning in the 1990s, media mergers and acquisitions accelerated to never before seen levels. For example, between 1990 and 1995 as many media mergers took place as in the preceding 30 years combined (Greco, 1996, p. 5; Hesmondhalgh, 2007, p. 162).

In the first edition of his seminal book, *The Media Monopoly* (1983), Ben Bagdikian identified 50 media firms that dominated the U.S. media market. In the ensuing years, he has published several revised versions of the book, which pinpoint an ever-shrinking number of dominant firms: 29 firms in 1987; 23 in 1990; 10 in 1997; six in 2000; and five in 2004 (Hesmondhalgh, 2007, p. 170). While Bagdikian focused on the United States, this same concentration is evidenced globally (Waisboard, 2002; Winseck, 2008).

However, this gradual tightening of the media field evolves not purely out of competition, but also out the increased capacity of major firms to network both with each other and with regional actors (which will be discussed in greater detail in the following section). Figure 1 provides a mapping of key partnerships and cross investments between the dominant global media and diversified Internet companies.



As Figure 1 illustrates, these companies are connected through a dense web of partnerships, cross-investments, and personnel. National Amusements, the family company of Sumner Redstone, maintains a controlling 80% stake in both CBS and Viacom. NBC Universal and News Corp. jointly own the online content provider Hulu.com, launched in 2007 as a rival to Google's YouTube streaming video platform. Time Warner's AOL, Microsoft's MSN, News Corp.'s MySpace and Yahoo! also provide distribution for the Hulu platform. But while Hulu represents an effort to break YouTube's hold on the digital video market, its backers have formed strategic partnerships with Google elsewhere. In 2007, Google signed a \$900 million contract to provide advertising delivery for News Corp.'s MySpace social networking site.

Thus these multi-media conglomerates simultaneously compete and collude on a case-by-case basis according to their business needs. Figure 1 reflects only current relationships (as of February 2008). It does not reflect numerous temporary partnerships conducted by these corporations. For example, while NBC Universal won the broadcast rights to the 2006 Torino Olympics, it signed content provision deal with ESPN.com (owned by Disney) and advertising deals with Google. Thus, Figure 1 provides only a time-specific snapshot of the interconnections between these companies. As their property portfolios ebb and change, so do the form and content of these inter-connections. When certain corporations amass disproportionate control over certain content delivery or production mechanisms — such as YouTube's dominance over Internet video — other media properties seek to break this bottleneck through investment or the development of rival properties. Diversification of properties thus works hand-in-hand with media concentration. The ability of these media giants to successfully broker favorable deals both with each other and with other key media businesses is contingent on their ability to amass diversified media holdings through partnership, investment, or direct acquisition.

Diversification of Platforms

The largest media organizations now not only own more properties than ever before, but the content that these companies create is delivered via an increasing number and variety of platforms, many of which they also own. Figure 2 provides an overview of the main properties currently owned or partially owned by the seven largest global multi-media organizations.

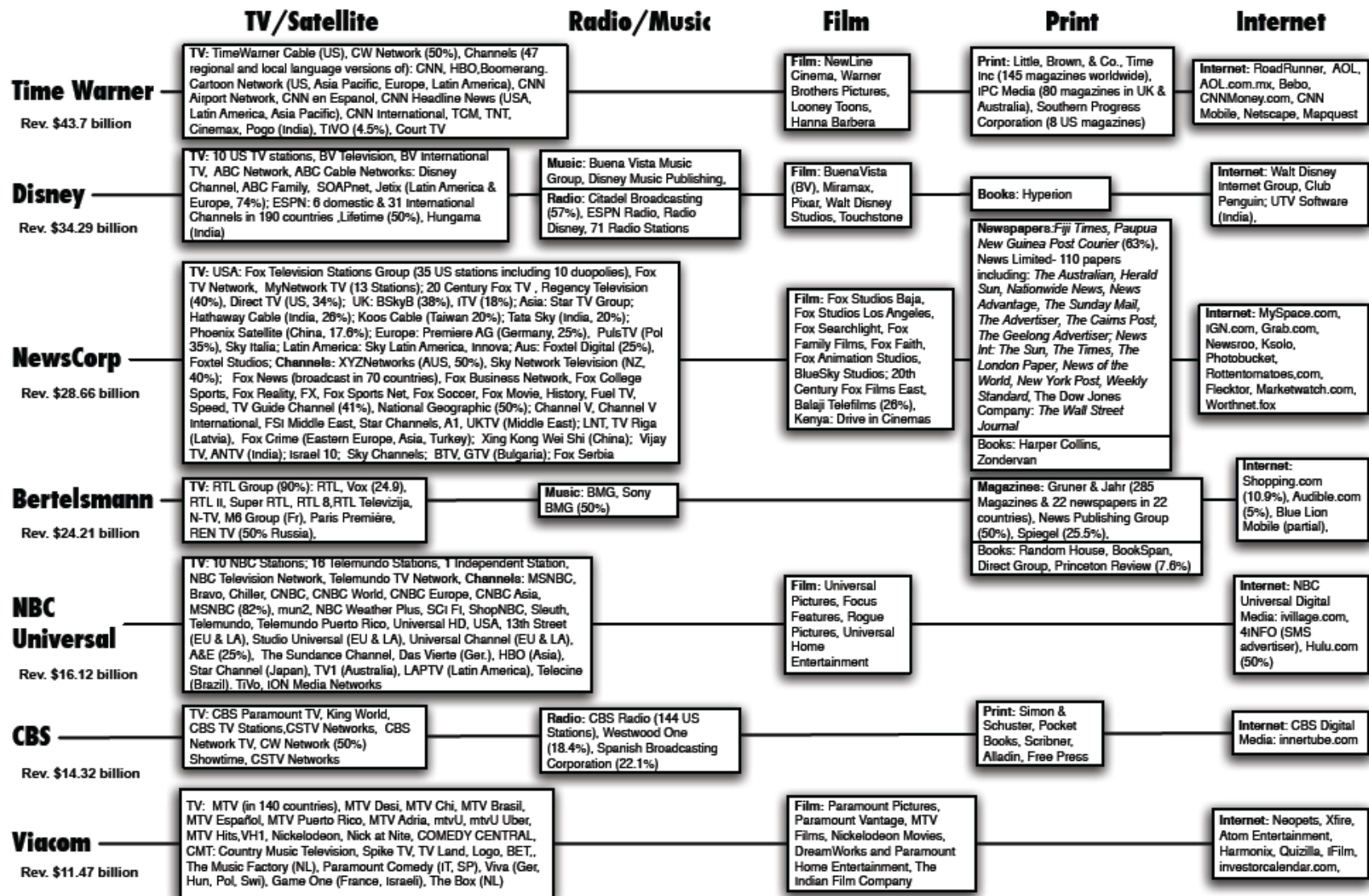


Figure 2: Holdings of the Largest Multi-National Diversified Media Conglomerates*

* Current as of February 2008

As Figure 2 illustrates, all of the leading firms are vertically integrated. Time Warner, for example, controls Warner Brothers, which accounts for 10% of the global film and television production (IBIS, 2007b, p. 26). Time Warner also owns the second largest cable TV operator in the United States, 47 regional and international cable channels, and the AOL Internet platform over which these productions are distributed. News Corp., perhaps the most vertically integrated company of all, owns 47 U.S. TV stations, the MySpace social networking platform, has interests in satellite delivery platforms in five continents, controls 20th Century Fox Studios and Home Entertainment, and maintains numerous regional TV channels.

Movements toward vertical integration intensified in the 1980s when News Corp. integrated 20th Century Fox Studios with Metromedia and then took full flight when Disney purchased ABC in 1995. Vertical integration has increased largely because the ability to distribute products across a wide array of platforms has become a precondition for the success of more and more cultural products.

Not surprisingly, today, this integration increasingly includes the Internet. Media organizations are moving into the Internet, while Internet companies are creating partnerships with media organizations and investing in streaming video and audio functionality. America Online's (AOL) purchase of Time Warner in 2000 for a record \$165 billion remains a landmark in this process. In recent years, the blurring of boundaries between the Internet, media, and telecommunications companies has only accelerated. In 2005, News Corp. paid \$650 million of the MySpace social networking site. NBC and News Corp. launched Hulu.com in the fall of 2007, in an attempt to compete with Apple's iTunes video service and Google's YouTube. Conversely, digitally-based organizations like Google, Yahoo!, Microsoft, and Apple have stepped up their efforts to compete with more traditional multi-media conglomerates in order to access offline as well as online-audiences. The creation of the U.S. cable news channel MSNBC, launched as a joint venture of Microsoft and NBC in 1996, was only the first landmark in this trend. In October 2006, Google purchased the user-generated streaming video site YouTube for \$1.65 billion. That same year, Apple launched AppleTV, a device that makes digital online media content (including YouTube videos) available via traditional TV sets. And in 2007, Google initiated a partnership with Panasonic to launch a high definition television set that will broadcast both traditional television programming as well as Internet content (Hayashi, 2008).

Segmentation and Customization

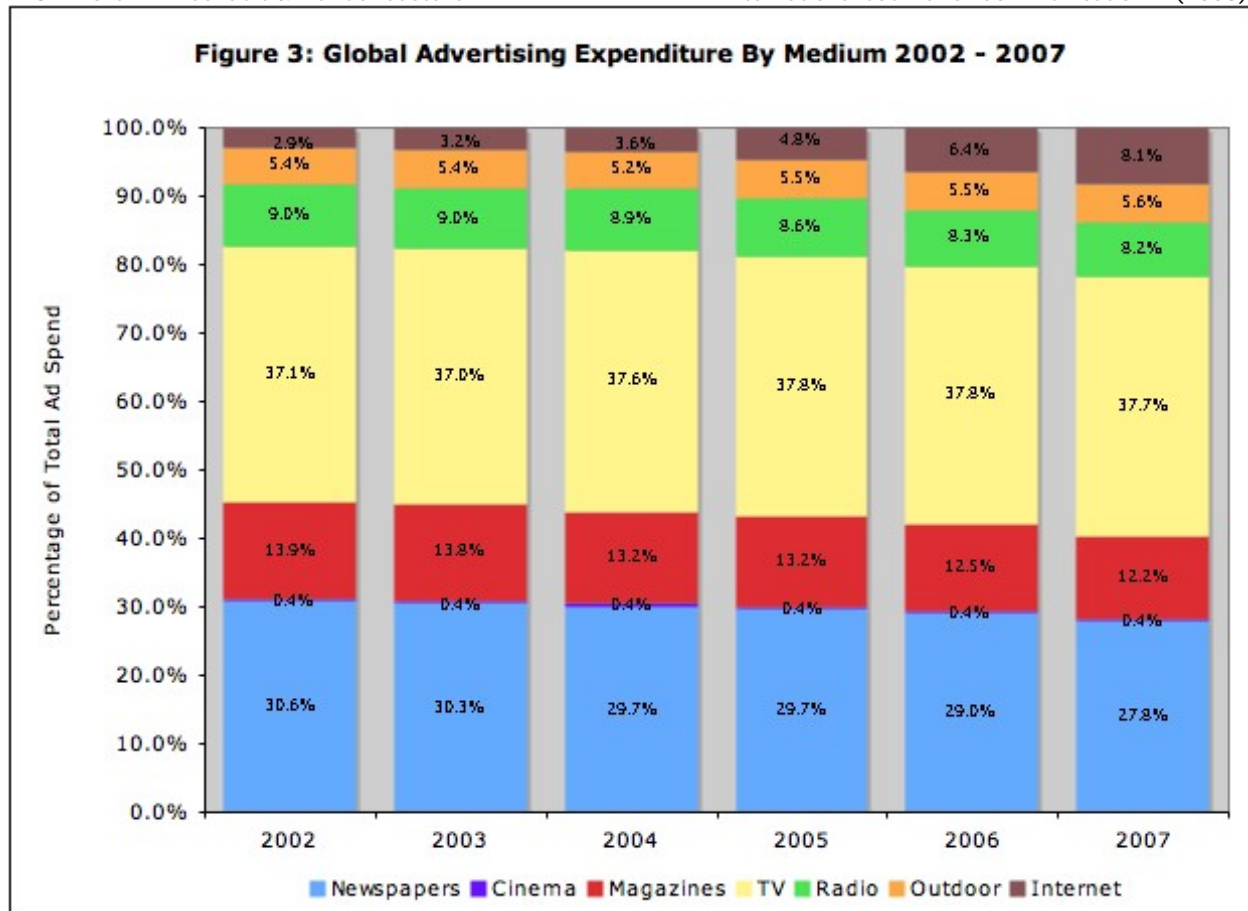
According to Jenkins (2006), the convergence of culture and the divergence of platforms create new opportunities for media corporations because content that succeeds on one platform can be repackaged across others (p.19). Media organizations can maximize their advertising revenue through expanding their potential audiences by moving content across delivery platforms. In 2006, global spending on advertising topped \$466 billion (Future Exploration Network, 2007). However, while spending on advertising continues to increase, media continues to fragment. In other words, advertising revenue is raised across an increasing number of platforms and channels. For example, in 1995 there were 225 shows in British television that reached audiences of over 15 million, by 2005 there were none (FEN, 2007, p. 4).

Moreover, traditional barriers between "old" and "new" media companies are disappearing as corporations seek to diversify their portfolios. The digitization of all forms of communication means that the barriers between

mobile, media, and Internet networks are decreasing relentlessly. The ability to produce content via mobile devices and upload, exchange, and redistribute this content via the web both widens access and complicates the traditional roles of sender and receiver. Media organizations control a broader number of platforms with which to deliver audiences to advertisers; but the process of targeting, distributing, and controlling messaging is simultaneously becoming more complicated. The introduction of time and place-shifting technology has given the consumer greater power to avoid (e.g., fast-forward through) commercial advertising. Platform diversification, particularly strategic acquisitions of online properties and partnerships with Internet companies like Yahoo! and Google, represent both an attempt by media companies to hedge their bets on what will be the central gateway to audiences and an effort to take advantage of the ability to segment and target audiences.

Media organizations are moving toward new and dynamic ways of identifying and delivering customized content that targets critical advertising markets. Particularly in lucrative Western markets, television users can now easily skip paid advertising using their digital video recorders. Thus, content supported by embedded advertising has begun to supplant paid-content models (i.e., traditional 30-second commercials). In 2006, product placement within scripted media products rose to \$3 billion, up 40% from 2004 (FEN 2007, p. 5). Moreover, as more and more users consume print media online, newspaper advertising revenue, which represents a significant percentage of total advertising spending, has declined.

Not surprisingly, as more and more media is delivered online, global media giants (as well as other media organizations) have introduced numerous initiatives that attempt to monetize this network in terms of advertising. Figure 3 illustrates the rapid growth of the global Internet advertising market between 2002 and 2007.



Data Source: Zenith Optimedia (2007)

In 2000, online advertising was not even included in advertising medium forecasts. In 2007, according to Zenith Optimedia it accounted for 8.1% of all advertising. While this remains a small piece of the pie in terms of percentages, when one translates this into dollar value — online advertising now accounts for almost \$36 billion annually. Internet advertising revenue is also growing at an average of six times faster than revenue for traditional media (*Economist*, 2008, p. 124). Moreover, in countries with high broadband penetration like Sweden, Norway, Denmark, and the United Kingdom, online advertising now accounts for 15% of the total market. Zenith Optimedia and Bob Coen, two of the most reputable advertising forecasters estimate that by 2010, Internet advertising will surpass that of radio and magazines. Not surprisingly, major media corporations have invested in online advertising delivery mechanisms. In 2007, Microsoft bid \$6 billion for aQuantitative, and Yahoo! spent \$600 million to acquire the 80% of remaining shares in Right Media.

Major advertisers are also starting to invest in scripted online branded content as an alternative to conventional advertising, although it remains a small piece of the total dollars spent on video advertising (Shahnaz & McClellan, 2007, p. 12). For example, Disney had one of its films written into an episode of *Kate Modern*, a series that debuted in July 2007 on the British social network Bebo. And *Driving School*, a 2007 12-episode series on MSN starring Craig Robinson of NBC's *The Office*, featured Volvo automobiles.

This diversification of platforms also makes finding ways to increase the attractiveness of the brand identity of media holdings more critical. Despite the proliferation of blogs and other news and information sites, mainstream media organizations continue to dominate the online news market. Of the top 20 most popular online news sites ranked by Nielsen/NetRatings, 16 are owned by the 100 largest media companies in terms of total net revenue generated in the U.S. in 2005 (Project For Excellence in Journalism, 2007).

News Corp., in particular, has focused on buying and expanding properties with strong brand identity and a multi-modal presence. The *News Corporation — Annual Report 2007* touted the purchase of the Dow Jones Company and other strategic digital properties as a move “to take advantage of the two most profound social and economic trends of our age, globalization and digitization.” *The Report* goes on to say that

We are at a moment in history when there is a confluence of content and of digital delivery and of increasingly sophisticated micro-payment systems, meaning that the value of analysis and intelligence to a business user can be far more accurately reflected in the price of that content (2007, p. 8).

Under News Corp.’s ownership, MySpace has developed a hyper-targeted system of advertising delivery based on user search habits. The 2007 purchase of *The Wall Street Journal* also reflected a move to acquire a brand with a strong global identity both in the print and online versions. Moreover, *The Wall Street Journal* editions in India and China provide a critical source for elite targeted advertising in markets that many forecasters predict will be the center of future global advertising growth (Allen, 2007).

Economies of Synergy

The ability to successfully leverage economies of scale, diversity of platforms, and customization of content in service of sustainable corporate expansion is determined by economies of synergy. The configuration of the internal network organization of major media organizations is critical. As Bennett (2004) stresses, “corporate behemoths are anything but well-organized machines” (2004, p. 132). He points to the failures of AOL with Time Warner and Viacom with CBS to create profitable synergies. Indeed, the failure of CBS and Viacom to successfully merge their corporate cultures is illustrative of the fact that economies of size are not necessarily always beneficial. The relationship between CBS and Viacom dates back decades. Figure 4 provides a timeline of the evolution of the two companies.

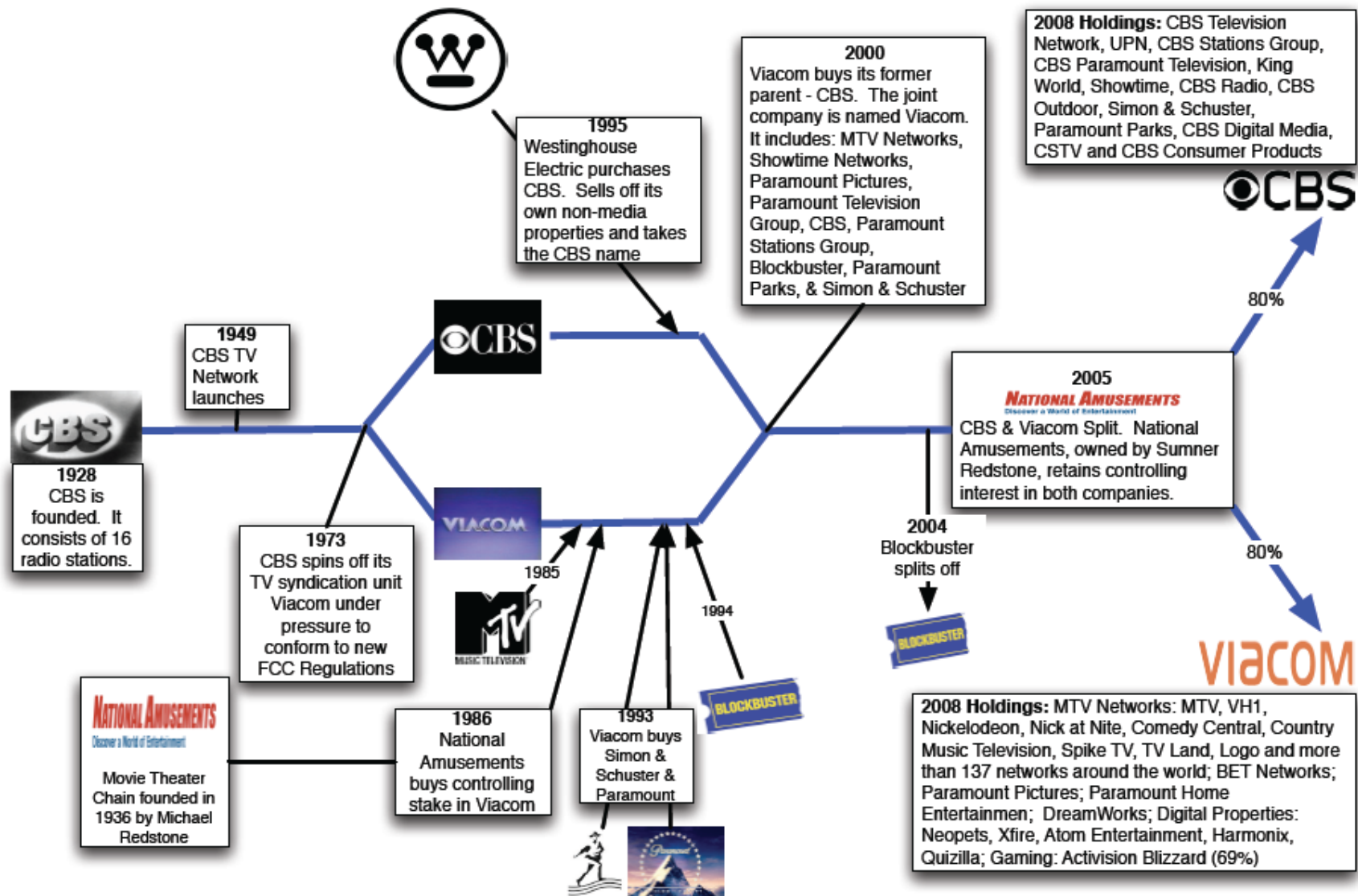


Figure 4: The Development of CBS & Viacom 1928 - 2008

As Figure 4 illustrates, Viacom actually emerged out of CBS in 1973 when CBS was forced to spin off its TV syndication unit under new FCC regulations forbidding U.S. TV networks to own TV syndication units. In 2000, Viacom, which in the interim became the more successful company, purchased its parent company CBS for \$22 billion in what was then the largest media merger to date. However, five years later, Viacom and CBS de-merged, finding little economies of synergy between the two companies. After the split, CBS retained the majority of the content delivery platforms (e.g., the CBS Network, CBS Radio, and the CW), while Viacom retained the majority of the content creation properties (e.g., Paramount Studios and the MTV family of networks). National Amusements, one of the United States oldest and largest movie theatre chain companies and the family company of Sumner Redstone, retains controlling interest in both companies.

The key is synergy. Synergy is based on the compatibility of the merging networks. It is programs not properties that merge. Networked forms of organization within companies rather than horizontal integration of properties appears to be the most successful business model in contemporary multi-media conglomerates. Indeed, in recent years several of the largest media companies in terms of market capitalization have begun to pare down their operations. Clear Channel, a U.S. based company with principally radio holdings sold its television division. The New York Times Company also divested its television broadcasting interests.

Louw (2001) has identified News Corporation's global business model as being that of the global network enterprise, where:

We can find multiple (and proliferating) styles of control and decision-making being tolerated in different parts of the network, so long as those at the centre of the web can gain from allowing a particular practice and/or organizational arrangement to exist in a part of their networked 'empire' (p. 64 also quoted in Flew and Gilmour, 2003).

In other words, News Corp. has focused on maximizing the profitability of individual segments rather than integrating the day-to-day business practices of its diverse holdings (Fine 2007). Furthermore, even as Murdoch has maintained rigid vertical control, News Corp. has shown notable flexibility, particularly in terms of specialization across platforms. In the 1980s, News Corp.'s assets were overwhelmingly in newspaper and magazine publishing. By 2003, 63.7% of the company's total corporate assets were the areas of film, television, and cable/satellite network programming (Flew & Gilmour, 2003, p. 14). It is likely that we are seeing the very beginning of a similar shift toward Internet/convergence properties. Thus, News Corp. is generally identified as both the most "global" media business in terms of holdings with the most sustainable internal networking management strategy (Gershon, 2005; Flew, 2007).

As this section has documented, the global core of media companies are pursuing policies of ownership concentration, inter-company partnerships, diversification, and economies of synergy with varying degrees of success. As the following section will seek to demonstrate, the internal configuration of these media businesses is heavily contingent on their ability to leverage and connect to the broader network of media businesses. Moreover, second-tier nationally-focused media industries are also increasingly dependent on their ability to connect to these multi-national companies.

The Global Network of Media Networks

Multi-national, diversified media corporations remain territorially anchored to their main markets. News Corp., for example, is commonly considered to be the most global media conglomerate in terms of properties. Yet, 53% of its revenue comes from the United States and 32% from Europe (Standard & Poor, 2007b). Power over the global network of media organizations involves much more than territorial expansion, concentration of ownership, and diversity of platforms. The success of the internal networks of News Corp. and other similar properties is contingent upon its ability to connect to the global network of mediated communication. In addition, processes of networked production and distribution as well as global/local flows further solidify these networks by encouraging the adoption of similar formats and models of production. While a few media organizations form the backbone of the global network of media networks, local and national media are not falling like dominos under the ruthless expansion of "global media" organizations. Rather, global companies are leveraging partnerships and cross-investments with national, regional, and local companies to facilitate market expansion *and vice versa*. Regional players are actively importing global content and localizing it; and global media organizations are pursuing local partners in order to deliver customized content to audiences. Processes of localization and globalization work hand in hand to expand a global network of production and distribution.

This section seeks to understand the dynamics of the major media conglomerates within this global network. First, we analyze the formal structures of collaboration between the global media core and regional, local, and national media organizations. Second, we examine how these structures are dependent on processes of the localization of globalized products. Third, we observe the interplay of flows and contra-flows of media production and organization to understand how the local/national media are influencing and leveraging the presence of global media properties. Fourth, we consider the relevance of cultural identity in the market strategies of media networks.

Structures of Collaboration

While transnational media have existed for over a century (i.e., news agencies), policies of deregulation, which accelerated in the mid-1990s, paved the way for denser connections between transnational and local media organizations (Artz, 2007). Ken Auletta (1997) labeled the business strategy of multi-media conglomerates as "American Keiretsu," an adaptation of the traditional Japanese practice of co-opting competition by creating structures of collaborations with rivals. He describes this as "co-opetition rather than competition" (quoted in Hesmondhalgh, 2007, p. 177). The world's largest media organizations follow the logic of the *keiretsu*, but this system of "co-opetition" also extends to regional, national, and local players. Networks are consolidated through networked processes of globalization and localization as well as networked production and distribution models.

The global reach of organizations like Time Warner and Disney cannot be measured solely in terms of their holdings. Their reach is extended by numerous partnerships and cross-investments. Figure 5 provides an overview of the critical cross-investments and partnerships between major global media actors and key regional players.

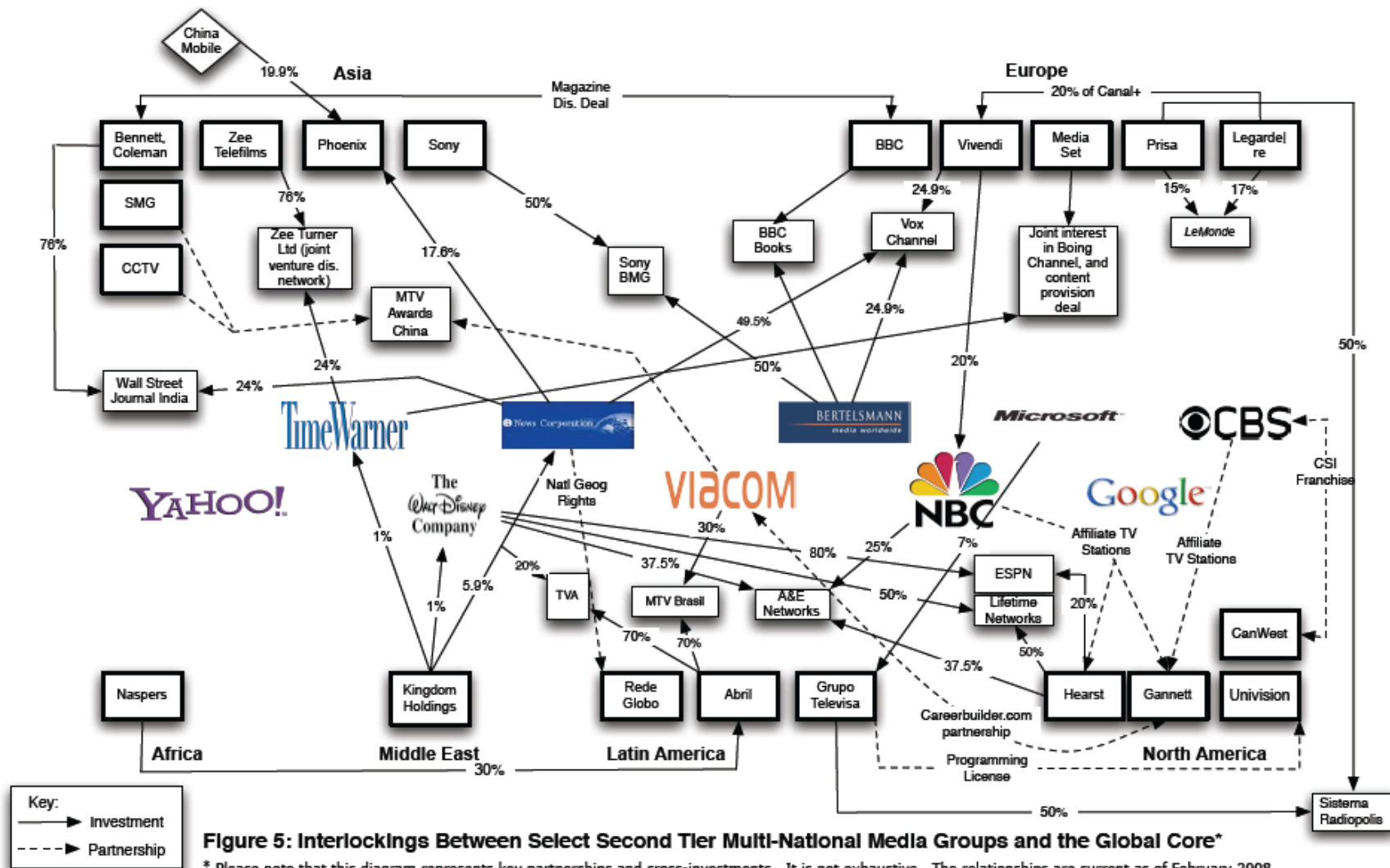


Figure 5 only depicts key investments and partnerships with second tier companies. It reflects just a small percentage of the deals conducted between the Big 7, diversified Internet companies, and other players. For example, Disney has a large, but uneven presence in China. Its programs air on Chinese state television; Disney characters appear in Shanda video games; global retailers like Wal-Mart sell its merchandise in Chinese stores, and a percentage of the 20 foreign films allowed to screen (legally that is) in China are also produced and distributed by Disney. Figure 5 also excludes a host of now defunct partnerships and cross-investments. However, it does provide an indication of the vast web of strategic partnerships and cross-investments upon which the expansion and corporate growth of these companies is predicated. For example, Vivendi Universal SA, a French company, exchanged its share in Universal Entertainment for a 20% stake in NBC Universal. Vivendi also has a joint stake in the German Vox station with Bertelsmann. Bertelsmann, in turn, has interests in the Super RTL with Disney. Saudi prince Al-Walid Bin Talal's Kingdom Holdings is one of the largest media investors in the Middle East with stake in Lebanese Broadcasting Corporation (LBC), Rotanna, and numerous other commercial media operations. It also owns stake in many of the key global media properties such as News Corp. (it is the third largest investor), Apple, Amazon, and Microsoft.

Our data illustrate that corporations like News Corp. and Time Warner are embedded within a larger network of more regionally and locally focused media organizations who themselves are fulfilling similar strategies of expansion and diversification. We also find that these companies are following similar patterns of concentration of ownership and diversification. Figure 6 provides an overview of the key holdings of what Bennett (2004) refers to as the "second tier" of media companies.

