Concentration of Media Ownership: Good or Bad?

Also known as media consolidation or media convergence, the concentration of media ownership is a process whereby less and less institutions control increasing shares of the mass media. These institutions are known as media conglomerates. “There have been a lot of mergers and buyouts of media and entertainment companies since the 1980s” (www.globalissues.org) and this consolidation means that the media world is dominated by a very small number of firms. Some of the best known and largest global media conglomerates include; The Walt Disney Company, News Corporation, AOL-Time Warner, Viacom and General Electric.

I recently applied for a Communications and Events Internship with General Electric. GE is one of the best known and most respected industrial conglomerates in the world. It’s “a diversified infrastructure, finance and media company taking on the world’s toughest challenges - from aircraft engines and power generation to financial services, medical imaging, and television programming” (www.ge.com). Each of its four businesses; Technology Infrastructure, Energy Infrastructure, GE Capital and NBC Universal, has a significant presence here in the UK. NBC is the business that makes the corporation a media conglomerate and I find the prospect of possibly working as part of this globally recognized brand, which “operates in more than 100 countries” (www.ge.com) genuinely exciting. Seeing as there’s a realistic chance that I could soon be working in a creative role within one of the worlds largest media conglomerates I thought I could use this essay to investigate a hotly debated question; is the concentration of media ownership a good thing or a bad thing?

During my interview for GE internship I took the opportunity to ask the professionals present their opinions on media ownership and whether they thought that the positives outweighed the negatives. I will use any relevant input by them throughout this essay. I will also use other sources and wider research to identify and discuss both the pros and cons surrounding the issue.

Many may argue that the concentration of media ownership is a good thing. Alexandra Bulmer, Head of Human Resources at GE Aviation Wales and Rhys Williams, Head of Communications at GE Aviation Wales, both claim that we, the humble viewer, get many benefits from media consolidation. Alexandra argues that the main objective of all media company’s is to attract as large an audience as possible. She stated, “the higher their viewership, the more money they make and the best way to attract a big audience is to give people what they want”. “If something is popular, it will remain in the media, but if it is not popular, it’s gone. Because of this, consumers essentially get to vote for content with their eyeballs. If they watch it, it stays on the air. If they don’t watch it, it goes away” (whoownsmedia.blogspot.com). Alexandra claims that more and more of what we actually want to watch is being produced thanks to the big media conglomerates competing for viewing figures.

Rhys Williams also suggested that large media companies, such as NBC, merge with other media related companies so that they can use their resources to become more efficient in reaching their audiences. He stated, “they are constantly competing to come up with more innovative ways to reach us by converging technologies... Due to synergy we can now receive our TV, Internet and phone service from a single company and we owe this to media conglomerates merging their institutions”. This point is backed up by Gillian Doyle who argues that “the ongoing globalization of media markets and convergence in technology between media and other industries (especially telecommunications and broadcasting) have caused many media firms to adapt their
businesses and corporate strategies accordingly. As traditional market boundaries and barriers have begun to blur and fade away, the increase in competition amongst the media has been characterized by a steady increase in the number of perceived distributor outlets or ‘windows’ that are available to media firms” (Doyle, 2002:3).

Another argument for the concentration of media ownership, and this applies to all conglomerates, is their diversification. “Diversification results in a reduction of investment risk. A downturn suffered by one subsidiary, for instance, can be counterbalanced by stability, or even expansion, in another venture” (www.investopedia.com). This is a big positive from a business perspective because it means that if certain parts of conglomerate company start to struggle financially, the other companies won’t necessarily be affected. “General Electric is an example of a conglomerate that has been in the top echelon for decades in relation to performance criteria such as return on investment, market capitalization or capacity for survival” (Simon, 2009:366).

Others may argue that the concentration of the media is a bad thing. The merger of big media companies has become far more prevalent in the last twenty years. Mother Jones Magazine reported, “at the end of the 1990’s, there were 9 corporations (mainly US) that dominated the media world” (www.globalissuess.org), with “another dozen conglomerates as second-tier competitors” (Rozell, 2003:182). This means that roughly six billion people get their media intake from just nine ‘mega-media’ companies. This results in a serious lack of competition between each conglomerate as all are guaranteed a healthy percentage of the global audience. This lack of market-based competition could then lead to a lack of diversity in media output and to slower innovation, which is the exact opposite of what Rhys Williams argues. When few firms own a monopoly over a market they may not be dependable in serving the public interest, but instead focus only on making money. So few services dominating such a large market means they can charge the consumer higher prices because there is so little in the way of alternatives.