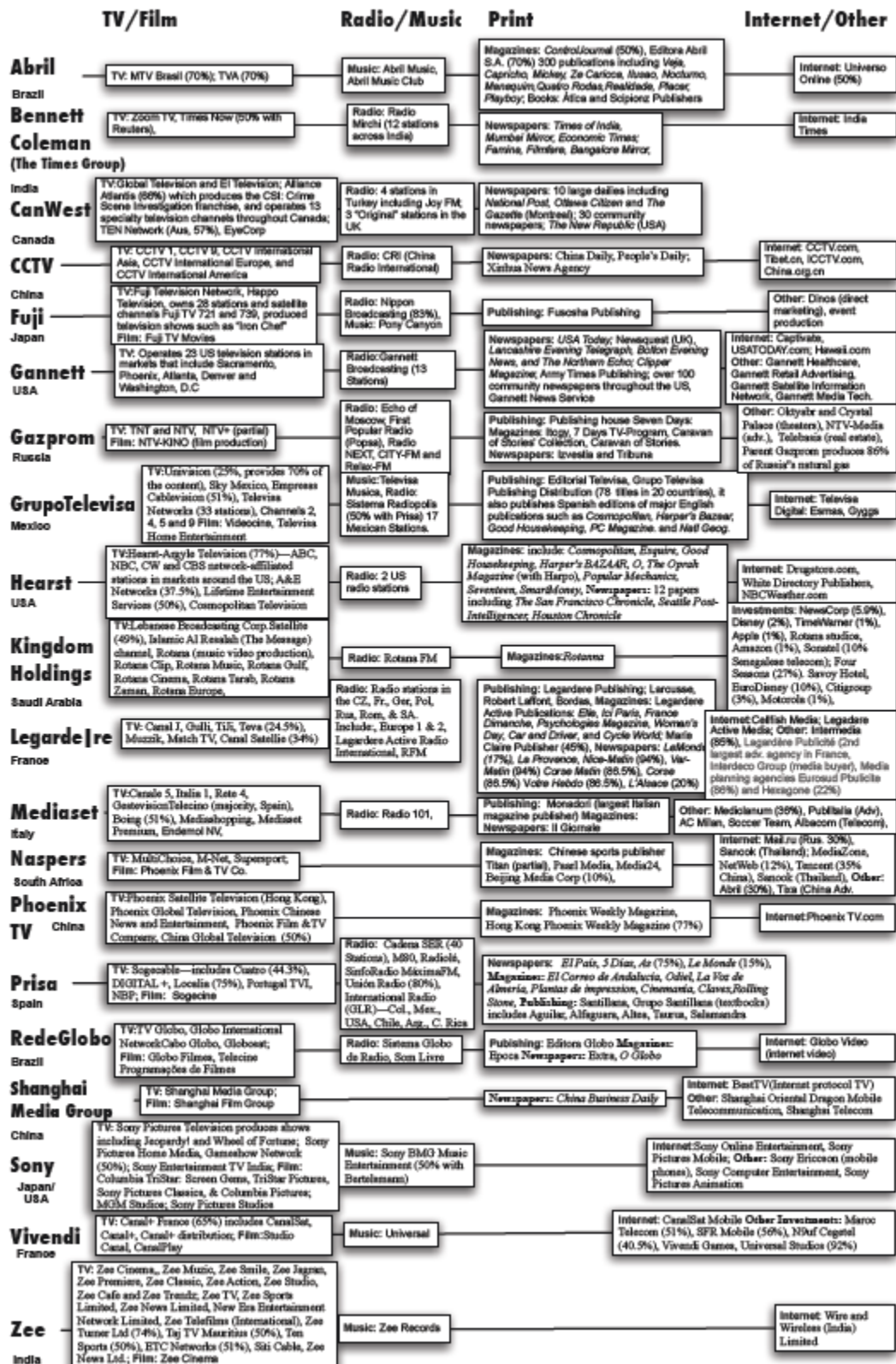


Figure 6: Property Map of "Second Tier" Multi-Media Conglomerates

Data Source: Collected from the latest available proxy statements and/or corporate websites as of February 2005. This chart includes key holdings and is not an exhaustive list.

As Figures 5 and 6 illustrate, these companies also pursue strategies of diversification, concentration of ownership, and cross investments. These efforts are shaped by the ability of the global network of media networks to influence local and national conditions of production and distribution *and vice versa*.

The Global Influences the Local

Global giants break into new markets and effectively reprogram the regional market toward a commercial format. This influence is evidenced by a number of trends. First, the most obvious example of the global's influence on local media markets is through the direct import of programming and channels such as CNN, Fox, ESPN, HBO, and other transnational media channels. Second, multi-national media companies have helped to diffuse a corporate-driven media model. The introduction of corporate media products creates a further demand for these products and propels players farther down the food chain to participate in similar behavior. For example, CBS forms a contract with South Africa's SABC. Their programs are successful and create a consumer demand. SABC recognizes the success of this business model and creates programs modeled on the commercial rather than the public service model and then market those to smaller media players around Africa. Teer-Tomaselli, Wasserman & de Beer (2007) argue, that, "while the South African media occupy a marginal position in the global media arena, as a market for media products owned and produced outside its borders, they extend their influence (albeit on a much smaller scale) as a powerful role-player into the region and further on the continent" (p. 154). Iwabuchi (2008) identifies a similar trend in the Japanese media market where media companies actively seek to localize the format of Japanese TV dramas and music to local markets around Asia. Once these formats become popular, other media companies circulate them further, as was the case of Korean TV producers who actively sought out Japanese TV formats to remake for the Chinese media market (ibid.).

Several scholars have written about the diffusion of corporate and cultural formats from the global to the local sphere. Thussu (1998) describes the "Murdochisation of the media" in India as "the process which involves the shift of media power from the public to privately owned, transnational, multimedia corporations controlling both delivery systems and the content of global information networks" (p. 7). This Murdochisation is characterized by:

a tendency toward market-driven journalism thriving on circulation and ratings wars; transnationalization of U.S.-inspired media formats, products, and discourse; and lastly, an emphasis on infotainment, undermining the role of the media for public infotainment. (Thussu, 1998, p. 7).

Lee Artz (2007) has also written examined the rise of "transnational media projects" or

enterprises that produce within one nation but are jointly owed by multiple corporations from multiple nations . . . [and] have no national allegiance and bring together capitalist classes from two or more nations for the purpose of producing and profiting from media commodities (p. 148).

For example, Germany's Vox television channel is owned by the Australian/American company, News Corp. (49.5%); France's Canal Plus (24.9%); and the German company, Bertelsmann (24.9%).

Third, global media players customize programs and content for local markets, but typically based around standard formats popularized in the West. Iwabuchi (2008) refers to this process as "local camouflaging" (p. 148). Shows such as *Pop Idol*, *Survivor*, *America's Next Top Model*, and *Who Wants to Be a Millionaire* have been franchised to countries around the world. Viacom has been at the forefront of this process of localizing content. Its motto is, "think globally, act locally." Its property MTV (Music Television) is perhaps the most customized media platform in the world with service in 140 countries and customized Asian, Middle Eastern, Latin American, African, and European channels featuring local talent and presenters. Table 1 provides an overview of Viacom's locally tailored television channels.

Table 1: Viacom Regional and Local Channels

North America (excludes Mexico)	MTV MTV2 MTV Desi MTV Español MTV Hits MTV Jams MTV Puerto Rico mtvU	MTV Chi TEMPO MHD VH1 VH1 Classic VH1 Country VH1 Uno VH1 Soul	NICKELODEON Nick at Nite Nick GAS Nicktoons Network Noggin The N BET BET Gospel	BET J OTHER CMT Comedy Central Logo Spike TV TV Land
Europe/Middle East/Africa	MTV Adria base (Africa) base (UK/IE) Brand New (Italy) Classic (Poland) Dance (UK/Ireland) Denmark España European Finland France Germany Hits (Italy) Flux (Italy) Hits (UK/Ireland) Italia MTV2 (UK/IE) Netherlands	Norway Polska Idol (France) Pulse (France) Portugal Romania Russia Sweden UK/IE VH1 Classic (UK) European UK VH2 (UK) Russia Poland NICKELODEON Cyprus España European Germany	Israel Italia Netherlands Nick Jr (Netherlands) Nick Jr (UK) Nick Replay (UK) Nick Toons TV (UK) Nordic Portugal France UK THE MUSIC FACTORY TMF Flanders Belgium Netherlands NL (Netherlands) Party (Netherlands) Pure (Netherlands)	UK PARAMOUNT COMEDY Italia Spain UK (1) UK (2) UK (+1) VIVA Viva (Germany) Viva+ Hungary Polska Switzerland GAME ONE France Israel THE BOX Netherlands Italy
Asia/Pacific	MTV Australia China India Indonesia Japan Korea	Mandarin Philippines Southeast Asia Thailand VH1 Australia India	Indonesia Thailand NICKELODEON Asia Australia India Japan	Korea Nick Jr (Aus.) Philippines
Latin America	MTV	VH1	NICKELODEON	

(includes Mexico)	Brasil MTV (North) MTV (South)	Latin America Brasil Logo	Brasil Nickelodeon (North) Nickelodeon (South)	
Data Source: U.S. Securities and Exchange Commission File 1-32686				

MTV also engages in partnerships with local outlets. In China, MTV has sponsored major awards shows in cooperation with CCTV and the Shanghai Media Group (Murdock, 2006). Viacom has also created international versions of *America's Next Top Model*, a television show originally produced for the American UPN Network (now part of the CW network). *Top Model* franchises have been marketed to seventeen countries around the world, including Taiwan (*Supermodel #1*), Turkey (*Top Model Turkiye's*), Spain (*Supermodelo*), and Russia (*Russia's Next Top Model*). Moreover, while not officially a *Top Model* franchise, an Afghani local TV station made headlines when it launched its own low-budget take on the format in the fall of 2007.

The Local Influences the Global

However, while global media corporations control a disproportionate number of distribution and production processes, this does not mean that they hold a monopoly over the markets in which they operate. Indeed, there are numerous "contra-flows" that impact the form and structure of these media giants' operations (Thussu, 2006).

The most obvious example of the local's influence over global networks of media is through regulation and deregulation. The opening up of China and India's media systems instituted a wave of attempts by global multi-nationals to conquer these potentially lucrative markets. However, these states still maintain a great deal of control over the conditions of corporate entry. For example, when Microsoft and Yahoo! launched in China, they had to install software that automatically deleted words like Tibet, Falong Gong, freedom, and democracy. Similarly, Murdoch's Star TV had to agree to remove BBC world from its service in order to launch in China.

In fact, as Murdock (2006) points out, global media organization's localizing strategies must take into account the simultaneous rise of the globalizing strategies of regional media platforms. He cites India as the archetype of this process. Globalization is less an influx of Western culture into India than the outflow of Indian cultural products into the global sphere (Murdock, 2006, p. 25). Cullity (2002) similarly identifies a new form of cultural nationalism based on the active and self-conscious indigenization of global media" (p. 408) (e.g., the tradition of Miss India wearing a Sari in the Miss Universe Pageant — which is owned by Donald Trump). As Flew (2007) writes "culture, like policy, is an inherently local filter of global media flows" (p. 138).

Moreover, while multi-national conglomerates have helped to transmit the formulas for shows like *Pop Idol* and *Top Model* around the world, these programs have diverse origins. An independent production arm of Endemol, a Dutch media company, launched the *Big Brother* franchise. *Betty La Fea*, a Columbian telenovela has circulated around the world both as a prepackaged program and as a format. As Miller (2007) points out, it is an example of a marketing formula whereby local content is globalized

through a multi-layered process. In order to reach the most lucrative English language markets, *Betty La Fea* had to prove itself as marketable in a series of “tougher” markets. After finding success in Columbia in 1999, *Betty La Fea* moved outwards, circulating to 21 other countries including Ecuador, Israel, and Mexico. Encouraged by the canned program’s success, production companies around the world repackaged the formula for new markets, including Mexico’s Televisa (*La Fea Mas Bella*); Spain’s Telecinco (*Yo Soy Bea*); Germany’s SevenOne International (*Verliebt in Berlin*); and the Netherlands’ Tappa (*Lotte*). It was only after proving successful in more than 70 markets that the ABC Television Network (owned by Disney) launched *Ugly Betty* in the American market (Miller, 2007). Following *Ugly Betty*’s success in the U.S., Disney-ABC International Television signed broadcasting deals with 130 territories around the world, making *Ugly Betty* the most popular *Betty La Fea* franchise to date (World Screen, 2007). Similarly, the executive producer of *Who Wants to Be a Millionaire* first developed a similar program for ABC, which the company rejected. It was only after the show succeeded in Britain and several other markets that it finally reached the U.S. market. Thus, just as global media companies are trying to insert their content into local markets, other media organizations are pursuing strategies to circulate their content globally, often via the central nervous system of the core global media corporations.

Third, in many markets there is a great deal of inter-media agenda-setting in which other organizations influence the media agendas of global properties. Studies by Golan (2006) and Van Belle (2003) demonstrate that “global media” corporations depend on key elite publications (not owned by them) to set their news agenda in the United States. For example, Golan (2006) found that the news agendas of CBS, NBC, and ABC evening news were dependent on the agenda set by the morning *New York Times*. This is why Murdoch’s purchase of the Dow Jones Company is critical — the *WSJ* is a key inter-media agenda-setter. Al Jazeera, BBC World, and the *Economist* are also critical sources of both inter-media and public agenda-setting. Therefore, we cannot measure the influence of the Big 7 in terms of sheer audience numbers and/or in terms of market revenue. They also help to circulate and to filter content being produced by other members of the network of media organizations.

Identity Matters: the Limits of Competition and Cooperation

Many of the largest media firms share some of the same shareholders, own portions of one another, have interlocking boards of directorates, and depend on one another for advertising revenue (Bagdikian, 2004; Hesmondhalgh, 2007). However, there are several counter-examples that illustrate that media industries built around cultural and political identities can flourish in quasi-parallel networks.

AlJazeera, which includes two international broadcasting networks (Arabic and English) as well as several specialty children’s and sports channels, is heavily subsidized by the Qatari government. Because only 40% of Al Jazeera’s operating revenue comes from advertising, it retains more latitude to utilize non-commercial formats (Wojcieszak, 2007). Moreover, it provides direct competition for and often typically surpasses channels like CNN, BBC, and CNBC in the Middle East and Arabic-speaking and Muslim populations around the world (Sakr, 2001; El-Nawawy & Powers, 2008). However, Al Jazeera’s presence outside the Middle East is also predicated on its ability to connect to other media networks either through content delivery deals and/or placement within satellite or cable television lineups. For example, Al

Jazeera's presence on the African continent is facilitated by content delivery deals with SABC and Multi-choice in South Africa.

The Indian film industry, popularly referred to as Bollywood, is another example of an industry that evolved largely independently from the global network of media networks. It now produces more than 800 films a year compared to 600 by Hollywood and commands a significant portion of international film revenues (*Economist*, 2008). Bollywood films are heavily dependent on an Indian cultural formula that largely eschews the Hollywood format. However, structures of collaboration between Bollywood and Hollywood are on the rise. In November 2007, Sony Pictures Entertainment released its first Bollywood production *Saawariya*, a film that cost \$10 million to produce and grossed \$20 million. Viacom, through its Viacom 18 arm, jointly owns the Indian Film Company with the Indian media company TV18. Disney has also made moves to create a Bollywood franchise. Bollywood filmmakers are also increasingly utilizing cross-promotions and product tie-ins popularized by Hollywood-based studios to increase their revenues.

In another example, the Nigerian film industry, nicknamed Nollywood, produces more than 1,000 video films per year, grosses \$2.75 billion annually, and ranks as the third largest film industry internationally (UNCTAD, 2008, p. 198). Nollywood films are typically crafted for the domestic Nigerian market, produced in many of the Nigeria's 250 tribal languages and English (which accounts for 65% of the export market). The industry's success evolved partially from the presence of a talented pool of creative talent, but also out of its usage of the video format. Cheap production values offer high return on investment. These video films are typically shot on video over a two-week period and distributed on videocassette in one of the estimated half a million video rental stores around the country (UNCTAD, 2008; Marston et al., 2007). The Nollywood industry thrived by developing a mainly national film market using a media-format not readily marketable abroad. However, the success of Nollywood films has also invited speculation from multi-national conglomerates. In 2007, Time Warner and Comcast formed a partnership with IAD to distribute Nollywood films. Moreover, members of the Nigerian government and film industry have also actively courted Hollywood investors. In 2006, media actors and government officials invited American movie insiders to Los Angeles, California for "The Nollywood Foundation Convention 2006, African Cinema and Beyond" in order to attract greater attention from international audiences and investors.

Thus, while we do find evidence of successful media industries and actors who are able to flourish independently from the global network of media networks, these actors also exhibit movements toward forging stronger ties to the global network in order to enhance revenues and expand their audience share.

Switching Networks

Media networks do not exist in a vacuum. Their success is conditional on their ability to successfully leverage *connections with other critical networks: in finance, in technology, in cultural industries, in social networks, and in politics*. In this section, we focus on the linkages between media networks, the advertising industry, financial networks, autonomous networks of communication, and finally networks of supply.

Media businesses connect to these networks through multiple switches. The fact that media companies share key management personnel with these networks is perhaps the easiest to document. Table 2 provides an overview of the affiliations of key executives and board of directors of the global multimedia companies and Internet giants.

Table 2: Connections Between Multi-National Media Conglomerate Leadership and Other Networks				
	Financial	Media/ICT	Global Networks of Creativity and Innovation	Political
Time Warner	<i>AllState</i> , Altria (Philip Morris), American Airlines, AMR Corporation, Appleton Partners, Axel Springer, <i>Bayer</i> , <i>Citigroup</i> , <i>Colgate-Palmolive</i> , Caesars, Continental Corporation, Culbro Corporation, <i>Estee Lauder</i> , Exclusive Resorts, FedEx, First Health Group, Gordon Brothers, Harrahs, Hilton, JER Partners, <i>Kellogg</i> , Kleinter Perkins, Caufield, & Byers, <i>Kraft</i> , Lazard, Leerink, Swann, & Company, <i>Macy's</i> , Morgan Stanley, New York Stock Exchange, Omnicom, Paratek Pharmaceuticals, Revolution Health Group, <i>Sears</i> , Westfield America	ALM Media Holdings, Citadel Broadcasting Corporation, <i>Dell</i> , Deutsche Presse-Agentur GmbH, Die Welt, Hamburger Morgenpost, Microsystems, Netscape, Proxicom, Sun, Wochenpost	American Museum of Natural History, Boston Museum of Science, Council on Foreign Relations, Fordham University, Harvard University, Howard University, Los Angeles World Affairs Council, Markle Foundation, Mayo Clinic, Memorial Sloan Kettering Cancer Center, The Partnership for the City of New York, Refugees International, Rockefeller Brothers Fund, Samford University, San Francisco International Film Festival, Teach for America, University of Georgia, U.S. Russia Investment Fund, Yale University	Richard Parsons formerly a member of the White House Domestic Council, NYC Housing Authority Board
Disney	American International Group, <i>Bank of America</i> , Boeing, Boston Scientific Corp, Central Europe & Russia Fund, <i>Clorox</i> ,	<i>Apple</i> , Archrock Corporation, CIT Group, Jetix Kids Europe, La Opinion (largest Spanish language publication in the	American Film Institute, German-American Chamber of Commerce, Foreign Policy Association, Keck Foundation, Lincoln Center for the	

Table 2: Connections Between Multi-National Media Conglomerate Leadership and Other Networks

	Financial	Media/ICT	Global Networks of Creativity and Innovation	Political
	Edison, Estee Lauder, European Equity Fund, FedEx, Gillette, Goodyear, Halliburton, Inditex, <i>Kraft</i> , McKesson Corporation, Morgan Stanley, New Mountain Capital, <i>Nike</i> , Oakley, <i>Proctor & Gamble</i> (x2), <i>Sears</i> , Shinsei Bank (Japan), Starbucks, Transamerica Corp., US Chamber of Commerce, Washington Mutual, <i>Wells Fargo</i> , Western Asset Premier Bond Fund, WI Harper, Xerox, <i>YUM!</i>	US), National Cable Telecommunication s Association of America, Pyramid Technology (military computing), RSL Communications, Precision, Sun Microsystems, Sybase, Turbolinux, Vernier,	Performing Arts Inc., Museum of Television and Radio and of Ithaca College, Smith College, UCLA, University of Southern California	
News Corp.	Acumen, Allco, Allen & Company, Altria Group, <i>American Express</i> , Ansell Ltd (Aus.), Applied Materials, Centaurus Capital (UK), Chartwell Education Group, CLP Holdings, <i>Ford</i> , Genetech, Goldman Sachs, Hybridtech, Industrial and Commercial Bank of China Limited, <i>JP Morgan</i> , Laura Ashley Holdings, LSI Corp, LLC, Pacific Century Holdings, Palamon European Equity, R.M. Williams Holdings, Knowledge Universe, Planet U, Templeton Emerging Markets Investment Trust Plc, Rio Tinto, Rolls Royce Group, Rothchild Investment Trust, Vietnam Motors Industry Corp.	Beijing PDN Xiren Information Technology Co, China Netcom (x2), Corning, Easynet Group, <i>Hewlett Packard</i> , Hughes Electronics, Intel, NDS Group, Reuters, Tickets.com	Georgetown, Tsinghua University of Beijing, American Film Institute, Indian School of Business, Harvard National Lampoon, USC, KCRW NPR, Sundance Institute, Ditchley Foundation, Kirov Opera and Ballet, Victoria & Albert Museum; Imperial College of Science & Technology, Council, Royal Institute of International Affairs (Chatham House); Hoover Institution, Stanford; Oxford University, Brookings Institution, Yale, FAES Thinktank, Princeton, Howard University, Council on Foreign Relations	Financial Control Board for the City of New York, The Partnership for New York City, former Prime Minister of Spain, NY Citizens Budget Commission, former U.S. Assistant Attorney General and chief architect of the PATRIOT Act. Former member of U.S. President's Foreign Intelligence Advisory Board, Former U.S .Secretary of Education
Bertelsmann	Air Berlin, Allianz (x2), Bayerische Landesbank, Bewag, <i>BMW</i> (x2), Commerzbank	Activision, Amadeus Technology Group, Arvato, Audible, Avago Technologies, Basf,	Princeton Review, Center for Communication, Children's Museum of Manhattan, Princeton	

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	Financial	Media/ICT	Global Networks of Creativity and Innovation	Political
	Deutsche Bank, E.ON, Evonik, Festo AG & Co KG, Fuchs Petrolub, Groupe Bruxelles Lambert, Hapag-Lloyd, HSBC Trinkaus & Burkhardt, John Deere, Linde, Lufthansa, Man (x2), Merck , Metro , NYSE Euronext, Oak Hill Securities Fund, Printer Industria Grafica, Powergen, RAG, RoyaltyShare, RWE, Shell, Silver Lake, Skandinaviska Enskilda Banken, Sportfive, Stinnes, Vattenfall Europe, WestLB	Barnseandnoble.com, Building B, Classic Media, DD Synergy, ebrary, Ediradio, Emotive Communications, Garner, Gruner & Jahr AG & Druck- und Verlagshaus (x3), Hewlett Packard , Lycos Europe, Metropole Television M6 (x2), Novo Nordisk, Oysterworks Software, SAP, Serena Software, Sony BMG (x4), Stern Magazine Corporation, UFA Film & Fernseh	University Press, the Bronx Lab School, American Association of Publishers, Art Directors Club Institute (x2), ZymoGenetics, American Society Of Composers Authors & Publishers, Fairfield University, The Council for the United States and Italy	
Viacom	Accenture, Banco Popular, Bear Stearns & Company, Consolidated Edison, DND Capital Partners (x2), Federal Reserve Bank of Boston, Harry Fox Licensing Association, Highpoint Capital Management, Hyperion, Intercontinental Exchange (x2), Kodak , Kraft , Lafarge (x2), LaBranche & Co., Marriot, Morgan Stanley, Oracle Corp, Pepsi , Rand-Whitney, Revlon, RWI Investments	Blockbuster, CBS, Genuity, National Cable and Telecommunication s Association, Paramount, Black Entertainment Network, National Amusements, Midway Games, Matchmine Magfusion,	Brandeis, New York City Ballet, National Cable Telecommunications Association, Board of American Society of Composers Authors & Publishers, Tufts University, Boston College, Columbia,	Chairman of the Corporate Commission on Education Technology
CBS	AIG Aviation, Altria (formerly Phillip Morris), American International Group, Asia Global Crossing Ltd, Banco Popular, Bank of America (x2), Barrick Gold Corporation (Canada), Bear Stearns & Company, City National, Conoco Canada (oil company), Consolidated Edison,	Actavision, AECOM, Akamai Technologies, Blockbuster (x2), Fusion Telecommunication s International, Harcourt General, Midway Games, National Amusements (x3), Spectravision, Viacom , Verizon , Vivendi , Westwood One, Zenimax	Museum of Television and Radio, Boston University Law School, American Film Institute, Combined Jewish Philanthropies, John F. Kennedy Library Foundation, Tufts University, New York University, The 20th Century Fund, The Urban Institute, Ditchley Foundation, The New York and Presbyterian Hospital,	Former Secretary of the United States Department of Health, Education and Welfare, Former U.S. Secretary of Defense, U.S. Senator, NAFTA's North American Development Bank Community Adjustment Committee

Table 2: Connections Between Multi-National Media Conglomerate Leadership and Other Networks

	Financial	Media/ICT	Global Networks of Creativity and Innovation	Political
	Granite Construction, Health Plan Services, Intercontinental Exchange, KB Home, <i>Kraft</i> , Massachusetts Mutual Life Insurance Co., NASDAQ, Neiman Marcus, Office Depot, <i>Pepsi</i> , <i>Sears</i> , Southwest Water, Stone Canyon Venture Partners, Topaz International Group SA, Travelers Group, Tyco International Ltd., Unilever, U.S. China Business Council, U.S. India Business Council, U.S. Taiwan Business Council, Velocity Express Corp., Warnaco Group, Willis Group Holdings	Media	The Institute for Social and Economic Policy in the Middle East, NAACP, Northeastern University, Boston Symphony Orchestra, WGBH Public Broadcasting, Junior Achievement, Center for Strategic and International Studies, Rand	
NBC Universal	Alfa S.A.B., <i>Anheuser-Busch</i> , APBiotech, AP Capital Partners, Avon, BP, The Carlyle Group, Chevron (x2), The Chubb Corporation, <i>Coca-Cola</i> , Delphi, Detroit Diesel Remanufacturing Corporation, The Federal Reserve Bank of New York, Fortsmann Little and Co, <i>General Motors</i> , Genpact Limited, Grupo Carso, Grupo Mexico, Grupo Sanborns, Gulfstream Aerospace, <i>Home Depot</i> (x2), ICG Commerce, Inforay International, Investment Company of America, John Deere, <i>J.P. Morgan</i> , <i>Kellogg</i> , <i>Kimberly-Clark</i> (Mex.), Marvin and Palmer Associates, <i>Merck</i> , Momentive	America Movil, <i>Apple</i> , BSG Alliance, Cambridge Technology Partners, Carsdirect.com, Carso, Cingular, ClubMom, <i>Dell</i> Dreamworks, Global Telecom, Grupo Televisa, Internet Brands, Internet Security Systems, ITM Software, Knight Ridder, <i>Microsoft</i> , Motorola, Scientific-Atlantic (x2), Telefonos de Mexico, The Tube Media Company, <i>Verizon</i>	Art Center College of Design, American Film Institute, INSEAD, Georgia Tech, Robin Hood Foundation, Catalyst, Fairfield University, Memorial Sloan-Kettering Cancer Center, Robin Wood Johnson Foundation, MIT, S.C Johnson Graduate School of Management, Carnegie Corp. of New York, Amersham, Wellcome, Museum of Natural History, World Wildlife Fund, Smith College, Columbia Business School, Boston Celtics, Phase Forward, Massachusetts Software and Internet Partners, Partners Healthcare System, Universal Technical Institute, Detroit Investment Fund, Detroit Renaissance, Business Council of New York State, The Brookings	Center for Strategic and International Studies, Council on Foreign Relations Grocery Manufacturers Association,

Table 2: Connections Between Multi-National Media Conglomerate Leadership and Other Networks

	Financial	Media/ICT	Global Networks of Creativity and Innovation	Political
	Performance Materials, The Mutual Fund, Ogilvy Group, The Partnership For New York City (x2), Pennsylvania International Raceway, Penske, Planet Hollywood, <i>Proctor and Gamble</i> , RRE Ventures (x2), Salomon Smith Barney International, Sustainable Performance Group, Texaco (x2), Unilever, United Auto Group, <i>Wal-Mart</i> , Xerox, Young & Rubicam (x2)		Institute, Harvard Business School Club of Greater New York, Rockefeller Foundation, N.Y. Presbyterian Hospital, Princeton University, Stanford, Cornell, Research Foundation of the Medical College of Wisconsin, Massachusetts General Hospital	
Yahoo!	Fred Meyer (subsidiary of Kroger), Genuity, Home Depot, Hooker Furniture, KLM Airlines, MacManus Group, Morgan Stanley, Northwest Airlines, Occidental Petroleum Corp, Polo Ralph Lauren, Revlon, Starwood Hotels	Activision, Asia Global Crossings, Cisco, CNET, <i>Hewlett Packard</i> , Macromedia, <i>Microsoft</i> (Wilderotter used to work for them), Network Appliance, Red Hat, Reuters, Skyriver, <i>Walt Disney</i> , <i>Warner Brothers</i> , Xerox	Stanford University, Trinity College, The John F. Kennedy Center for the Performing Arts, The J. Paul Getty Trust, the National Urban League, and the Los Angeles County Museum of Art. Committee for Economic Development	
Google	American Independence Corp, Amyris, Biotechnologies Inc, Genetech (bio tech comp), <i>Kaiser Permanente</i> , Segway	Amazon.com, <i>Apple</i> , Atheros, Central European Media Enterprises, Cisco, Glu Mobile, Good Technology, GTI Group (ICT venture capital group), Intel, Intuit, Palm, Pixar (part of Disney), Plaxo, Siebel Systems, Tensilica (mobile aps), Zazzle.com	Carnegie Mellon, National Academy of Engineering, University of Michigan, The Aspen Institute, American Society of Microbiology, the New York Academy of Sciences, American Society for Biochemistry and Molecular Biology, Princeton, Stanford University, Rockefeller University, Human Genome Project	
Microsoft	Accenture, August Capital, <i>Bayer</i> , <i>Berkshire Hathaway</i> , Cambridge Tech., Chubb Corporation,	<i>General Electric</i> (parent to NBC), GreenStone Media, Knight Ridder, Netflix, ITM	California State Board of Education	

Table 2: Connections Between Multi-National Media Conglomerate Leadership and Other Networks

	Financial	Media/ICT	Global Networks of Creativity and Innovation	Political
	Dubai International Capital, Hartford Financial Services, Minnosa System, Morgan Stanley, Northrop Grumman, <i>Pepsi</i> , Phase Forward, S.A. France Finance ET Technologie, Scientific Atlanta, Six Apart, SkyPilot Networks, State Street Bank, Stele, <i>Wal-mart</i>	Software, Thomson SA, Winstar Communication, Xirru		
Apple	Avon, Genentech, <i>General Electric</i> , Generation Investment Management GTI Group, <i>General Motors</i> , Highlands International, J. Crew, Kleiner Perkins Caufield & Byers, Lion Strategy Advisors, Metropolitan West Financial, <i>Nike</i> , Salomon Smith Barney International, Trancida Corp, Tyco, Waste Management	Common Sense Media, Current TV, Google (x3), Great Plains Software, Hostopia.com, Hyperion Solutions Corp., InSight Venture Partners, Intuit, Loudcloud, MGM, Motorola, Netscape, Novell, Opware, Pixar, SanDisk, Siebel Systems, Software & Information Industry Association, Stellent Inc., Tilion, <i>Walt Disney</i>	Columbia University, Sloan-Kettering Cancer Center, Cal. Institute for Quantitative Biomedical Research, Princeton University (x2), UCLA, Fisk University, Middle Tennessee State University, Carnegie Mellon, Menlo School, American Society of Microbiology, New York Acad. of Sciences, American Assoc. for the Advancement of Science, American Society for Biochemistry & Molecular Biology	Alliance for Climate Protection, Al Gore former Democratic Vice President
The companies listed in <i>blue italics</i> rank among the 100 largest purchasers of advertising either in the United States and/or globally, as reported by Advertising Age (2007).				
Data Source: Latest company proxy statements as of February 2008				

The interlocking board of directors and personnel is but one component of these connections. The solidification and expansion of the global network of media networks also depends on connections with numerous other networks, which in turn also leverage their connections with media organizations.

Financial Networks

As the previous sections have sought to illustrate, the global network of media networks is both global and local. While the majority of the largest firms are headquartered in the United States, they are inextricably linked to global financial networks by a number of factors.

First, Table 2 (above) provided an accounting of the personal connections between financial networks and the media network. The boards of directors of the media multi-nationals are heavily stacked with individuals who sit upon the boards of other large non-media multi-national corporations, investment banks, and private equity firms, and/or hold positions of importance in such organizations as NASDAQ and the New York Stock Exchange. These interconnections are not inconsequential. In its 2007 proxy statement, Time Warner, for example, reported that it had conducted transactions with a significant number of companies of which members of its board of directors were also affiliated, including:

Hilton Hotels Corporation (for which Mr. Bollenbach serves as Co-Chairman and Chief Executive Officer), Axel Springer AG (for which Mr. Döpfner serves as Chairman and Chief Executive Officer), Colgate-Palmolive Company (for which Mr. Mark serves as Chairman and Chief Executive Officer), Staples, Inc. (for which an immediate family member of Mr. Miles serves as an executive officer), Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, PC (where Mr. Novack is employed as Senior Counsel), Carver Federal Savings Bank (for which Ms. Wright serves as President and Chief Executive Officer) and Motorola, Inc. (for which Mr. Zander serves as Chairman and Chief Executive Officer)... FedEx Corporation and Sun Microsystems, Inc. (Mr. Barksdale), Harrah's Entertainment, Inc. (Mr. Bollenbach), Omnicom Group, Inc. and TIAA (Mr. Clark), ProSiebenSat.1 Media AG, Deutsche Telekom AG and dpa Deutsche Presse Agentur GmbH (Mr. Döpfner), Cabela's Incorporated and Pearson plc (Mr. Mark), AMR Corporation, Citadel Broadcasting Corporation, Dell Inc. and Sears Holdings Corporation (Mr. Miles), Kraft Foods, Inc. (Ms. Wright), and Netezza Corporation, Boston University and Rensselaer Polytechnic Institute (Mr. Zander) (Time Warner, 2007).

While the specific role of each board member in facilitating these transactions is difficult to document, the pattern suggests that these interlocking directorates are not without consequence.

Second, media businesses and related industries constitute a significant component of the networks of financial capital. In 2007, one-fifth of the world's largest companies in terms of market capitalization as ranked by the *Financial Times* were media, Internet, or telecommunications companies.⁶ The production of high-tech hardware and software that supports the distribution and consumption of media products ranks among the world's largest industries. Moreover, while the popular press typically focuses on the leadership of these media multi-nationals (e.g., Rupert Murdoch as CEO of News Corp. and Sumner Redstone the majority owner of CBS and Viacom), a number of non-media organizations also hold significant stakes in these companies. Table 3 provides an overview of the companies and individuals with significant beneficial ownership in the major conglomerates.

Table 3: List of Institutional Investors with Beneficial Ownership (February 2008)

⁶ The *Financial Times*' annual Global 500 Companies rankings are available at <http://www.ft.com/reports/ft5002007>

TimeWarner	Dodge & Cox (7.14%), %, AXA (5.79% Common Stock), Capital Group (4.6%), Fidelity 4.13%), Goldman Sachs 3.25%), Liberty Media (3%), Vanguard (2.95%), Muneef Tarmoom (UAE) (2.39%)
Disney	Steve Jobs (7.3%), Fidelity (5.5%), State Street (3.64%), AXA (2.9%), Vanguard (2.6%), Southeastern Asset Management (2.6%), Legg Mason (2.38%), State Farm (2.2%), Kingdom Holdings (1%)
News Corp.	Murdoch Family Trust (31.2% of Class B Common Stock), Dodge & Cox (10.1% Class A Common Stock), HRH Prince Alwaleed Bin Talal Bin Abdulaziz Alsaud c/o Kingdom Holding Company (5.7%), Fidelity Management & Research Company (.96% Class A),
Bertelsmann	Bertelsmann Foundation (76.9%), Mohn Family (23%)
Viacom	National Amusements (71.2% Class A), Mario J. Gabelli (8.44% Class A), Sherry Redstone (8%), Franklin (7.8%), Morgan Stanley (6.81%), NWQ Investments (5.47%), Wellington (4.09%), State Street (3.46%), Barclays (3.5%), Templeton Growth Fund (2.51%),
CBS	Sumner Redstone (71.2% Class A), AXA (France) (12.2% Class B), Sherry Redstone (8%), Goldman Sachs (6.8%), State Street (4.12%), Barclays (3.24%), Capital Research (2.48%), Neuberger Berman (2.26%),
NBC (GE)⁷	General Electric (80%), Vivendi Universal SA (20%)
Microsoft	Bill Gates (9.33%), Capital Research (5.95%), Steven A. Ballmer (4.9%), Barclays (4.05%), Vanguard (2.5%), AXA (1.26%), Goldman Sachs (1.2%)
Google	Sergey Brin (President of Technology) (20.4% Class B and 28.4% Class A – assumes conversion), Larry Page (21.5% of Class B convertible into 28.3% of Class A), Eric Schmidt (13.7% Class A, 7.7% Class B), Fidelity Investments (11.49% Class A Common), SAC Capital Advisors (10%), Capital Research (8.3% Class A Common), Time Warner (8.2% Class A), Citadel (4.6%), Sequoia Capital (3.2%), Legg Mason Focus Capital (2.2% Common Stock), Jennison Associates Capital Corp (1.75%)
Yahoo!	Capital Research and Management Company (11.6%), Legg Mason (8.86%), David Filo (5.89%), Jerry Yang (4.0%), Citigroup (2.08%), Goldman Sachs (2.02%), Fidelity (1.622%), AXA (.8%)
Apple	Fidelity Investments (6.44%), Axa (3.86%), Barclays (3.69%), State Street (2.96%), Vanguard (2.80%), Marisco Capital Management (2.44%), Janus Capital Management (2.36%), Bank of New York Mellon Corp (1.54%),
Data Source: Compiled from latest proxy statements and statements of beneficial ownership filed with the U.S. Security and Exchange Commission as of February 2008.	

As Table 3 illustrates, not only are there numerous corporate actors with significant interests in these organizations, many hold stake in not one, but several of the major media multi-nationals. AXA, a French insurance company, for example, holds significant stakes in Yahoo! (.8%), Disney (2.9%), Apple (3.86%), Time Warner (5.79%), and Microsoft (1.2%). And Fidelity maintains significant interest in Google (11.9%), Yahoo! (1.6%), Apple (6.44%), Disney (5.5%), and News Corp. (.96%). Moreover, according to a report by Riskmetrics, 90% of Yahoo!'s institutional investors also own stock in Microsoft (Guynn, 2008).

Third, particularly since 2002, a significant influx of investment from private equity firms and venture capitalists has buoyed the ability of media organizations to finance their mergers and acquisitions. In 2007 alone, private equity firms invested upwards of \$50 billion in media properties (Malone, 2007). Thus, it is not surprising that the management of global media companies is laden with individuals with

⁷ Because GE owns 80% of NBC, only two major beneficial owners are listed above. There are numerous parties with beneficial stake in GE. However, the authors decided not to list them here because NBC is but a minority part of the overall GE company.

close connections to private equity firms such as: Bank of America (which manages a \$2 billion investment fund), Highpoint Capital Management, and Templeton Emerging Markets Investments.

Media businesses are particularly attractive to private investors because they typically require little capital investment and generate large revenues. These investors typically play no role in the day-to-day operations of their media investments but instead seek maximum return on their investments.⁸ Private investor participation in media mergers and acquisition can play a vital role in their success or failure. For example, Providence Equity Partners and Texas Pacific Group financed Sony's successful bid for Metro Goldwyn Mayer in 2004; while Grupo Televisa's bid for the U.S. Spanish language channel Univision failed when two private equity firms, Blackstone Group and Kohlberg Kravis Roberts pulled out of the deal.

Conversely, power players within the global entertainment elite also maintain private equity firms and venture capital endeavors, which invest in both media and non-media related endeavors. Disney's private equity arm, Steamboat Ventures has invested in numerous technology and gaming startups. NBC Universal launched Peacock Equity in December 2007, a \$250 million fund that invests in advertising, health, mobile, and wireless technologies. Bill Gates, CEO of Microsoft maintains a personal private equity firm, Cascade Investments. The firm has a stake in Gay.com, Planet Out, Grupo Televisa, and participated in a failed bid for the Univision in 2007. Its \$4 billion portfolio also includes many non-media and technology properties such as the Canadian National Railway, Berkshire Hathaway, and Six Flags Amusement parks (United States SEC File 28-05149). Cascade Investments also participated in a joint venture with Kingdom Holdings to purchase the Four Seasons Hotel chain in 2006. And in April 2007, Bertelsmann redirected 10% of its acquisition budget into a €1 billion joint private equity group with Citigroup Private Equity and Morgan Stanley Principal Investment to expand its holdings (Edgecliffe-Johnson & Wiesmann, 2007).

The importance of access to private capital is not unique to the global media giants. Firms like Blackstone, Cisco and 3i have invested heavily in Bollywood film productions. Moreover, Indian companies such as the Indian Film Company have raised cash on the British Alternative Investment Market (AIM) to fund projects. In another example, the venture capital arm of the Abu Dhabi Group headquartered in the UAE made a significant investment in Bertelsmann's Arvada Middle East Sales Group to build a regional digital entertainment business.

⁸ The increase in private equity investments has facilitated a corresponding concern with the ramifications of ownership because these firms are largely unregulated. Media regulations, particularly in the United States, only place limits on companies that exhibit management control over the day-to-day operations of a media property. However, while private equity investors typically remain uninvolved in the daily operations of these companies, questions of undue influence have arisen. For example, in 2007 Harbinger Capital Partners Funds and Firebrand private equity partners used their leverage of 15.6% combined interest in the New York Times Company to nominate four directors at the 2008 Annual meeting. When the Company refused to interview their nominees, the private equity firms launched a proxy fight, which remains unresolved at the time of writing.

Media firms are thus a critical source of financial capital as well as a participant in broader financial networks. Pressured by corporatization trends, media organizations at every stage of development and size typically seek out new investors and financial resources. The largest media firms are more centrally integrated into networks of financial capital, having resources to both attract investments and provide influxes of capital to start ups and smaller operations. They thus serve as a critical node connecting networks of finance with the global network of media networks, which in turn enhances their role in the global network of media networks.

The Advertising Industry

Connecting advertisers with their target markets is a critical component of most media company's ability to generate revenue and leverage financial networks. Internationally, more than 1.3 million people are employed by advertising agencies (IBIS, 2008). Media properties rise and fall based upon their ability to connect to global advertising industry networks, which includes agencies as well as graphic design services, display advertising, and media representatives. Even the film industry, which historically relied on box office revenue, increasingly depends on consumer-product tie-ins and cross-promotions (Hesmondhalgh, 2007, p. 196). In 2007 alone, corporations (and governments) spent \$466 billion on advertising globally (U.S. Optimedia data reported in the FEN, 2007).⁹ It is no accident that a high number of affiliations listed on Table 2 (above) are corporations that rank among the largest purchasers of advertising globally (these organizations are italicized in blue).

The diversification of media networks both conditions changes in advertising expenditure and vice versa. Multi-nationals have competed for entry into the Chinese media market because it reflects one of the fastest growing advertising markets, estimated at a value of \$14 billion for 2007 (Gale, 2008).

Conversely, advertisers are attracted to the Chinese market precisely because there are now more delivery mechanisms available.

Furthermore, multi-media conglomerates are also some of the world's largest purchasers of advertising and advertising companies are also beginning to purchase delivery platforms. Time Warner, Disney, GE (parent company of NBC), News Corp., Viacom, and Microsoft ranked among the top 100 purchasers of advertising globally. IBIS (2008) estimates that entertainment media are the third largest advertising consumer base for the advertising industry, representing 16% of total industry revenue. The advertising industry has also become increasingly concentrated and mirrors many of the trends found within the media industry. Four major holding companies — WPP Group, Interpublic Group of Companies, Publicis Groupe and the Omnicom Group — own the majority of the world's top advertising and marketing agencies (IBIS, 2008). In addition, these groups have also diversified their investments by purchasing Internet delivery technologies in order to better attract media and entertainment industry advertisers. In 2007, the WPP group, for example, purchased 24/7 RealMedia, a search engine marketing company; Schematic, an interactive Internet advertising agency; and BlastRadius a company specializing in social

⁹ The United States government, for example, ranked as the 29th largest advertiser in the United States spending \$1,132.7 billion (Advertising Age, 2007).

networking advertising. Media networks thus provide both a platform for other corporations to promote their business interests, an outlet for advertising, and a critical source of customers for advertising production.

Internet and Wireless Networks of Communication

Throughout this article, we have stressed how the digitization of communication has altered the media landscape. Internet and wireless networks have provided media conglomerates with new markets for advertising (as documented in previous sections), but they are also heavily contested spaces. In this analysis, the movement by global media players in to the Internet reflects an attempt to re-commodify media and information that flows out of convergence culture. But additionally, YouTube, Facebook, MySpace, and other similar online properties may be evolving into critical connecting points between media networks, autonomous mass self communication networks, business interests (advertisers), and political players (who want to either filter or introduce content into all of these networks).

Google is the world's biggest media company by stock market value, but it has far smaller annual revenue than the other multi-media giants. However, Google, Microsoft, Apple, and Yahoo!'s global reach as well as their numerous partnerships with regional Internet and media companies means that they cannot be considered separately. It also appears that their actions are increasingly setting the agenda for other multi-media giants with fewer online properties. Now that Google owns YouTube, Yahoo! owns Xanga, and Microsoft has a stake in Facebook — they control critical nodes between the media sphere and the online sphere. All the major players are making moves to figure out how to re-commodify Internet based autonomous mass self-communication. They are experimenting with ad-supported sites, pay sites, free streaming video portals, and pay portals.

Moreover, as more and more media products are distributed and consumed online and intermeshed with social networking and other online user generated content, individual user behavior plays an increasingly central role in driving advertising dollars. Online search engines are now configured in such a way that they feature tacit, if not necessarily conscious, end-user participation. Observers have pinpointed the growing importance of the Googlearchy, referring to the relative positioning of search items in search results (Hindman et al., 2003). Google and other Web sites like Yahoo! use a combination of key word relevance, the popularity of search terms, links to other sites, and the behavior of end-users to determine the order of search results. As more and more users follow particular links, the higher these sources rise in the Googlearchy. Search engine users are thus simultaneously consuming information and helping to determine the accessibility and dominance of that information source for other users in the Internet sphere. This instigates a domino effect. Users are most likely to click on a link in the first pages of results. Relevance thus breeds relevance. Strategic partnerships between media properties and Yahoo!, Google, Microsoft and many regionally popular search engines are an attempt to harness end-user behavior in service of maximizing advertising revenues. In 2007, News Corp., for example, signed a \$900 million deal with Google to provide targeted search advertising for its Internet properties.

Web 2.0 technologies have also empowered consumers to produce and distribute their own content. More recently, the viral success of these same technologies has propelled media organizations to

harness the production power of traditional consumers. Almost every major news organization now offers site visitors the opportunity to upload content that, if compelling enough, will be featured online and in an ever-increasing number of television programs that feature user-generated content (e.g., CNN's IReport & VH1's Web Junk 2.0). Similarly, newspapers now regularly cite and depend on members of the blogosphere as sources of cutting-edge social and political news. This blurring of boundaries has facilitated what Thomas McPhail (2006) calls a "chaos paradigm" in international communication.

The extent of this chaos is perhaps typified by an August 2007 United States court case in which Viacom filed suit against Chris McKnight for copyright violation. As part of his campaign for the local school board, McKnight posted a zany promotional video of himself on YouTube. Without consulting McKnight, a Viacom property (VH1) later aired McKnight's video on Web Junk 2.0, a program that features the latest and weirdest viral web content. McKnight then posted the VH1 coverage of his video on his personal Web site. Viacom quickly issued him a notice of copyright infringement for posting VH1 footage without authorization, before withdrawing their lawsuit in response to consumer outrage.¹⁰ The Viacom lawsuit is but one example of the heavily contested nature of the Internet and its importance to media conglomerate business models.

Networks of Supply

Media businesses are also dependent on their ability to connect to several different networks of supply. These include but are not limited to: *news agencies, talent agencies, and labor networks.*

Media corporatization has encouraged cost-cutting measures that include the closing of regional and international news bureaus as well as the streamlining of journalistic practices. At the same time, the 24-hour news cycle and web publishing means that journalists must fill increasingly more space. News agencies such as Reuters, Bloomberg, the AP, and World Television News are thus critical suppliers for news content for many media properties around the world (Klinenberg, 2005). In his book, *Flat Earth News*, Nick Davies (2008) argues that contemporary journalists now practice "churnalism," rather than journalism, churning out poorly researched articles based on press releases and newswires. Davies commissioned researchers at Cardiff University to conduct a content analysis of the four most reputable British newspapers, *The Times*, *The Telegraph*, *The Guardian*, and *The Independent*. The study found that 80% of the news stories published in these papers were wholly, mainly, or partially constructed from second-hand material, provided by news agencies and press releases. News agency wires are also a critical source for television journalists. Wu (2007), for example, found that the news agencies were a critical determinant of the international news coverage of *CNN* and *The New York Times*.

Because news agencies are valued for their global reach, the industry is controlled by a small group of historically established players: the Associated Press (AP), Getty Images, Bloomberg, Dow Jones, Reuters, and Agence France-Presse control 70% of the syndicated global news market (IBIS, 2007c, p.

¹⁰ See Slashdot.com for more coverage on this story:
<http://yro.slashdot.org/article.pl?sid=07/09/13/2028206&from=rss>

17). Since 2000, these news syndicates have expanded their international presence in order to fulfill increased demand for their product. Digital convergence has only expanded the need for their syndicated content as newspapers seek to maintain dynamic and continually updated online versions. Not surprisingly, news agency profit margins continue to expand. Getty Images earned \$484.8 million in revenue in 2000 and almost double that in 2006 (\$807.3 million) (IBIS, 2007c, p. 21). Moreover, television, magazine, and radio properties increasingly draw upon news wire services (Ibid., p. 28). These organizations are diversifying their content offerings into images and video in order to provide for these platforms.

Connections to talent, writers, actors, performers, etc., are also critical for the success of media business. In the United States alone, the network of agents for artists, athletes, and entertainers is a \$6 billion a year industry (IBIS, 2007a). The economic damage caused by the 2007 Writers Guild of America (WGA) indicates the importance of these networks to the overall economic success of media businesses. The strike stopped production on all major scripted television shows and prompted the cancellation of numerous other scripted live events. The ability to leverage networks that produce and supply the physical infrastructure of media production and delivery are also critical. The production of radio and television broadcast equipment for the U.S. market alone accounted for \$38 billion in revenue in 2006 (IBIS, 2007d).

In this section, we have focused on the importance of financial networks, advertising networks, autonomous self-communication networks, and networks of supply for the media industry. Of course, there are numerous other networks that maintain close relationships with media actors. As we argued in the first section, political networks are fundamental for the processes of regulation and deregulation that largely conditioned the ability for media businesses like News Corp. and Time Warner to expand. In turn, media corporations have considerable influence on the political system (Bosetti, 2007). Thus, the expansion of the global network of media networks depends on the configuration of its internal networks as well as its capacity to connect with other pivotal networks and provide a critical node connecting those networks with one another.

Conclusion

The digitization of cultural production and distribution, under the conditions of globalization and deregulation, has ushered in several simultaneous trends. Media content is both diversified and globalized. Media ownership is concentrated and organized around networked forms of production and distribution, the backbone of which is provided by a core of multi-national media corporations that operate through a global network of media networks. In these networks, the global shapes the local but the local also influences the local. The majority of media businesses follow a networking logic so that all nodes of the network are necessary to fulfill the ultimate goals of their program: the commodification of mediated culture and the subordination of all forms of communication to profit making in the market place.

Furthermore, these media networks are interlocked with networks of finance, production, advertising, technology, research, and politics through multiple switches. By bringing together money, culture and power, they have claimed the commanding heights of the global network society. There are

also horizontal networks of digital communication that value autonomy, individual freedom, and self-identification. User generated content and autonomous social action are now fundamental components of the global network of communication. As they recognize their market potential, global business networks are bringing these new networks of communication under their corporate control. Nonetheless, to be able to tap into this reservoir of active customers, they must respect the specific cultures of this new media. They should not excessively curtail free speech in social spaces. They must limit intrusions into user privacy. They ought to be tolerant of remix culture; and they must adapt their business models to the practice of multitasking and wirelessly distributed networks of communication.

To proceed along those lines, multi-media corporate business practices end up facilitating the expansion of autonomous networks of communication and the cultural and technological connection between these networks and traditional media. The greater the communicative autonomy of the media consumers, the more they are likely to become media citizens, thus restoring the balance of power vis-à-vis their would be controllers. As long as media businesses keep making money, the playful netizens may be able to experiment with their communication desires. Ideally, this new business model could end up working well both for corporate executives and for creative audience/users. But this is uncharted territory. The sustainable articulation between free culture and corporate business requires a new business model whose traces we have not found in our exploration of global media networks. Currently, the only certainty is that media are under the control of global corporate business networks and that users/consumers/citizens are trying to carve their own communication space out of the digital maze of multimedia.

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