This commercial drive by media conglomerates means that their main focus is advertisers, rather than the public. In the words of the ex-C.E.O. of Westinghouse (CBS) “we are here to serve advertisers. That is our raison d’être”. They are often responsible of making predictable, ‘tried-and-tested’ shows, rather than risk giving a controversial or unconventional idea any media coverage. They are only concerned with profits and ratings so censor these kinds of potentially quality shows.

One of the main arguments against the concentration of the media is that they have too much power. “They are increasingly able to influence and shape the growth and direction of the industrial enterprises they service” (MacDonald, 1990:3). Traditionally the media would prevent people from abusing their power but as of late they have lost the “ability to address the role and nature of corporate power in...the media because the organizations they work for are part of that powerful establishment” (Turow, 2009:222). The media has possibly become the most powerful tool in modern day society and there is no one in place to stop them from abusing this power. “Anderson (1980) described the global linkages between industry, advertising and media as a ‘New World Information Order’ in which global cultural control becomes increasingly centralized back to epicenters of media...where ideas originate which help shape the value of the world” (MacDonald, 1990:3). MacDonald is suggesting that the ideologies of certain media conglomerates actually have the power to shape the worlds global values.

Quite often media conglomerates are criticized for having an agenda. “What happens, the critics ask, when information is released by the Justice department or some other organization that reflects critically upon part of the conglomerate? Will a news
organization that is owned by the conglomerate rush do an investigative story on the subject? Will it be published at all?” (Turow, 2009:222). These media companies are also often accused of having biased political views. Rupert Murdoch is a well known and “long time supporter of the Republican Party” (100 Richest People in the World). Many News Corp companies, such as FOX, are pro-Republican and many of its publications have been credited with having a big influence on the outcome of political elections. “Murdoch’s papers strongly supported George W. Bush in both the 2000 and 2004 presidential elections...In Britain The Sun was widely credited with helping John major win an unexpected election victory in the 1992 General Election” (100 Richest people In The World). By being so selective with the content they show people means that they can make themselves and other institutions look good.

Politicians recognize this power and some may argue that it has resulted in our Governments, themselves being governed by the media! Politicians know how the media can sway public opinion so may be afraid to regulate them because they’d rather keep them onside. Media mogul and founder of CNN Ted Turner argues that the politicians control over media has dwindled over the years because of the continual loosening of ownership rules. In an article for the Washington Monthly he writes that lawmakers once “wanted to make sure that the big, established networks wouldn’t forever dominate what the American public could watch on TV. They wanted independent producers to thrive. They wanted more people to be able to own TV stations. They believed in the value of competition” (www.washingtonmonthly.com) and wanted some diversity. However, “in the current climate of consolidation, independent broadcasters simply don’t survive for long...most independent media firms either get gobbled up by one of the big companies or driven out of business altogether. Yet instead of balancing the rules to give independent broadcasters a fair chance in the market, Washington continues to tilt the playing field to favor the biggest players” (www.washingtonmonthly.com). It’s as if they’ll do anything to keep these conglomerates sweet. There’s a very fine line between media made politics and politically made media.

I think that the biggest fear people have regarding the concentration of media ownership is that “the rise of media conglomerates may lead to a decline in democratic debate...as they use their control to silence alternative voices” (Schmidt, 2012:325). However, “the emergence of independent news web sites, blogs, and podcasts provides an off-set to this trend...the increased concentration of traditional media news organizations may not matter as much as it did in the past” (Schmidt, 2012:325). It’s true that an elite few own the media, but it’s important to remember that the media does not own us. Audiences are active. We can make a choice as to what media we consume. Media conglomerates have many outlets; TV channels, movie productions, newspapers, radio or the Internet and offer so much diversity with their content that every niche is catered for and everyone is given a voice. If you look, there’s nothing that today's media can’t provide.
Bibliography:

Books:


Websites:


