

FROM SOCIAL TO TRANSNATIONAL MEDIA MANAGEMENT:
CHALLENGES WITHIN AND ACROSS NATIONAL BOUNDARIES

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From social to transnational media management : challenges within
and across national boundaries

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Le doyen
Mehdi Farsi

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Abstract

Thanks to digitalization media products are much more suitable for a larger distribution than in the past, persuading media corporations to internationalize their activities. However, internationalization strategies for media companies present both opportunities and risks as managing conglomerations and the cultural distance of the countries involved implies a much higher complexity. In this thesis we approached this topic: we analysed the different strategies adopted by media corporations to cross borders, examining in particular the relevance of culture as well as the role of human resource management and knowledge transfer as critical factors for media firms towards the achievement of a competitive advantage. As media products and services are cultural goods and need to reflect local cultural needs, a pivotal question for transnational media corporations is how to find the appropriate coherence between their product and corporate strategy in order for them to fit with the corporate mission and vision of the firm.

Considering this frame, we thus identified four challenges that media firms need to deal with to reach a sustainable competitive advantage: (1) the social network challenge; (2) the internationalisation challenge; (3) the cultural challenge and (4) the knowledge transfer challenge. We examined each one of them in the four papers collected in this doctoral thesis. Our aim was to look for a potential answer to the following research question: how can media firms achieve a successful internationalisation strategy while being faithful to their mission and vision, and thus maintaining their original brand identity and image?

Our finding might be considered as a contribution to fill the literature in media management field.

Key words: transnational media, media branding, knowledge transfer, human resource management

Résumé

Le sujet principal de la thèse traite les produits média qui grâce à la numérisation sont beaucoup mieux appropriés pour une plus large distribution que par le passé et motive les entreprises de médias à internationaliser leurs activités. Cependant, la stratégie d'internationalisation présente pour les sociétés de médias des opportunités ainsi que des risques. Ces derniers sont dus à l'augmentation de la complexité induite par la gestion des conglomérats et par la différence culturelle des pays impliqués. Dans ce contexte, un problème central pour les entreprises médiatiques transnationales c'est de rechercher la cohérence entre leur stratégie de produit et la stratégie d'entreprise afin de respecter la mission et la vision de la société.

Compte tenu de ce cadre, nous avons ainsi identifié quatre défis que les sociétés médiatiques doivent traiter pour atteindre un avantage compétitif durable: (1) le défi des réseaux sociaux; (2) le défi d'internationalisation; (3) le défi culturel et (4) le défi de transfert de connaissance. Nous avons examiné chacun d'entre eux dans les quatre papiers rassemblés dans cette thèse de doctorat. Notre but était de chercher une réponse potentielle à la question de recherche suivante: comment les entreprises médiatiques peuvent-elles réaliser une stratégie d'internationalisation réussie et en même temps être fidèles à leur mission et vision et donc respecter leur identité de marque et leur image ?

Notre découverte pourrait être considérée comme une contribution pour la littérature dans le champ de gestion de médias.

Mots clés: médias transnationaux, marque de médias, transfert de connaissance, gestion des ressources humaines

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1 Introduction

1.1 Managing media within a digital, global and ever-changing environment

The media environment is continuously changing and evolving due to technological improvements and changing costumers' habits all over the world. Thus, media firms have to face new challenges to stay competitive on the market and find out the best strategies in order to adapt to the ever-changing conditions.

The technological enhancement made possible the integration of different industries such as Internet, computing, telephone and cable television. This convergence of information technology, media and communication cannot be avoided and organizations have simply to face it (Chan-Olmsted, 2006). Thanks to the digitalization of content and its diffusion throughout multiple channels the cost of production and distribution of content substantially decreased, allowing new players to enter the market (Doyle, 2002). Indeed, the diffusion of broadband technologies allow media organizations to deliver their products in a completely different way than thought before. Not only television might cross national borders, convergence and interactivity between Internet and television create also new opportunities for and the entrance of new players in the market. Traditional media have to adjust their strategies and their business models to cope with such a different framework. As this transformation has been reshaping the boundaries of the industry, traditional media companies have to face new players coming from other sectors that were not considered as competitors until a couple of decades ago. For example Netflix, which was born in 1997 as a mail DVD rental service in USA, after about 10 years became not only a content distributor thanks to internet and the broadband, but also a content producer creating original content such as the TV-series House of Cards and Narcos, just to cite two of them.

It is worth also noting that even though technological improvements have been opening up new opportunities for players in the field, such a mutation could not have been possible without the support of the liberalization of frequencies in the audiovisual sector and the following emergence of private commercial networks competing with the traditional broadcast public services in Asia and in Europe, for instance. Later, the diffusion of satellite and cable television represented a further step towards the today panorama. The international broadcasting was another step in the same direction. We can thus say that the technological advancement and the liberalization of the market, which took place during the last three decades, substantially contributed to increase the complexity of the media marketplace transforming it from a national to an international one (Chan-Olmsted, 2004).

Within this context, one of the major problems that transnational media corporations have to face is how to find the appropriate coherence between their product and corporate strategies in order to respect the corporate mission and vision of the firm. A deeper look at this problem unveils four main challenges that media corporations need to deal with, they are the following: (1) the social network challenge; (2) the internationalization challenge; (3) the cultural challenge and (4) the knowledge transfer challenge. Although these challenges are strictly interrelated, we tried to examine each single challenge individually in each paper that composes this thesis.

First of all, the social network challenge pushes media and non-media firms to exploit the potential that these tools offer in terms of visibility, direct interaction with consumers, promotion, and advertisement. Nevertheless, social networks should be managed very carefully since the risk to provoke misinterpretations, which might not be in line with the mission of the firm and damage it, is real. As a consequence, the need for a Digital Communication Manager arises to handle and guide the use of social networks among employees and between the company and consumers in order to respect the coherence between the brand image, its

communication and the corporate strategy. This aspect is explored in the first paper of this thesis.

Since the digital revolution made possible to watch or read content in different ways and on different devices all over the world without almost any barriers both legally and illegally, media firms are pushed to internationalize in order to exploit potential sources of revenues by selling and distributing content overseas. Even though in a globalized and digitalized world this option seems to be ready to use, the reality is much more complex, since differences in culture, languages and habits still make the selling of undistinguished content abroad difficult without adapting or modifying it to be more respondent to country specific preferences. The second paper in this thesis thus analyzes the internationalization challenge (2). In particular, we seek to understand the factors influencing the transnational advertising strategy adopted by a pan-European broadcaster. By analysing the case of Eurosport we put some further light concerning the cultural differences that imply the adoption of product diversification strategies in order to fit with countries' specific tastes.

Media firms going international need to take into account not only the cultural differences of viewers and readers in different countries, but also the differences that arise within the firm among employees coming from various countries and modify their strategies accordingly. As such, we explore the third challenge (3), the cultural one, with a review paper about human resource management issues in transnational media corporations. As a result of this review paper knowledge transfer appears to be a critical success factor for transnational companies, since internationalization not only creates challenges due to an increased organizational complexity, but at the same time it allows to access different and complementary competencies and skills, which can originate a competitive advantage. Consequently, a fourth question arises, that is how media companies can stimulate knowledge transfer (4). A tentative answer is given in the fourth paper of this thesis where network-based organizational structures and

human resource management practices appear to support and stimulate knowledge sharing mechanisms in transnational organizations.

As already mentioned, the four challenges described above are highly interconnected. In order to decrease the complexity of such interdependency, we chose to conduct an individual deeper analysis of one of the four challenges that we have identified in each paper contained in this doctoral thesis. By shedding light on these challenges the final aim of the thesis is to explore how media firms can achieve a successful internationalization strategy while maintaining their mission as well as their original brand identity and image.

1.2 Research Methods and Approach

The thesis is a compilative dissertation based on four papers, which are the following:

1. *Branding with social media at RTS*, Stéphane Matteo, Giulia Spolaor, Cinzia Dal Zotto, University of Neuchâtel. Published in: Friedrichsen M. and Mühl-Benninghaus W. (Eds.): *Handbook of Social Media Management* (pp. 591-602), Springer Berlin Heidelberg, 2013.
2. *Pan-European television and transnational advertising: the case of Eurosport*, Giulia Spolaor, University of Neuchâtel, Switzerland. Revised version of the paper presented at European Media Management Association (EMMA) Conference in Moscow in 2011.
3. *International diversification strategies in transnational media firms: a literature review*, Giulia Spolaor, Cinzia Dal Zotto, University of Neuchâtel, Switzerland. Revised and extended version of the paper presented at the World Media Economic and Management (WMEMC) Conference in Rio de Janeiro in 2014. Ready to be submitted to a journal.
4. *The role of knowledge transfer within transnational media firms*, Cinzia Dal Zotto, Giulia Spolaor, University of Neuchâtel, Switzerland. Ready to be submitted to a journal.

The development of the thesis follows the four articles presented. In each article one of the challenges presented above are investigated. The first article analyses the (1) the social network challenge, concerning the opportunities and risks of social networks for media firms. A qualitative research approach was selected to describe the particular case of RTS, the French Swiss public radio and television broadcaster. This allowed us to analyse the genesis of the role of the digital communication manager (DCM) and the results attended by the company, in terms of brand exploitation and protection. It is worth noting that at the time of the study, the creation of this position in a company represented an innovative approach to media branding through social networks.

In the second article, the research focus is on (2) the internationalization challenge, which pushes media corporations to expand abroad. Also in this case a qualitative research method was chosen. The specific study of the Eurosport case was due to its unique characteristics on the panorama of television broadcasters, especially among pan-European media outlets. Moreover, a longitudinal analysis of this case was possible along about 7 years, during which a transformation has been registered. The case of Eurosport is particularly useful to demonstrate that standardization and localization strategies can be applied at the same time successfully.

A literature review was necessary in the third article to understand and frame (3) the cultural challenge, consisting in the fact that geographical dispersed organizations might have cultural issues affecting their activities and strategic choices. This, together with an in depth analysis of the diversification adopted by 6 transnational media corporations, allowed to deliver an extensive and grounded state of the art about product and geographic diversification strategies, including the cultural factors influencing their choice.

Finally, in the fourth article presented in the thesis, (4) the knowledge transfer challenge is examined, which concerns the way transnational media companies can stimulate knowledge transfer considering the difficulties of a geographically dispersed and multicultural setting. Exploring

this challenge required the application of a qualitative method, too. Through the study of the Eurosport case from an organizational and human resource management point of view, the paper shows that even in a hierarchical and ethnocentric organizational structure, elements of flexibility and appropriate measures performed by the human resource management are able to promote and sustain knowledge transfer.

The table below shows the four papers composing this work, their focus on specific subjects, as well as the methods and case studies that have been used.

	Branding with social media at RTS	Pan-European television and transnational advertising: the case of Eurosport	International diversification strategies in transnational media firms: a literature review	The role of knowledge transfer within transnational media firms
Focus	Media branding	Pan-European television & transnational advertising	Internationalization & Diversification strategies	Organization & Human resource management
Method	Case study	Case study	Literature review	Case study
Case	RTS	Eurosport	6 transnational corporations	Eurosport

Table 1: Structure of the thesis

1.3 Overview of Publications

In this paragraph, a synopsis of the papers collected is furnished.

1.3.1 Branding with social media at RTS

Stéphane Matteo, Giulia Spolaor, Cinzia Dal Zotto, University of Neuchâtel
Published in the Handbook of Social Media Management (pp. 591-602),
Springer Berlin Heidelberg, 2013.

The first paper “Branding with social media at RTS” aims at shedding light on branding approaches for media companies in interactive times. It notably appears crucial to understand the way in which media firms can maintain a consistent brand identity in current conditions. In this sense, this research describes targeted actions undertaken by corporations faced with challenges brought by social media. The case of the Swiss French-speaking public radio and television broadcaster (RTS) has been analyzed.

Results suggest that the loss of control over the brands should be taken into account by firms when interacting online. Public service media companies have to take the lead in terms of online content production policies, as their brand identity will otherwise be affected. The change of paradigm brought by social media implies a better understanding and proactive use of technology from monitoring to branding. Theoretical and managerial implications are discussed.

1.3.2 Pan-European television and transnational advertising: the case of Eurosport

Giulia Spolaor, University of Neuchâtel, Switzerland. Revised version of the paper presented at the EMMA conference in Moscow in 2011.

In the second paper “Pan-European television and transnational advertising: the case of Eurosport” the analysis concerns the advent of pan-European television which has developed into both a global and local competitor to attract advertisement within the media industry market. The study examines the specific case of a pan-European network, Eurosport, with regard to the intertwined relation existing between the transnational expansion strategy of a media firm and the global and local advertising solutions that are proposed to advertisers. In particular, the paper considers the influence of the legislative and cultural framework within which pan-European channels operate. The case analysis shows that advertisers seem to find pan-European advertising solutions quite attractive, in particular for those wishing to establish their brand and image at international level. We further highlight that companies and institutions select pan-European networks to communicate on a large scale, overlooking cultural and linguistic issues.

1.3.3 International diversification strategies in transnational media firms: A literature review

Giulia Spolaor, Cinzia Dal Zotto, University of Neuchâtel, Switzerland. Revised and extended version of a paper presented at the WMEC Conference in Rio de Janeiro in 2014.

In the third paper “International diversification strategies in transnational media firms: A literature review” we explore the field of international diversification within transnational media corporations

(TNMCs) by an extensive literature review. After reading through all different studies we realized that in order to advance research a comprehensive literature review was needed to point out the main questions that remain unanswered. The paper presents an extensive literature review on transnational corporations and diversification strategies for media firms, as well as of diversification measurement systems. Then, the link between diversification strategies, cultural distance and knowledge transfer is highlighted. Finally, the supportive role of human resource management emerges as potential success factor for diversification strategies in transnational media firms.

1.3.4 The role of knowledge management within transnational media firms

Cinzia Dal Zotto, Giulia Spolaor, University of Neuchâtel, Switzerland.

Paper ready to be published in a journal.

Finally, the fourth paper on “The role of knowledge management within transnational media firms” explores the organizational impact of transnational media strategies and in particular the organizational conditions under which transnational media strategies can be successfully applied. For this purpose, we first analyze the existing literature and then discuss the specific case study of Eurosport, a pan-European television network that well resembles the transnational configuration of a media company. It appears that global media firms such as Eurosport are developing towards transnational virtual organizations that well reflect the form of hierarchical networks. In particular, the increasing collaboration with local innovative partners testifies a clear intention, in the case of Eurosport, to go beyond transnational configurations to care about environment related diversities and leverage the strengths of the host markets.

Through the above mentioned papers this doctoral thesis aims at providing a contribution to the media management field, and in particular to the specific research field of transnational media organizations, as demanded by Hollifield (2001) and Strube (2010). This work might furnish some new insights, suggestions for solutions and might also be used as a trigger to continue the research in this domain since there are still quite a

few open questions that need to be answered. The main contributions of the thesis concern the importance of the digital community manager, who is able at the same time to properly protect and exploit a brand on social media networks by respecting and enhancing the brand image of the company. Another significant contribution of the thesis is to the understanding of the ongoing dualism between standardization and customization when strategizing for international growth. In our case, the issue has been approached with reference to the best strategy that transnational media organizations should adopt when crossing borders. According to our studies, being flexible and able to adapt the content to local needs and preferences is the best option for media outlets since media products are highly sensitive to cultural differences. Furthermore, we highlight that problems may arise also at corporate level if the mother company does not take measures to enable cross-cultural integration among branches and headquarters. Thus, human resources management results as critical “facilitator” for knowledge creation and transfer within transnational media firms, without which the full potential of employees and resources cannot be exploited and competitive advantage cannot probably be maintained.

1.4 Structure of the thesis

The thesis will be developed as follow: in the next section the definition of some of the main concepts explored along the thesis are provided. These concern the explanation of the specific media product and industry characteristics, the strategies of product and international diversification, international human resources management and knowledge transfer, and the media brands. These clarifications should serve a guidance to distinguish the media industry from other industries. After that, the literature review investigates the main insights of the literature presented in the four papers and adds more recent academic contributions, in order to have a complete frame of the topics analyzed. Afterwards, the papers composing the thesis are presented. Finally, the thesis offers some conclusions and suggestions for future research.

2 Background and scope of the thesis

2.1 Types and characteristics of media products

First of all, it is worth to distinguish between the media industry and another kind of industries. As sustained by Picard (1989) media organizations operate in a dual market. It means that they sell products to an audience, and at the same time, they sell this audience to advertisers. The kind of product sold to the audience may vary from the medium applied, but in any case, it represents a form of content. According to Doyle (2002), content is considered most of the time a cultural good and Albarran (1996) adds that it is not consumable, meaning that the consumption of a song or a film does not exclude someone else to consume the same good; whereas two people can not have the same piece of cake twice, but they can listen to their favourite song innumerable times. Indeed, media products are non-excludable and non-depletable like other public goods, thus they can benefit from the windowing process (Chan-Olmsted & Chang, 2003). The windowing process is typical of media products. It consists in broadcasting a program multiple times on different supports. In this way, media outlets are able to maximize their revenues by showing it to distinct audiences at different times (Doyle, 2002).

Picard (2005) makes a distinction between two main categories of media products: single creation and continuous creation products. In the first group, there are those products, which are created by a single driven idea like books, movies, or games. In the second group, there are those media products that are produced continuously for a period of time such as TV-series, magazines, and newspapers. In this case, the focus is not on the creation of the idea but on the 'repackaging' of it. In the first case, the risk is quite high for companies, and investment on marketing is crucial since customers must be informed about the content of the product, to attract their attention. On the other hand, for continuous creation products the focus is on repackaging but efforts and risks are lower than in the other case since they can leverage on subscriptions and habituated customers.

In this perspective, economy of scope and scale are particularly relevant, since a product may be reformatted and sold in another market across different outlets (Doyle, 2002). Indeed, for the publishing industry, it is quite common to have several titles, so it is easier to share the printing facilities and the support services or the back office, for instance. On the other hand, thanks to the nature of media goods, it is possible to reproduce them several times, share the same content on paper and online, as well as create a tv-serie from a movie and vice versa. It is actually the media *per se* which allows to be exploited in this way. As such, also the internationalization is a strategy very common among media companies. Thanks to it, media outlets can not only sell their products abroad but also make direct foreign investments overlapping issues of market saturation and looking for new opportunities of growth (Jung & Chan-Olmsted, 2005).

Finally, digitalization increased the differences between media products and other goods since content became reproducible limitless on multiple devices. Indeed, digitalization lowers dramatically distribution costs, which make media firms interested in crossing the borders. Another reason that pushed media companies to expand abroad is the legislation that sometimes prevents the expansion in the country of origin of the firm because of antitrust regulations or other policies and at the same time the liberalization of the telecommunication markets abroad (Picard, 2002).

At this point, a more detailed analysis in order to understand the nature and importance of product diversification and internationalization strategies becomes necessary and is provided in the next paragraph.

2.2 International growth strategies

According to Ansoff (1965) a company has two strategies in order to grow and exploit its resources: product and international diversification strategies (Kumar, 2009). One of the main goals that diversification strategies want to achieve is to lower the risk of focusing on a narrow selection of products and markets. Indeed, product diversification is related to the entrance in a new market with new products, which were unknown to

the firm. On the other hand, international or geographic diversification consists in expanding the business abroad through mergers and acquisitions, joint ventures or direct foreign investments, for instance. Then, geographic market diversification is a natural destination once the domestic market offers limited possibility of growth for a company (Jung & Chan-Olmsted, 2005).

Diversification is considered either related or unrelated according to the degree of differences between the core business of the company and the new one, or the in the case of geographical diversification the cultural distance existing between the country of the origin of the firm and the new locations.

In the case of international diversification strategies one of the most crucial aspects concerns how transnational company manages the relationships among headquarters and branches abroad and in particular how the knowledge transfer mechanisms work. This is because of the cultural distance arising within a geographically diversified organizational setting. In the next section, these aspects and those concerning human resource management are examined, since they might represent a source of competitive advantage.

2.3 Knowledge transfer and human resource management

According to the resource-based view, a given combination of tangible and intangible resources and capabilities enable an organization to achieve a competitive advantage (Penrose, 1959). According to this perspective, every organization is a mix of resources and capabilities able to generate the results of the firm (Barney, 1991; Wernerfelt, 1984). The main focus of this theory is on the quality and characteristics of resources. According to Barney (1991), the resources should be valuable, rare, inimitable and non-substitutable (VRIN). Rumelt (1984) introduced the insulating mechanism to protect the competitive advantage of the firm. Peteraf (1993), focusing on the heterogeneity of the resources and on their imperfect mobility, argues that these resource characteristics might lead to

achieve a competitive advantage and then improve the performance of the firm. On the other hand, according to Porter (1980) the competitive advantage of a firm has to be reached paying attention to the industry and to the market where a company operates, instead of looking at the resources that an organization has and that can be exploited.

Among resources, according to Grant (1996) knowledge is considered one of the most important ones. However, the only fact to possess great sources of knowledge it is not sufficient to ensure a competitive advantage since it is necessary to create a structure within a firm able to capitalize on it. Within an industry based on creativity, information and news such as the media, it is even more critical that knowledge and in general information are made available as soon as possible to people concerned to elaborate and manage them.

It is evident that not all the pieces of information are fundamental to a company and they might be transferred and managed differently. Kogut and Zander (1992) made a distinction between information and know-how: the first one is made by factual data and figures which can be easily transferred among branches, for instance; whereas the second concerns something rooted in the company history and in people working there (Von Hippel, 1998). Indeed, know-how is defined as accumulated knowledge and might be distinguished between individual and organizational, and in tacit and explicit knowledge. While the individual knowledge belongs to people, the organizational knowledge is represented by the guidelines and rules within a firm. In order to achieve a kind of competitive advantage, a company should be able to transform the tacit and individual knowledge in explicit and make it accessible to all employees, this turns it into organizational knowledge. As such, tacit knowledge may represent a sort of obstacle to an effective knowledge transfer practice; the more knowledge is shared and thus transferred, the easier it is to turn it into organizational knowledge and use it to create new knowledge which is the base of innovation and sustainable competitive advantage for a firm (Grant, 1996; Kogut & Zander, 1992).

In this perspective, human resource management has a pivotal function in facilitating the practice of knowledge transfer within an organization and among its members (Chen & Huang, 2009; Jimenez-Jimenez & Sanz-Valle, 2013; Minbaeva et al., 2009). According to Minbaeva et al. (2009) the functions of human resources management consist in the mechanisms of selecting, recruiting and maintaining the human resources as well as of developing their professional skills through training and performance feedbacks. Indeed, human resource management has a great impact on the promotion and implementation of knowledge transfer (Cabrera & Cabrera, 2005; Jimenez-Jimenez & Sanz-Valle, 2013). For instance, human resource managers are responsible for the management of human capital and therefore for the creation and composition of the working teams within the organizations, which might encourage or discourage good relationships among employees and then assist or not the knowledge transfer practice. Indeed, the study performed by Harzing, Pudelko, & Reiche, (p.14, 2015) underlines “[...] *the relevance of differentiation in terms of types of international assignees, their rank, their unequal ability to transfer knowledge in different directions, and, finally, in terms of various home and host countries. Taking this information into account is crucial when implementing an international staffing strategy that meets the requirements of successful knowledge transfer*”. Moreover, in the case of M&A, the retention of key employees might lead to successful results in the combination of the two firms since old members have embedded tacit knowledge – source of competitive advantage- and are able to transfer it to the new entity (Ahammad, Tarba, Liu, & Glaister, 2016). Furthermore, according to Jimenez-Jimenez & Sanz-Valle, (2013) even though human resources management has a pivotal role in the creation, distribution and maintaining of knowledge, in some cases its leverage is limited. This is why the IT department should be also integrated in the procedure, as told in the next paragraph.

Indeed, from a different point of view, we need to take into account that even though thanks to digitalization a great amount of data can be available all over, that data need to be treated – and thus transferred – in

such a way that that it becomes profitable. If we take this perspective, the whole business model of a company might need to be revised looking for the best solution to connect customers with buyers and the other functions along the supply chain. Doing that would increase the access to information and then a quicker and better response to the customers' needs on the market as suggested by Berman (2012), and taught by the case of Meredith corporation that applying a better use and analysis of data and information had a significant increment in its revenues¹.

2.4 Media products versus media brands

In such a globalized world, the competition is global not only geographically, but also from an industry point of view. It means that industries or sectors, which were not considered in competition since a few years ago, due to digitalization, became opponents on the market. Indeed, in the media industry, this phenomenon is particularly relevant since thanks to digitization commercial brands could turn into producers and distributors of original content, entering a market that was actually reserved for media and whose barriers of entrance were quite high. This is for instance the case of RedBull, an energy drink producer which created the RedBull Media House, a multi-platform media company dedicated to the offering of media content. Consequently, in order to remark their role and the importance of their respective brands, traditional media firms enhanced their investments on marketing and branding activities, focusing on the concept of media brand. According to the Reuter Institute Digital News Report 2015, digital born brands prevail on traditional news brand in countries like Japan, Australia, Brazil and US. On the other hand, in Denmark, Finland, and UK both traditional national newspapers and public service broadcasters are able to reach a larger audience than new players.

¹ <https://tdwi.org/articles/2005/04/26/meredith-corporation-gains-marketing-intelligence.aspx>

A definition of brand is now necessary: a brand represents a sign of identification for a product or a service in order for it to be recognizable to buyers and to be distinguished from other products or services (Aaker, 1991). Kotler (1997) defined a brand as “a name, term, sign, symbol, or design, or a combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors”. A brand concerns also some intangible assets, which are more related to the consumer experience and the emotions that might arise through the act of buying or consuming a particular product or service.

Among several brand related concepts, we made a selection of those considered the most relevant in the context of this thesis. Indeed, we focus on brand identity, brand image and brand equity that are considered the holy grail of brand management, as sustained by Chan-Olmsted (2006). Brand identity might be defined as the deep-rooted soul of a brand and what the brand stands for customers, including tangible and intangible qualities; it also helps them to distinguish from other products or services. Whereas, brand image is how consumers perceive the brand and the associations that each consumer make with the brand, including the promises linked to it (Chan-Olmsted, 2006). Brand equity involves the result that a good brand strategy should lead to. Indeed, it represents the value that a brand has for both the company and consumers. According to Aaker, (1991), brand equity is seen as ‘a set of brand assets and liabilities linked to a brand name and symbol, which add to or subtract from the value provided by a product or service’. His brand equity model is built on four dimensions, which are: brand loyalty, brand awareness, brand associations, and perceived quality. These features provide value to the company in different ways, and they can be managed in order to fit the company’s mission. Von Rimscha (2015) argues that three kinds of media brands exist: distributor, wholesale and content brands. In the case of distributor brands, we can cite media outlets like *Amazon* or *YouTube* which make available content in an easy way. According to Siegert (2001) distributor brands are also called *umbrella brands*. The wholesale brands are those, which work on the procurement side of the market. Single shows

or running series are actually considered as content brands, such as the *Who Wants to be a Millionaire* or *Breaking Bad*.

According to Chan-Olmsted (2006), branding is not always applicable to the media industry. Russ-Mohl & Nazhdiminova (2015, p.339) specify that *'for many decades media companies did not apply to themselves what they sold to their most important customers: advertising to sell branded products, communication to create and stabilize brand value were unique selling propositions of media companies to their clients, but they themselves did not try out these 'recipes for success'. This is surprising only at a first glance.'* The authors sustain that media companies actually believe that their work speaks for them and that they do not need to invest on marketing since they do not ever consider journalism as a product.

On the other hand, we saw more recently an increasing emergence in the broadcasting market of subscription services launched by media companies that try to maintain a solid consumer base and capture further sources of revenue besides those of advertisers (McDowell, 2004; Sommer, 2015). The cable networks in the US or the satellite televisions in Europe and services like Netflix or Spotify are based on subscriptions and partially advertisement. Following this developments, and in disagreement with Chan-Olmsted belief, we can affirm that today the price is a tool in the marketing mix even of media firms. The tremendous competition and fragmentation of audience, that resulted from the development of digital technologies, make the creation of a strong and durable relationship with the audience strategically important for media companies; therefore, brand management might contribute to achieving it (Johnson, 2013; Ots, 2008). Moreover, considering that technology firms such as Facebook, Twitter and Google collect nowadays the majority of advertising revenues at global level, traditional media firms need to brand themselves in order to stimulate the readers' and listeners' willingness to pay to be properly informed (Russ-Mohl & Nazhdiminova, 2015).

Finally, it is worth adding that, brand identity and brand image have a huge impact on the news and information media sector, and in particular on

public service broadcasters. Siegert (2015, p. 359) argues that reputation is actually a match between brand image and brand identity claiming that 'a media brand is thus a continuous, reliable, and credible market signal and is supposed to ease the information asymmetry between media companies and media consumers. Media brand reputation is a measure of how well a media company in fact performs and produces according to the given promise'.

In the next section, the main academic contributions in the fields of research that we approach in the four articles of this thesis are analyzed and used to support our studies.

3 Literature review

3.1 Social media branding

Branding in social media is a fairly new discipline for practitioners and also for academics and scholars and the debate about it is still going on. The existing literature is not abundant and actually does not provide an answer to the question if branding activities benefit from social media (Laroche, et al. 2013). Also empirical studies are missing, apart that of Hsu & Tsou (2011), as reviled by (Laroche et al., 2013). Many researches base their studies on the perspective of brand communities (Habibi, Laroche, & Richard, 2014; Laroche et al., 2013; McAlexander, Schouten, & Koenig, 2013; Muniz & O'guinn, 2001) where people sharing same interests can discuss together, find news and multimedia content regarding their passions and favourite leisure. In this perspective, due to their massive diffusion, social media networks became an extra tool for promotional marketing and therefore for building and developing a brand (Jones, Temperley, & Lima, 2009; Mangold & Faulds, 2009). Habibi et al. (2014) argue that 'today, brand communities and their online platforms are a match more than ever before; the social aspects of brand communities are strongly backed by the social and networked nature of social media'. According to Muniz & O'guinn (2001) a brand community is 'a specialized, non-geographically bound community, based on a structured set of social relations among admirers of a brand'. Among multiple aspects of branding, I decided to concentrate the study on social media branding because of the originality and rapid diffusion of this practice, beyond the fact that its great potential might also create damages for brands and consequently for the company if is not managed properly.

One of the advantages of the use of social media is the opportunity for companies to directly engage viewers or readers, to create and develop a lasting relationship between the audience and the channel or the program broadcasted, for instance. Indeed, social media are mostly used to achieve brand trust through brand communities as supported by some researchers

(Habibi et al., 2014; Laroche et al., 2013). These virtual communities allow to share a large variety of digital content in different forms, and it is thanks to the effect of sharing that the so-called buzz and viral marketing became so popular and relevant for companies: they can in fact benefit from it, in order to generate clicks and sharing on their website or pages (Kotler & Keller, 2009). According to Chan-Olmsted & Shay (2015), media brands can get an advantage from the interaction with customers on social networks, however not all the media products are suitable to get a profit out of them. Intuitively, dramas and reality shows have more relevant paybacks than other categories of television entertainments (Chan-Olmsted, 2011).

Another way to engage viewers is by using the second screen, which means sharing opinions and comments on social media while a TV-programming is broadcasted. Actually, the trend is watching television with a second screen that represents a sort of commentary soundtrack. The most diffused tools, which work as a second screen from various devices like laptops, tablets, and smartphones, are Twitter and Facebook (McDowell, 2015). Indeed, it was found that more than 100 million tweets per month concerning a particular TV program were posted during the air of the show and within the 3 following hours from its broadcasting (Hughes, 2013). These tweets represent a huge source of data that can be extremely useful, from the creation to the distribution process, in order to target the audience with products and contents that better fit with its taste, as sustained by McDowell (2015).

However, in order to open a dialogue on social media, companies have to face the loss of control (Chan-Olmsted, 2011) over the information published and made available online, since they cannot completely control the content edited by the audience. Indeed, according to Ins (2005) the brand is responsible for the activity on line but also the community around it. As a result, the media company and the communities become co-creators of the company brand image and reputation because there is a continuous dialogue among members, as well as between the company and the members of the community and other people (Lewis, 2001; Jones

et al., 2009). Internet and social media networks are essentially open spaces where there is no room for a monolog, but a continuous discussion. In this regard, Chan-Olmsted (2011) suggests the OPEN brand approach to exploit the potential synergies and develop a media brand properly. According to this model a brand should be On-demand, Personal, Engaging, and Networked (Chan-Olmsted, 2011; Mooney & Rollins, 2008). Thanks to these properties the brand might exploit its revenues by reaching a larger amount of audience, increase the ROI by performing tailored marketing actions, and establish long relationship with customers making them feeling as co-creators of the brand (Mooney & Rollins, 2008).

The loss of control over the generated content and the discussions following it may represent a huge risk in the case of media firms, in particular for those companies involved in newsgathering and diffusion, such as TV-news channels, newspapers and magazines for instance (cfr. van Dijck & Poell, 2014). Indeed, even though companies have instruments and tools such as *Trackur*, *HootSuite* and *Brandseye* just to cite a few of them to monitor the brand reputation online, they actually cannot survey everything on the web. It is worth to underline that the danger might originate both externally from the audience and internally from employees at different levels on purpose or not, from journalists or managers for instance. If they are not able to manage their social media outlets properly, they might cause issues for the company they represent, with consequences on brand image and reputation, since they are strictly related to it. As underlined by O'Connor et al. (2015), sometimes employees might post on social networks inappropriate contents which might cause huge image and brand damage for the company and also for the person responsible for it, since legal issues might arise. For this reason, the social media policies have to be created and explained to employees, starting already from the hiring process. This is a sort of protection not only for the firm but also for the employees themselves. Indeed, the role of employees in media production is even more important than in other industries due to the fact that all sources of brand identity – basically the

content – come from the decisions and actions of employees” (Burmamann & Zeplin, 2005; Siegert, 2015).

The response to this risk is the creation of a new role within media organizational structures, which is the digital community manager or the social media manager. The title may change from firm to firm, but the function is generally the same. This person is in charge of defining the media strategy of the company, (a) establishing the guidelines that all the members of the company have to respect both from the institutional and private accounts, and (b) checking the online performance of the brand in order to respond as quick as possible in case of jeopardy. Opgenhaffen and D’Haenens, (2015) in their research about the guidelines in news organizations argue that:

(...) we cannot ignore social media’s potential impact on common and widely accepted journalistic principles. (...) These guidelines can elaborate on the advantages of social media, for instance, to motivate journalists to try and lure social media users to a news site or a traditional medium, to encourage journalists to interact with the public, conduct research, and increase transparency. Also, guidelines may remind journalists of their profession’s basic standards, and work to prevent social media from undermining any non-partisanship, gatekeeping, and discretion principles. They may explain why a homophobic tweet is unacceptable, for instance (p.205).

On the other hand, according to Killian and McManus (2015) the trend is a dual agency approach consisting in externalizing brand management operations: giving some activities to specialized social media agencies and the traditional operations to another entity which take care of traditional media channels to develop the brand. This option might be very risky if the agencies do not communicate properly and accordingly.

Finally, the ultimate goal of social media branding is to take actions in order to preserve the coherence between the external image of the firm and its corporate mission and vision. What the company communicates externally has to be a reflection of what the company is and represents, in

order to sustain and enhance its reputation, which is even more critical if related to a news organization, as said above (cfr. van Dijck & Poell, 2014).

3.2 Product diversification and internationalization

Today, the media industry is subject to deep changes due to lower barriers to entrance, deregulation, new competitors in the market, and the enhancement of technology that impact on the way people get engaged with news and entertainment organizations, as examined just above. However, these aspects represent also a great chance to redefine the business and look for new opportunities. Indeed, according to the resource based view, the two main strategies that firms can implement to grow are product and geographic (international) diversification (Hitt, Hoskisson, & Ireland, 1994; Penrose, 1959; Ref, 2015). According to this view, organizations that diversify their products are able to exploit capabilities and resources in multiple markets, besides achieving economies of scope (Benito-Osorio, Guerras-Martín, & Zuñiga-Vicente, 2012; Mayer, Stadler, & Hautz, 2015; Penrose, 1959; Rumelt, 1974; Su & Tsang, 2014; Teece, 1980). Indeed, product diversification is a strategy through which a company tries to expand its activity and operate in further sectors and/or industries than before (Hitt, Hoskisson, & Kim, 1997). Ramanujam and Varadarajan, (1989) believe that product diversification consists in multiplying the industries where a firm operates. In media management literature, Van Kranenburg, Hagedoorn and Pennings, (2004) say that product diversification lies in the 'expansion into product markets new to the company'.

Furthermore, scholars make a distinction between related and unrelated product diversification, by considering the relatedness between the core business of the firm and the industry in which it operates (Qian, 1997; Rumelt, 1974). Many researchers suggests that a related product diversification might drive to exploit the economies of scope and gain in efficiency due to product knowledge and saving from reducing transaction costs more that an unrelated product diversification (Chan-Olmsted & Chang, 2003; Grant, 1988; Stephan, 2005; Williamson, 1981). The latter

would be completely new to the firm, highly risky and unknown. On the other hand, as sustained by Stephan (2005), unrelated diversification aims to 'smooth corporate sales and reduce the profit fluctuations' (Picard & Rimmer, 1999).

Product diversification and internationalization are typically jointed strategies. Internationalization is defined by Hitt et al. (1997) as 'firms' expansion across the borders of global regions and countries into different geographic locations, or markets'. As such, in order to exploit new openings, media firms try to internationalize their operations not only by selling abroad their products but also establishing themselves in other countries in order to have a direct control over operations. According to Jung and Chan-Olmsted (2005), the geographical diversification was intended as an exportation of media products, without a real direct involvement of the company itself. New market conditions pushed media firms to seek for controlling their operations abroad and started to opt for a foreign direct investment strategy (Gershon, 1997; Jung & Chan-Olmsted, 2005). Thus, settling this strategy means achieving economies of scale and scope, exploiting market imperfections and cross-border transactions (Hitt, Hoskisson, & Kim, 1997). In addition, an international expansion might also lead to reach new resources and capabilities and consequently exploit economies of learning as sustained by Kogut (1984). Also, Bartlett and Ghoshal, (1989) agree that a firm with well developed core competencies can access the international marketplace successfully. Furthermore, unique characteristics of media products such as being a public good and the windowing process allow adopting this strategy as Chan-Olmsted and Chang (2003) argue.

It should also be considered that there are different approaches to research on diversification strategies (Jung & Chan-Olmsted, 2005; Jung, 2003; Stephan, 2005; Van Kranenburg et al., 2004) which consider in particular the relation (a) between product and geographic diversification (Jung & Chan-Olmsted, 2005), (b) between geographic diversification and performance (Van Kranenburg et al., 2004), and (c) between product

diversification and performance in several sectors of the media industry (Liu, 2007). Chan-Olmsted (2006, 2003) argues that there is a sort of correlation between product diversification and international or geographic diversification. Indeed, if a media firm is more internationally diversified also its products are very diversified and most of them are content products and not outlets of distribution.

In the case of media corporations, the diversification strategy might be achieved also through vertical integration as underlined by Doyle (2002). Indeed, in this specific industry it is possible to integrate different stages of the supply chain, which are creation, packaging, and distribution (Jung & Chan-Olmsted, 2005) and again the example of Netflix fits perfectly. However, Stephan (2005) argues that through vertical integration a firm does not enter a new market but increases the ratio of its added value along the supply chain. Anyway, it has also to be considered that an increase in size of the firm due to a diversification strategy leads to a higher managerial complexity, because of the related transaction and coordination costs (Su & Tsang, 2014). Moreover, internationalization might lead to issues not only in governance and control (Contractor, Kundu, & Hsu, 2003) and information asymmetry (Von Zedtwitz & Gassmann, 2002), but also in terms of knowledge transfer mechanisms. Indeed, as it will be analyzed below, geographic distance dramatically reduces knowledge transfer by influencing the speed, quality and frequency of communication (Chen, Zhai, Wang, & Zhong, 2015; Hitt et al., 1997; Von Zedtwitz & Gassmann, 2002). In the next paragraph this topic will be analyzed more deeply.

3.3 Knowledge transfer in international organizations

Transnational corporations are complex entities that need an extended level of coordination among geographically dispersed units. This kind of organizations has a huge potential in terms of performance, but it needs the support of appropriate human resources measures and policies as Hajro, Gibson, & Pudelko (2015) mention . These scholars further sustain that there is a lack of academic research about multinational

corporations and multinational teams, since the studies conducted so far mostly concerned differences in race and gender and were applied to domestic firms. We decided to focus on the aspect of knowledge transfer since it is one of the most strategic issues for transnational corporations, with units and sub-units dispersed in multiple locations. Gupta and Govindarajan (2000) argue that 'the primary reason why multinational corporations exist is because of their ability to transfer and exploit knowledge more effectively and efficiency in the intra-corporate context than through external market mechanisms'.

According to Gupta & Govindarajan (1994) there are three different levels of flow for multinational corporations that need to be coordinated strategically: capital flow, production flow and knowledge flow. Among them, knowledge is the most important since it can assure a competitive advantage (Chang & Lin, 2015; Grant, 1996; Schultze & Leidner, 2002; Teece, 2000, 2004). Furthermore, according to the resource-based view, one of the most important assets for a firm are resources. In order to lead to a competitive advantage these resources have to be rare, valuable and difficult to imitate. The most valuable resources available for an organization are knowledge itself, as well as the sources and the capability to exchange that knowledge (Gibson, 2001; Grant, 1996; Kotabe et al., 2007). As said above, beside the exploitation of economies of scale and the achievement of new business opportunities, a trigger for a company to cross-border with its operations is also seeking for new competencies and knowledge outside the firm and outside the borders. Kotabe et al., (2007) analyzed the cross-national knowledge transfer and its effect on innovation, discovering that at low or moderate level of international knowledge transfer there is a positive effect on innovative performance and at higher degree of international knowledge transfer the effect on innovation is less performing in their marginal returns. However, for multinational corporations with clusters abroad, knowledge transfer represents also an opportunity to draw knowledge from overseas, which surely represents a culturally and socially diverse kind of knowledge and thus complementary to the one of the headquarters. In this respect internationalization allows firms to improve the

type and quality of knowledge sources including a cultural variation that might be an enrichment for the company and thus enhance the innovation and creativity potential of the whole organization.

As already mentioned, scholars consider knowledge as distinguished between information and know-how: the first one concerns structured data and figures easily transferable; whereas know-how is something deep-rooted in a company, as it is the result of years long organizational members' experience and thus difficult to transfer. Furthermore, knowledge might also be considered as tacit or explicit. Tacit knowledge is owned by people and hardly transferable unless through imitation and practice. Explicit knowledge, instead, might be found on guidelines, reports and protocols within a company. The more a firm is able to convert tacit into explicit knowledge the better performance it can achieve, since a higher number of organizational members have access to that knowledge and can profit from that knowledge for their working assignments (Grant, 1996; Kogut & Zander, 1992; Lagerström & Andersson, 2003; Nonaka, 1994; Szulanski, 1996). Indeed, employees can create new knowledge based on their own tacit knowledge and on the organizational knowledge. Eaves (2014, p. 67) argues though that "knowledge sharing is a multidimensional, multifaceted and multi-mediated behavioural process, voluntary in nature and nebulous in definition and scope". It means that knowledge transfer mechanisms are complex and difficult to manage.

It is also evident that the creation of new knowledge needs interactions among members, teams, and business units and it is also depending on the quality of the knowledge shared and the willingness of individuals to be open to this practice (Cohen & Levinthal, 1990; Lagerström & Andersson, 2003; Szulanski, 1996). Eaves (2014, p. 68) adds that 'the capacity to leverage knowledge assets is therefore dependent on human capital: the individuals, who create, use and critically, can elect to share what they know'.

According to the research conducted by Cheng and Lin (2009) organizational culture has a great impact on the knowledge transfer

process, in particular the following dimensions: results-oriented, tightly controlled and job-oriented. Focusing on these leverages, managers are able to stimulate knowledge sharing and transfer within an organization and at the same time increase the satisfaction of employees.

It is also worth saying that there are three different directions of knowledge transfer within transnational organizations which are: 1) from the parent company to the subsidiaries, 2) among subsidiaries, 3) from the subsidiaries to the parent company. This last type of flow is also defined as reverse knowledge transfer. In this perspective, Rabbiosi and Santangelo, (2013) introduce in the analysis the element of age. According to them, the older a subsidiary is, the more knowledge and capabilities it is able to cumulate and share, thus increasing the value for the company. They strongly believe that the time spent in a given location can make a difference in absorbing the local culture and also in creating the right practices to share knowledge with the parent company. On the other hand, Ambos and Ambos (2009) looked into the modalities of knowledge transfer and its efficacy in transnational corporations and the influence that distance has on two mechanisms such as the personal coordination mechanism (PCM) and the technology-based coordination mechanism (TCM). As expected, the distance in terms of language, culture and geography has a negative impact on knowledge transfer in particular in the case of PCM.

As we will see later on, it is important that each corporation finds out which is the best way to practice knowledge transfer and that it fits the overall strategy of the company in order to create a competitive advantage for the company itself, as recommended by Hansen et al. (1999). Going back to media management literature concerning knowledge transfer, scholars again underline how deep the impact is that culture has on media, and that this might represent an obstacle for knowledge transfer practices in terms of efficiency and effectiveness (Gershon, 2000; Hollifield, 2004). On one side, it seems natural to share knowledge abroad, since the majority of profits are made outside the country of origin; on the other side, due to the specific characteristics of media products – most of which are

idea-driven, location and culture based products – knowledge transfer appears restricted (Strube & Berg, 2011).

3.4 International Human Resources Management

We just argued that knowledge sharing is crucial for companies since it can generate a competitive advantage. We also examined the different forms of knowledge flows existing in a multinational firm and now it is necessary to explore which activities organizations might perform in order to stimulate and support knowledge sharing. Due to globalization international human resources management is increasingly important and strategic (Friedman, 2007) and it is actually ever-changing because it needs to adapt to different cultural rules, laws and business practices (Chambers, 2013). According to Festing and Eidems (2011) the human resources management is adapting itself to cope with the new challenges of globalization, helping to make more comprehensible to employees the strategic orientation of the firm. It is likely to define transnational human resource management as ‘the sum of HRM policies and practices that a multinational enterprise uses to attract, develop and maintain its human resources as well as to help adjust globally standardized and locally adapted structures and processes (Dowling, et al. 2008; Festing & Eidems, 2011; Jackson & Schuler, 2003; Lado & Wilson, 1994).

Thus, the cross-borders business expansion is actually a challenge for the human resource management within the company. Indeed, rethinking and readapting the practice to the new environments and the new cultures becomes necessary since standardization is not always a strategic option in the case of international human resources. On this perspective Friedman (2007, p. 169) states that ‘as organizations expand globally, the number of variables that must align for new organizational initiatives increases exponentially, and that makes mastery of change management more challenging’.

As such, in the case of transnational corporations the focus is on the willingness to adapt the overall strategy to the local needs while at the

same time exploiting the economies of scale and scope in order to achieve economic and financial efficiency and gain complementary knowledge from cross-border. Adopting an appropriate organizational structure and balancing the extent of global standardization and local adaptation of human resource management might help reaching all these ideal goals. In the specific case of media management, it is interesting to note that media companies are continuously looking for the right balance between standardization and adaptation not only in terms of the content to be produced and distributed, but also with regard to the organizational and managerial structure of the entire corporation.

The organizational structure of a company influences dramatically some practices performed by firms. Indeed, one of the main impacts that we might notice is on the knowledge transfer mechanisms: the more hierarchical an organizational structure, the more difficult it is to accomplish this practice efficiently and effectively. However, the introduction of an element of flexibility within such a structure might support knowledge transfer (Gold et al., 2001). Among the mechanisms that can support knowledge transfer there is the following: moving employees among the different branches in order to create and stimulate the creation and sharing of knowledge. Thanks to the socialization among colleagues that can emerge, the transfer of knowledge, both tacit and explicit, should be easier than in the case of routines imposed from the top, in particular in the case of reverse knowledge transfer (Rabbiosi & Santangelo, 2013). According to Chambers (2013), 'two forms of knowledge require different vehicles of transfer. Experiential or tacit knowledge can be best exploited through the global transfer of managers and global teams. In contrast, explicit or objective knowledge is transferred via written or electronic methods'. Furthermore, according to the social capital literature, social capital impacts directly on the willingness of people to share knowledge and communicate among colleagues; this is of course made simpler by sharing a common language. Schomaker and Zaheer (2014) underline the importance of linguistic relatedness to achieve solid interactions in multinational corporations. The market entry model might further influence the practices

of knowledge gathering and sharing, since this depends on the degree of integration. Yahiaoui, Chebbi, and Weber's (2016) contribution concerns the impact that human resources management has on the stages following merger and acquisition processes in particular with reference to the knowledge transfer practice. They underline the importance of intercultural training in case of take overs of two different corporate cultures. Human resource management might further stimulate knowledge sharing by including it in performance and reward practices (Swart, Kinnie, van Rossenberg, & Yalabik, 2014).

It seems appropriate to underline here that social networks are not only pivotal tools aiming at interacting with people and engaging customers with the brand, but also tools that might have an organizational function within companies, as sustained by Wankel et al. (2016). According to the author, in cross-cultural organizations such as transnational firms, social media networks might be employed to takeover cultural and communication issues, facilitating human interactions, collaborations, and learning, which are vital for knowledge creation and transfer, as examined above.

In the next section the method adopted to conduct this dissertation will be explained.

4 Research Methods and Approach

4.1 Selection of methodology background

The thesis explores a topic which is not very much present in the literature concerning media management. We thus decided to adopt a descriptive and explorative methodology based on case studies and literature reviews, as already mentioned. Case studies are one of the most applied methods in social sciences research. It's a method that aims at observing the reality and practitioners at work in order to improve and corroborate the theory afterwards. In fact, according to Yin (2009), this methodology is applicable when the subject to analyse is new and coexistent and when the research questions are 'why' and 'how', which is our case. The use of this method is also recommended when 'the boundaries between phenomenon and context are not clearly evident' (Yin, 2009). Moreover, case studies contribute to understand from a holistic point of view real events underlining their development and process. This is what we had the opportunity to do by studying the specific cases of the French Swiss public television broadcaster RTS and of the unique pan-European sport broadcaster and multimedia outlet such as Eurosport.

In the case analysis a triangulation among interviews, observations at the headquarter offices at the time of the interviews², and document analysis were performed in both cases examined in order to increase evidence from the sources. On the other hand, literature reviews were conducted in order to provide a state of the art about transnational media management and the implication on knowledge transfer since the literature

² The observations took place at the time of the interviews respectively in Milan on November 2010 and in Paris on January 2011, at the Eurosport Italia and Eurosport International for the Eurosport case. A telephone update took place on June 2014, with the Eurosport International in Paris. Whereas they were conducted in Lausanne and Geneva on June and July 2011 at the radio and television headquarter of RTS, in the second case study.

needs to be not only incremented but also understood as a coherent whole (Hollifield, 2001).

Finally, the LexisNexis Index of Affiliation³ was used in order to analyze the structure of the companies, and in particular their geographical dispersion also focusing on the relation between the parent company and the subsidiaries. The following section contains an analyses of the methodologies used to conduct the interviews, the places of the interviews, and the people we have spoken to during the research phase of this dissertation.

4.2 Interviews

In data collecting, interviews was the most important source of information available, even though sometimes it is difficult to extrapolate business details from managers directly involved in strategic business operations. We conducted individual semi-structured interviews. We decided to adopt this method since the chance to have more than an interview with the people involved was limited (Bernard, 2006). In addition, this kind of interview is based on a questionnaire prepared in advance and including open-ended questions: the latter make possible at the same time to follow the schema, skip some questions but also develop other questions from the undergoing conversation. Further, semi-structured interviews enable to investigate the behaviour and the non-verbal language (Gorden, 1975) of the person interviewed, collecting opinions and experiences (Dunn, 2005). Apart from two interviews at Eurosport Italia, all the other interviews were recorded. Some of them were conducted face to face at the headquarters of Eurosport Italia, in Milan, and Eurosport International in Paris, as well as at the RTS headquarters in Geneva and TRS in Lausanne. Others were conducted by telephone with members of Eurosport International in Paris.

³ Retrived on: <https://www.lexisnexis.com/en-us/products/corporate-affiliations.page>

In the case of the first paper, the selection of people to interview was made focusing on managers directly involved in the communication and promotion sectors. Indeed, it was remarkable to interview the Head of Corporate Communication since we could understand the reason behind the willingness to create this new function. Of course, talking directly with the Digital Community Manager was extremely significant to comprehend his mission, his approach to the brand new function and the company's expectations on it. We also had the occasion to interview the TSR and Multimedia RTS Promotion Manager and the General Secretary of the Resources and Development which gave us a more open view concerning the institution of RTS as a public service radio and television broadcaster, its values and mission, and consequently their strategies to respond properly to the new digital challenges, avoiding the risks and at the same time exploiting their competencies and tools.

For the second and fourth paper, semi-structured interviews with two managers were conducted: the Head of Finance and Production, and the Sales Director and Head of Advertising for Italy in November 2010. Talking with local representatives of Eurosport was enriching since I was also researching the relationship between the parent company and local branches, in order to understand the flow of information as well as the degree of editorial and managerial freedom that the headquarter grants to subsidiaries. I asked to have an interview with these functions in order to have information about the sales strategies of the company and understand which kind of organizations were interested in advertising on pan-European scale. In January 2011 in Paris, at the headquarter of Eurosport International, I met the Head of Marketing, a manager of the Advertising Sales Department and the person in charge of Strategic Planning. These were individual semi-structured interviews. As expected, in comparison with the interviews conducted in Milan, this time I had a global overview of the company and a completely different point of view on some topics, which was actually one of the goals of the interviews. The people interviewed in Milan and Paris have basically the same role. Finally, in 2014 I had the chance to interview the Head of Sales Research, as well as the Head of the

HR International Department. These two interviews allowed first of all to cross-check after some time if the international and advertising strategies of Eurosport were kept constant or adapted to environmental changes. Second but not less important, we could figure out the policy and practices of Eurosport concerning knowledge transfer and cultural distance issues.

4.3 Case studies

The case studies were selected on the basis of their relevance with the topics analyzed and in relation to their contribution in order to build theory from them. Two cases were chosen: RTS, the Swiss French public broadcasting, and Eurosport, a pan-European sport broadcaster. The selection of these two subjects of investigation was also made because of their respective uniqueness.

The choice of RTS at that time was made because on the panorama of news outlets it was one of the first public service television broadcasters to recently open a new position for the so-called digital community manager (DCM). RTS is a business unit of the SSR SRG, the national Swiss public broadcaster. Four radio channels; two television channels and various interactive platforms compose it. Approximately 1,600 employees work at RTS, mostly situated in Geneva and Lausanne, the two historical headquarters of radio and television. Regional offices are situated in the French speaking cantons covered by the SSR entity plus Zurich, Bern, Lugano and major capital cities abroad.

With an annual budget of 393 million Swiss Francs, RTS is the market leader in its sector with respectively 56,7 % and 33% market share for its radio and television channels in 2015. The penetration is of 779,000 (radio) listeners per day and 862,000 viewers (television) per day in

2015⁴. The website www.rts.ch collected 10,8 million viewers per month in 2015. On the other hand the figures of its social media presence are the following in 2015: on YouTube RTS has 966.000 views per month (plus 31% than in 2014); on Twitter, the 4 main accounts have 347.000 followers totally which represent an increment of 77% in comparison with 2014; then on Facebook the numbers of likes reach 516.000 which is 45% more than in 2014. (RTS, 2016; SRG SSR, 2016) In line with its public service mandate, RTS provides programs with a scope of information, entertainment and education.

As such, since RTS understood the impact and influence that social networks have, it has been decided to hire a person in charge of coaching the employees about how to behave on social networks both privately and as journalists or representative of a public news service broadcaster, how to deal with viewers or listeners on social networks, and set up a global strategy for the online communication made by rules and guidelines for everyone working there. The aim of the creation of this role was actually to preserve and to exploit the brand with respect to the corporate brand identity of the firm in order to achieve coherence with the overall mission of the organization.

Eurosport is the oldest pan-European channel; it was founded in 1989 by the European Broadcasting Union in alliance with some European public services for the acquisition of sport rights and B SkyB. The ownership of Eurosport has changed several times since its foundations. Indeed, since Eurosport was not able to exploit all the broadcasting rights acquired and at the same time becoming more and more expensive the EBU decided to partner with B SkyB to ensure the future of the media outlet. In 1991 TF1, a French television broadcaster took the control and year-by-year turned

⁴ Source: <http://www.rtsentreprise.ch/qui-sommes-nous/les-audiences/> consulted on: 26 July 2016.

Eurosport into a multiplatform media outlet as we know it today. Since 2014 the American company Discovery Communications fully controls the corporation. Today, Eurosport is the first pan-European channel reaching 137 million homes in 54 countries and 20 languages ensuring a 3000 hours live coverage per year. It can be defined as a multiplatform sport outlet since it is constituted by 4 TV-channel (plus the two versions in HD), 16 versions of the website Eurosport.com in 10 languages with 33 million unique users per month (2012), the mobile app, Eurosport Live and On Demand, beside its presence on the 3 main social networks Facebook (4,9 million fans), Twitter (1,6 million followers and Instagram (16000 followers)⁵.

Eurosport was selected to represent the case of a transnational corporation. Moreover, it represents also the search for balance between two apparently opposite strategies: standardization on one side and localization on the other, which in this case actually coexist, providing different goals but looking at the same direction and overall mission of the company.

4.4 Research questions and summary of main results

The case study method allows exploring a contextual real-life situation and thanks to the support of the literature it is also possible to make a comparison between what the recommendations are and what actually happens in real-life. From this perspective, in the first article the research question that we aimed at answering is 'what are the brand building activities in which RTS invests online? And what are the reasons for this choice?' We tried to answer this question by exploring the genesis of the DCM, looking for the reasons that induce the company to open this

⁵ Source: Eurosport Group Fact Sheet June 2015
http://media.eurosport.com/eurosport/?jsessionid=1BB2B19573369142EDDBD3CB0B8F1496.prem1?wicket:bookmarkablePage=:com.keepeek.frontoffice.page.SecondDetailPage&name=Eurosport_Group_Fact_Sheet_June_2015&id=4121&folder=Facts+%26+Figures&folderId=492, consulted on 20th November 2015.

kind of position and analysing their expected results. As a result, the issues related to the creation of the DCM position as well as the brand activities implemented by the French Swiss public broadcaster emerged. Due to the very specificity of the case, generalizations are not consistent. However, having a digital community manager is a very common practice nowadays both for media and non-media companies.

In the second paper, based on the case study of Eurosport, one of the research questions that we investigated is: 'how does the internationalization strategy of Eurosport match with the advertising needs of its potential international customers?' In this occasion, the analysis of empirical results was made throughout a comparison with the existing literature. Even in this case, generalizations are not particularly relevant because of the intrinsic characteristics of the company chosen. However, we could clearly shed light on the interplay existing between two practices, standardization and adaptation, which in the case of Eurosport appear to well coexist contributing to an effective internationalization of the company.

The literature review in the third article is useful to establish the state of the art concerning diversification strategies, both product and geographical, and the measurement of diversification. We provide a new matrix of diversification measurement that, based on the existing ones, matches the extent of geographic diversification of a company with the level of cultural distance of the countries in which the company is operating. As a result cultural distance emerges as critical factor influencing diversification strategies in the media industry.

Finally, the fourth paper takes under examination again the Eurosport case to answer the following question: 'what is the organizational impact of transnational media strategies?' In this case, again, we base our analysis on the literature review and on the empirical data that we could gather by examining documents and conducting interviews. This descriptive case study analysis cannot be used to demonstrate a trend of global media firms developing towards transnational virtual network organizations. However, the paper underlines that there is a new organizational trend for innovative global media firms.

5 Collection of articles

5.1 Article 1: Branding with social media at RTS⁶

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Introduction

The aim of this paper is to describe branding oriented actions undertaken by media firms faced with challenges brought by social media. In particular, the study focuses on the creation of a new job position: the Digital Corporate Communication Manager⁷ (DCM).

As social media and especially social networks (SN) are playing a crucial role in our civil society—increasing access and diffusion of information—changes in the media industry are to be observed. Even if this evolution is true for most type of organizations, information and entertainment industries are subject to important concerns since the object of change, content production, is their core business. SNs bring both new competitions in the market as well as greater content diffusion possibilities. Thus, it appears necessary to observe and understand branding strategies that media firms could implement to cope with the new variables in the equation such as interactivity.

⁶ This paper is published in Handbook of social media management (pp. 591-602), Springer Berlin Heidelberg, in 2013.

⁷ Different titles are commonly used to describe similar tasks, e.g. social media manager, social media strategist, community manager or online communication manager among others.

The literature on social media strategies is rising but still remains very restricted if considered for the media industry specifically or from a branding perspective only. This is true even though the literature on corporate branding is vast and studies about media management numerous. That is why this work aims at investigating media-specific branding issues in the era of social media. We focus on describing and understanding the tasks of the new position of DCM from a brand strategy perspective, the brand building activities employed and the implications derived from the use of those activities.

Furthermore, with the support of a case study we examine the critical aspects of the social media presence for a public service media.

Literature Review

Branding and Media Branding

A brand is more than a product, or a packaging, a sign or a logo. It is all those elements plus all the emotional values and feelings as well as intangible attributes consumers link to a given brand. One of the scopes of branding is naming products and making them distinguishable, underlining their unique features and transmitting signal of quality (Chan-Olmsted 2006).

The recent emergence of research in the field of media branding might be induced by the peculiarities provided by media companies. As Picard (2005) mentioned, media products differ significantly among themselves and operate in economic environments with business dynamics that most other products and services do not encounter. Nevertheless, what makes media companies atypical in many regards does not prevent them to be subject to major economic and managerial laws and forces (Picard 2005). According to Chan-Olmsted (2006), branding is considered less applicable to media than to other industries, because of the intrinsic characteristics of content as a product. Media brand communication has to deal with the fact that every communication is addressed to two markets: a business-to-consumers (B2C) and business-to-business (B2B) market.

Anyway, it is worth noting that in the case of public service media the B2B market has a lower impact than in the case of commercial broadcasters.

Media firms adopted brand management over 20 years ago (McDowell 2006), even though, its practice is considered more promotional rather than strategic. Moreover, great focus was put on brand extension in order to run the right way in case of market expansion (Chan-Olmsted 2006). Since media brand management is a relatively new discipline in general, there is a need to increment the literature concerning this topic in particular with the recent web 2.0 trends and the increasing number of competitors, media organizations, private bloggers and citizen journalists. Indeed, Shaver and Shaver (2008) recently identified three levels of competition for traditional media firms, which are: competition with other traditional media firms; competition with content aggregators; and competition from non-conventional information sites.

Rieseboz (2003) suggests two main objectives of branding for media companies: first, it helps consumers (a) to remember products by differentiating them from those of competitors, and (b) to choose among different products. Secondly, the brand delivers added value and benefits associated with the brand itself. According to Ots (2008), media organizations employ brand management in an attempt to create and exploit long-term relationships with their audience.

In the case of news organizations, the importance of branding has been increasing since firms are investing in building long-term relationship with stakeholders. Moreover, the high degree of competition within the news media market makes more difficult for companies to attract viewers, listeners and readers merely basing their attempt on the content of the offer (Chan-Olmsted & Cha 2007). Chan-Olmsted (2006) argues that because of information-overload as well as the great number of competitors in the market, consumers are more willing to select those brands which they are more familiar with, avoiding the search and selection of new and unknown brands and products.

When brand management is related to public services, which are for their nature non-profit organizations as suggested by Chan-Olmsted and Kim (2002), the efforts are to be made towards the source of brand equity more than the outcomes.

In literature, it is pivotal the concept of brand personality, which is described as “the set of human characteristic associated with a brand” (Aaker 1997, p. 347). In the field of media branding, this notion it is even more significant, because it helps consumers in the identification of human traits in media brands who delivery news. The five brand personality dimensions which are sincerity, excitement, competence, sophistication and ruggedness can be applied to all products and industries. Chan-Olmsted and Cha (2007) add three more personality dimensions that are more suitable for news media; they are: competence, timeliness, and dynamism.

Moreover, exploiting the fact that usually media organizations are identified by their anchors, the personalities of their anchors are usually associated with the brand itself and there is space for a media firm to “cultivate brand personality” (Chan-Olmsted & Cha 2007). Furthermore, McDowell (2006) claims that the personality of a broadcaster is strictly linked with the personality of the programme hosts.

Another crucial concept is brand identity to defining branding strategies among all the industries. Among the definition that many scholars provide about brand identity, the concept usually refers to the soul of a brand. Thus, it is worth looking at how media managers intend the idea of media brand identity and which the factual implications for media companies are.

In order to create a straight link between a media firm and its brand identity there should be the condition as suggest by Siegert, Gerth and Rademacher (2011, p. 59) “only when the quality is deeply grounded in the brand identity and actively sustained inside media companies can it survive as a core element of the news coverage”. Again, Siegert et al. (2011)

underline the fact that when it is applied to media firms, brand identity allows making considerations regarding two indivisible aspects for this industry, which are the economic and journalistic dimensions. Moreover, they also introduce a relevant consideration concerning the two levels of branding: corporate and product. Within the context of media organizations there are two groups responsible for the brand strategy adopted (Siegert et al. 2011) which are the group in charge of the editorial creativity and the one in charge of the management operations (journalistic dimensions vs. economic dimensions).

Finally, it worth adding the idea of brand image referred to media companies. It can be defined as the idea that consumers have about a given media brand and it is strictly linked to the media brand reputation. As a consequence, companies should make efforts in order to constantly monitor their brand image and reputation both offline and online.

Branding with social media

Given the rapid evolution of the field, studies on how social media actually influence the branding process emerge. Companies currently evolve in a trial and error environment and corporate managers have to deal with new circumstances. They adapt and rethink their corporate reputation, branding management practices and communication strategies (Jones et al. 2009). Digital communication has impacted corporate brands, from e-commerce to viral marketing campaigns. Social media not only affect marketing management but also branding strategies.

A decade ago, Aaker (2002) stated that firms need to be able to operate outside the traditional media channels in order to build brand awareness successfully. As we have entered the digital age, it would appears clear to the author that the strong brands would be those that best utilize the web as a brand building tool. Consequently redrawing the rules of branding is now necessary (Jones et al. 2009). Currently the interest throughout all industries focuses on SNs. This is especially true in the media sector, where the new media stimulates great effervescence.

Most organizations already incorporate new media possibilities into their promotional mix (Mangold and Faulds 2009). However, even if social media allow a better market segmentation of target groups, they are clearly not only about advertising and selling, but play an important role in participation, content sharing and collaboration activities (Kaplan & Haenlein 2010).

Both promotional and social exchange enhancing characteristics of social media help building branding strategies, therefore adding new media in the promotional mix helps develop stronger brands (Veloutsou & Moutinho 2009) and has the advantages to develop brand relationships. Indeed, experience and engagement are new components already used to build brands online and offline (Awata 2010). Accordingly in their study Tynan et al. (2010) clearly suggest that branding is going toward individual consumer experience.

Social media help building groups around brands, products, companies or specific interests. The active participation of users can create a kind of “we” feeling amongst participants and develop further social relationships among them. From a corporate perspective this engagement could lead to a stronger emotional tie and loyalty toward what is being offered or proposed.

Social media practices like the Facebook groups or fan’s page act in a way as customer clubs do. Like in the clubs described by Aaker (2002) firm engagement in SNs demonstrate that they care about their clients. Furthermore, both clubs and SNs groups share elements of sympathy toward the group and amongst members, giving the possibility to experience the brand in relationship with other brand enthusiasts. Building communities (online or offline) move customers closer to the organization. The branding benefits of such connections are mentioned by various researchers (Kotler and Keller 2008; Muniz and O’Guinn 2001). Hence, well-executed online conversations can help companies build their presence, reputation and brand image (Jones et al. 2009). As Aaker (2002) explains, strong brands do not limit themselves to product attributes but

build relationships with customers. Social media facilitate those interpersonal relationships between brands and customers, through brand experience and emotional benefits.

Thus, brands in general can be considered as aggregators of customers communities (Aaker 2002). Through SNs, not only the firm can interact with its customers and vice versa but also customers can interact with one another. This many-to-many kind of interaction happens beyond the firm's control (Thorson & Rodgers 2006; Mangold & Faulds 2009).

Corporate brands represent the organization and what stands behind what is offered. Aaker (2004) explains that they play an important role in our time of brand proliferation. Besides differentiation corporate brand also provide credibility (Aaker 2004). Even if less at threat to critics than specific products brands—they become always more property of a broader community (Pitt et al. 2006). Brands have reached what Pitt et al. (2006) call the open-source era of branding, where corporate brands have reached a final stage of openness. According to the authors, this evolution of corporate branding, toward a concrete loss of control in terms of content, experience and meaning, leads to the co-creation of those elements where the creators of the firm and the customer communities. The changes undergone by brands help understand the emergence of new managing roles within organizations that act as a single interacting entity in the social media dialogue and represent the brand far away from the pre-existent broadcast media monologues.

Method

We develop the study focusing on corporate branding related to media companies in the public service. A case study methodology was employed. RTS, the Radio Television Suisse was selected in order to investigate its approach to social media branding. Focus was given on how the company strategically and operationally deals with social media imperatives when branding online.

The case focuses on the following research question: what are the brand building activities in which RTS invests online (social presence) and what are the reasons for those choices?

The research is descriptive but intends also to understand the reasons for conducting specific brand activities, in a theory building perspective.

The case is built on interviews, observations and document analysis. They were used in triangulation to corroborate and augment evidence from other sources as suggested by Yin (2009). The interviews were either focus or in-depth, semi-structured interviews conducted with the Head of Corporate Communication, the TSR and Multimedia RTS Promotion Manager, General Secretary of the Direction, Resources and Development department, and the DCM. They lasted at least 1 h and were tape-recorded on June and July 2011. The other material employed was in part gathered from interviews with RTS managers. Administrative documents (organizational charts, job description, public and internal documentation or presentations), corporate website and SNs content plus news clippings were used.

RTS was selected as object of study due to its advanced position with regards to social media in Switzerland. This is testified by the recently created Digital Communication Manager position started in October 2010. The method based only on one case is justified by its uniqueness in the Swiss French media market. Exploring implications of SNs for media companies, the case seeks to develop new insights into management activities for public service media companies to build further knowledge.

The Case: Digital Communication Manager @RTS

The Radio Television Suisse (RTS) is a business unit of SSR SRG, the national Swiss public broadcaster. The entity is a newly converged media company, primarily dedicated to serving the French speaking part of Switzerland. It is composed by four radio channels, two television channels and various interactive platforms. Approximately 1,600 employees work at

RTS, mostly situated in Geneva and Lausanne, the two historical headquarters of radio and television. Regional offices are situated in the French speaking cantons covered by the SSR entity plus Zurich, Bern, Lugano and major capital cities abroad.

With an annual budget of 380 million Swiss Francs, RTS is the market leader in its sector with respectively 58.9 % and 28.6 % market share for its radio and television channels. The penetration is of 833,000 (radio) and 921,000 viewers (television) within its 1.7 million audience market (Facts and Figures 2010/2011). In line with its public service mandate, RTS provides programmes with a scope of information, entertainment and education.

RTS Online Presence

The main channels of Corporate Communication online are the website, a Facebook (FB) page and a Twitter account. Of course RTS is not only visible through its corporate presence. A repertory of RTS's SN accounts is visible on the corporate fan's page. In it there are 63 FB fan's pages, 15 Twitter accounts and one YouTube channel. Most of them concern various RTS channels and programmes and totalize around 100,000 fans altogether.

Despite the inventory, the social presence of the company is not limited to channels and programmes. In fact, social media are mostly about people. Radio and television employees are by definition also highly visible by nature and are thus inclined to resonate on SNs. Indeed, given the architecture of the brand, we not only find the social media channels for the various business unit and respective programmes, but also the SN feeds of journalists, presenters as well as managers of the company. This holds true on the two main SNs considered. As a consequence, the online presence of RTS results very fragmented. For instance, a list of RTS Twitter accounts curated by the Head of Multimedia Operations News Department TV Unit enlists 67 Twitters feeds. In it, around 60 journalists and presenters and half a dozen special activities accounts are to be found. Yet, none of the

above mentioned lists seems to be exhaustive. As an example, other RTS employees such as trainees were found in the micro-blogging network but not enlisted. We also found official YouTube and DailyMotion channels for TV programmes where RTS videos are available but remain unlisted because of uncertainty about their future. Channels and programmes officially appear on the corporate FB page, whereas personal profiles of journalists and presenters do not. In the moving environment of social media presence, RTS seems to push channels and programmes more than persons, with few exceptions, like the key anchor presenter of the evening news show. Quite interestingly though, the news presenter operates on the second most followed channel RTS owns (21,000 likes, right after the youth radio channel Couleur3 that reaches almost 40,000 fans) (Facebook.com/rts.ch, 2011). It has to be mentioned that RTS is not focusing on quantity (only 1,700 likes for the Corporate FB fan's page), but is more interested in interacting and building quality discussions with the audience and opinion leaders. The dialogue is established with micro-communities around key programmes and persons⁸ This infatuation for people leads toward high fragmentation in term of discourse, which explains the necessity for RTS as other media brands to actively manage their presence on SNs.

Genesis of the Digital Communication Manager

In 2010, radio and television at RTS began a process of convergence. The newly created enterprise involved modifications in terms of content production and management. The organizational charts were redesigned with the advent of the new merged entity. Since then, the chart of the Corporate Communication Department is made up of four units. Besides managers in charge of Internal Communication, Media Relations and Public Relations, RTS institutionalized a new position in charge of Online Relations, the Digital Communication Manager (DCM).

⁸ Yan Luong, June 24, 2011.

According to the Head of Corporate Communication⁹ the creation of this new position is both due to external and internal factors. The main exogenous variables influencing this decision were those concerning the contextual situation. Internet and above all the SNS are considered tools to be strategically managed and from which to take competitive advantages. Through its presence in the SNS, the firm has both an active and proactive role. RTS operates actively when it publishes content and interacts with the audience, whereas it acts pro-actively when it performs all those activities of monitoring and interception of audience' needs and comments with regards to the company itself. The activity of production as well as the activity of monitoring are continuous and are the base of strategic decision making.

With regards to the endogenous factors, the settlement of the DCM was derived from the need to better express and define RTS presence on SNS. There was a necessity to define the institutional presence of the company online and mostly into SNS and to reorganize the online activities already existing by providing common rules and guidelines for the whole company.

Moreover, since the typology of language commonly used within SNS is different from other kinds of written communication as well as the technique of diffusion, it seems strategically imperative to hire a person with specific skills in charge of those tasks among others. This figure transmits and educates other employees to reach a higher degree of coherence and to respect the corporate brand identity.

Furthermore, with regards to public media service, the focus on the brand image and brand identity is even more stressed because of the role that the company itself plays to satisfy the essential values in this kind of

⁹ Manon Romerio, June 24, 2011.

organization, such as: integrity, coherence and professionalism¹⁰ It is also worth adding that the online presence of the firm implies its ability to respond properly and by using the most suitable instruments to protect and defend promptly the company's reputation.

Finally, the need of a DCM is also justified by the fact that the linear radio consumption is decreasing among youngsters. However, thanks to podcasts and radio on demand RTS was able to invert this trend (Public Service 2009). On this perspective, developing an efficient and focused web strategy on SNs is intended to play a strategic role in attracting audience and in building lasting brand awareness.

The Role of the Digital Communication Manager

The DCM is in charge of the e-reputation of RTS and works under the direct supervision of the Head of Corporate Communication. He monitors the web, relies on specific tools and concentrates on sentiment analysis for the corporate brand. Trusted for his expertise and targeted knowledge, the manager also works as an internal adviser. In reality, he is a very autonomous figure and benefits from great flexibility of action and decision power.

He is responsible for the RTS use of social networking and helps building the firm's social media strategy. This strategy relies on the company's will to engage users on websites where they are already present and active by generating discussions, on the corporate website or outside. Besides, SNs allow RTS to reach a broader range of population, who might be less inclined to access RTS content through traditional distribution channels¹¹ and make this portion of the population consume and engage more with RTS content. The presence on SNs gives the

¹⁰ Serge Gremion, July 1, 2011. According to Manon Romerio, the above mentioned values are followed, however the official values are: open-mindedness, creativity, proximity, independence and responsibility, May 26, 2012.

¹¹ For TV channels 15–29 years old target penetration is 2.5 times lower than for 30–49 target.

audience alternative possibilities to access content allowing them to interact with RTS.

The DCM is active engaging online communities. In particular, the DCM is in charge of the relations with key stakeholders on internet and manages the corporate brand content on the different RTS platforms. The figure represents the company on the web. He works both as the internal voice of the company outside and represents the external voices inside.

However, his tasks cover more than the mere presence. The position is cross-section by essence. In fact, the DCM also acts as an internal consultant and works in close relationship with the Marketing and Promotion Department as with journalists and program producers directly. He does not take active responsibility in terms of content for the program pages and accounts, but he advises, supports and follows up social media strategies and tactics for programs and channels. Typical examples are the supervision for the creation of a new account or active coaching in case of crisis within a SN. The sub-brands instead are managed, but not defined, by the Marketing and Promotion Department. The brand responsibilities are divided by media type. There is a person in charge of the television and a person in charge of each radio channel. Then, every producer is responsible for the content of its own programs online, according to the framework set by the DCM. He works as guidance for social media related issues in the company, calling himself an evangelist¹² In fact, in his duty, the DCM will notably play the role of integrator in many departments from Human Resources to the newsrooms. That is mainly why in his specifications, the DCM had to build specific guidelines for employees and content producers on how to use and behave on social media platforms. This implies the development of an overall strategy in terms of brand, programs and persons for the RTS official online presence. In order to build

¹² Yan Luong, June 24, 2011.

it, he brings back feelings of stakeholders, anomalies. patterns and trends to the company's executive team.

Result and discussion

The main competitive advantages in having a DCM within a public service broadcaster are the following. He collaborates to the definition of a media corporate strategy both internally and externally. Indeed, by involving employees it is possible to guarantee high level of coherence and transparency, as expected by the public service. At the moment of our research, as argued by the General Secretary of the Direction, Resources and Development department (GS), official guidelines concerning the social media behavior for RTS employees do not formally exist yet. Instead, there is an unwritten code of conduct according to which people using SNs are entirely responsible for the posts and twits they make. The company, through the DCM, is involved in raising awareness and responsibility among the organizational members in order to ward and to protect the image of independence and neutrality of the organization itself. However, even though the boundary between public and private sphere is to be found, the firm allows the employees at every level (journalist, managers and collaborators) to use SNs, trusting in their proper code of conduct. Indeed, according to the GS, the tacit rule is "do not post online what you would not say on air".¹³

The ability to use a proper code of communication is pivotal to perform an efficient communication and be attractive, from a marketing point of view; an undesired way to engage the audience could provoke damages to the company.

However, the introduction of this new figure and the consequences of his social media plans could create problems. For instance extra work needs be carried out by organizational members to exploit the social media

¹³ Serge Gremion, July 1, 2011.

strategy. Furthermore, since the job position is cross-section, some issues deriving from the integration within the corporate structure could emerge. We actually have not found such a problem at RTS, probably thanks to the small and regional dimension of the broadcaster. Finally, a concrete challenge, at least to public service broadcasters, is the separation between public and private spheres, also because employees (journalists, presenters) are publicly visible and are used to express opinions and comments. SNS give them exposure outside the traditional channels and set questions around their rights and obligations. This has certainly impacts on how to establish new sets of brand guidelines to be used with new platforms such as SNS. RTS is using its social media presence to listen to what is said and establish a dialogue with the audience on the new platforms. RTS approach also demonstrates the growing need within media firms to professionally and strategically manage the content produced on social media. By monitoring the content produced by external stakeholders or providing guidance for the content released from company's members, the current company's practices demonstrate ways to handle the loss of control over brands that can arise within SN interactions, from both inside and outside RTS. The DCM has brought expertise at many levels and helps the company facing challenges that go beyond its established management resources and capabilities, setting priorities and boundaries.

At the time of our research RTS was using SNS mostly to monitor and protect the brand. According to the managers interviewed, the company will be aiming at stronger brand building activities online with the channels rebranding beginning in spring 2012. SNS will be used to accompany the operations, in building awareness, community and identification around the new channels, creating dialogue with the customers, strengthening the newly created sub-brands.

Conclusion

Social media and social networks are still a field of experimentation in many regards mostly from a branding perspective. As a consequence, limited amount of respective literature so far impedes proper comparison

with industry practices. Our findings suggest that public service media companies have to take the lead in term of online content production policies given their peculiar employees profiles as their brand will otherwise be affected. Indeed, the necessity to develop guidelines for social media is already mentioned by Kaplan and Haenlein (2010), as it is considered to reduce risks affecting the corporate credibility. Public service media firms defend specific values and have to cope with third parties owned SNs, playing according to their own rules. A lack of consistency within corporate mission or of coherence with the third party platforms might induce brand damages. Therefore, a specific person having a more relevant role and greater power monitoring and analyzing SNs information will be determinant in a time of transition, where experience and reference points still lack.

The definition and integration of a Digital Communication Manager position has a role to play in making individuals inside the company aware of SNs branding implications and has high potential in generating the firm competitive advantage.

Limitations of the study

Given that, the research focuses solely on a public radio-television broadcaster, the findings will certainly be applicable to media companies in the broadcasting sector. Since the case regards a firm with a public service mission discrepancies might appear concerning private media companies, considering their different institutional objectives. Generalization concerns will be less linked with the narrow sub-national area researched given the global worthiness of SNs rather than to the size of the firm investigated and its organizational implications. We believe analyzing RTS—a business unit of SSR SRG— allows salient and heuristic extrapolations of branding implications in similar contexts.

Implications

Further research should focus on models to measure, quantify and evaluate the contribution of the presence of media companies within SNs in

terms of success and brand equity. Moreover, it may be worth analyzing how to integrate the figure of the DCM within media firms from an organizational point of view.

Some concerns emerge with regards to being present on an existing social media application and benefit from its popularity and user base (Kaplan and Haenlein 2010), or create an own. As Kaplan and Haenlein (2010) explain, it is a usual make-or-buy decision. However the presence on third parties platforms, could lead to conflicting visions between a commercial company and the public service mission.

In order to build a consistent brand identity in those interactive times a direction has to be provided with the scope to integrate all the factors influencing the brand online. This paradigm shift implies a pro-active use of technology and clear guidance, putting brand imperatives, deontology and network usages components into the balance, driving back credit to the master brand.

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5.2 Article 2: Pan-European television and transnational advertising: the case of Eurosport¹⁴

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Abstract

The diffusion of new technologies as well as the growing perception of Europe as a *unicum*, which emerged thanks to the introduction of the Euro currency and a triggered European consciousness, contributed to make pan-European television networks (PETV) become competitive media operators able to attract advertising in the international media market. This study examines in particular the case of Eurosport, a pan-European sports network. By first analyzing the legislative and cultural framework within which PETV channels operate, and the opportunities and limits of both local and global advertising, the paper defines the link between international pan-European networks strategies and transnational advertising to better understand the appeal and effectiveness of the products and services that networks such as Eurosport propose to the advertising industry.

Introduction

Pan-European television (PETV) is a growing reality, which was born around the '90s thanks to the European Broadcasting Union. The EBU¹⁵ is an association whose members represent the leading national media organisations in the world. It includes a total of 86 national media organisations operating in 56 countries within and around Europe, together with 40 further Associate Members from other regions of the

¹⁴ This is an extended and revised version of a paper presented at the annual conference of the European Media Management Association (EMMA) in Moscow on June 10-11, 2011.

¹⁵ <http://www.ebu.ch/en/about/index.php>

world. It was founded in 1950 as a unique community of broadcasters dedicated to exploring and developing their synergies. The aim of EBU is to diffuse and broadcast events of particular interest all across Europe.

The technologies that allowed crossing national borders were satellites and cables. They enabled the distribution of TV signals at lower costs. Certainly, the contribution of the European Union facilitated the creation of a European market for media operations. With the introduction of the EU directive “Television without frontiers” (1989), national televisions started to broadcast in other countries, in particular in countries with the same language (like German TVs in Austria, French TVs in Belgium and Switzerland, etc.). The number of truly pan-European television networks (PETV) which programs are tailored for an international audience and thus broadcast all over the world remains limited. Those few are high quality channels that typically operate at multi-platform level, proposing programs with live images and sound as well as complementary information in several languages. Even though initially catching a rather weak audience, these thematic channels have been growing, especially on the audience market of well-remunerated, highly educated people (Vissol, 2005). Clearly, such an audience group is a very interesting target for the advertising industry, which became extremely attracted by the PETV.

However, when PETV started to increase both the number of countries involved and the number of households reached, issues concerning broadcasting laws and in particular regarding the acquisition and possession of television rights had a great effect on the development of this television. Furthermore, language differences, and more in general cultural diversity, are issues that cannot be underestimated when broadcasting in so many different countries. Indeed, they concern and impact on business operations both from a broadcasting as well as an advertising perspective.

Most of the companies buying advertising on pan-European networks aim to promote their offer and their brands across Europe

without any kind of diversification in the message. This is the case of fast-moving consumer goods (FMCGs), which are the most appropriate products to advertise within a pan-European television context as suggested by the literature. However, when PETV emerged satellite networks had difficulties in financing themselves through advertising, as their attractiveness was low. Pan-European advertising campaigns were not an option because of the massive efforts necessary to run them across Europe: the cost of coordinating brand and marketing strategies across several countries was not matching the effective commercial results. It has to be considered that brand names, the packaging as well as the life cycle of products could vary from one country to another. Furthermore, at the beginning of the pan-European television experience, channels could not offer local windows to advertisers and they could not decide to broadcast commercials only in selected countries.

More recently, some of these problems that kept advertisers far away from PETV could be overcome: the European Union as such together with the globalisation process pushed down the barriers of a hyper-local view of Europe, and made the so-called old continent appear more homogeneous within his great borders. This idea of a unique continent, even if preserving local and national differences, was specifically analysed in a study conducted by Gripsrud (2007), who investigated if “television as medium can contribute to the construction and existence of a European public sphere”. Indeed, nowadays the situation is more favourable for transnational advertising and pan-European television networks contributed to this change: even if some difficulties and obstacles are still present, language barriers are smaller and cultural differences are at least more transparent if not somehow even smoother.

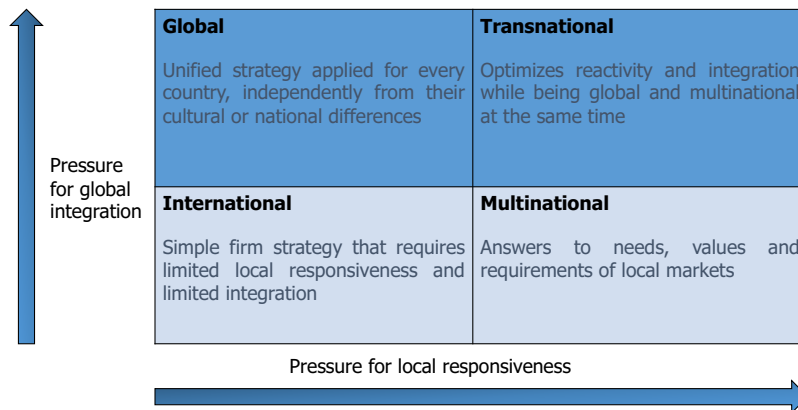
More players are thus attracted by transnational advertising today. However, in order to clearly understand how the potentiality of transnational advertising can be exploited, by whom, and how its limits can be overcome, the concept needs to be explored more deeply. This is

the purpose of this paper, which will be structured as follows. First of all, we will describe the main strategic options that companies have to expand their business internationally as well as the specificities of the internationalization of operations for media corporations. We will then analyse deeper two of the main factors influencing media corporations when choosing an international advertising strategy, that is legal frameworks and cultural differences characterising the host countries. Then, in relation to these two factors, standardized and pan-European advertising strategies will be depicted and analysed through a review of existing literature as well as the study of the specific case of Eurosport, a pan-European television network. A conclusion section will then end the paper.

Internationalization and Transnational Media Corporations (TNMCs)

International development is one of the growth strategies that companies adopt, and in particular of media firms. Usually, in literature internationalization growth strategies are treated from two main points of view: the entry modes and the internationalization strategies at corporate level. Concerning the first point, organisations can enter a new foreign market through modes such as licences, joint ventures, strategic alliances and ownership of subsidiaries. As suggested by Gershon (2000, 2016), one of the most preferable entry modes, besides the simple export of goods and services, is the licensing agreement. This way the firm avoids installing production facilities abroad. Anyhow, as broadcasting is a regulated media sector, government policies and the local legal framework have a direct influence on the strategy adopted for the international expansion and thus on the competitive performance of firms (Chan-Olmsted, 2005). With regard to the international strategy, decision makers should consider how centralised they want to keep their control over the firm. As suggested by Chan-Olmsted (2006) “a firm may adopt a multi-domestic strategy in which local responsiveness is the priority and strategic decisions are decentralised to the business unit in each country. On the other hand, a firm might adopt a global strategy in

which global integration and standardisation are the priorities and the headquarters are often in charge of formulating the competitive strategy” (see figure 1).



Internationalization strategies according to Bartlett and Ghoshal (1989).

Gershon (2000) adds that in decentralised transnational corporations, branches have a significant level of decision-power and this is because branches are closer to the action and have a better understanding about the market issues of a given area.

Chan-Olmsted (2006) also suggests a third way to internationalize, that is developing global efficiency by simultaneously focusing on local responsiveness and creating a network in which members share culture, vision and domestic resources. In the case of media corporations, such an option is more difficult to implement as the product in question, content, is highly dependent on culture. It is thus not easy to respond to different local cultural needs with product realized within an organization the members of which share values and knowledge resources (Chan-Olmsted, 2005). Sometimes this is one of the main obstacles media companies have to overcome. It is known that audience preferences tend

towards domestic programs over international content as underlined by Tracey (1988), because of their “cultural proximity”. Hoskins and Mirus, (1988), use the idea of “cultural discount” to explain the same trend, while Leung and Morris (2015) suggest that not only cultural distance matters (Manev & Stevenson, 2001) for international business but also the situation, relevant schemas and social norms as they shape decision making and intercultural interaction. Concerning the international expansion of media corporations, Gershon (2000) suggests that, in order to understand which is the better internationalization strategy to choose, an environment analysis should be performed. That consists in analysing the political and legal factors, the competitive factors and the socio-cultural factors present in the target country. Thus, media firms should consider law and regulation policies of the host country, as well as labour conditions and other aspects such as tax legislation. Further, they also have to evaluate the competition intensity that they will find in the foreign market due to local firms, both public and commercial, as well as to other international firms. Finally, concerning the socio-cultural dimension, media corporations have to consider the cultural aspect of the product they commercialize, the same message could in fact be understood differently according to schemes and cultural believes proper of each country (Leung & Morris, 2015). In this regard, Li and Dimmick (2005) argue that “the larger the social and cultural distance, the more difficult it is for the foreign media firm to formulate proper strategic approaches to determine management style and product offering that meet local tastes and preferences”.

As sustained by Andrews (2003), transnational corporations recognise the importance of being local by incorporating local differences and peculiarities in their global strategies. Indeed, one of their distinctive features is that “strategic decision-making and the allocation of resources are based on economic goals and efficiencies with little regard to national boundaries”, as Gershon recalls (2016). In the case of media firms this basically means localising content in order to adapt it to the cultural tastes of the host country. Analysing the European situation, commercial

media companies were the agents pushing with more impetus towards transnationalization. According to Esser (2002) “transnationalization and commercialisation are correlated”. Indeed, not relying on licence fees as public broadcasters do, commercial broadcasting companies need to internationalise their operations in order to better exploit economies of scale and scope. As most of their business is based on advertising, clearly a transnational configuration of that activity is extremely important. As mentioned before, legal framework and social-cultural factors are two critical factors to take into consideration when evaluating and choosing an international strategy. The same holds true for international advertising strategies, which represent the basic business activities of transnational media corporations. In the following sections we will thus have a closer look at these two factors.

The legal framework

The legal framework within which pan-European broadcasting networks operate is defined by the European Union directives, national specific laws and self-regulations promoted by the advertising industry itself. The first European directive concerning the media industry was the so-called “Television Without Frontiers” which was promulgated in 1989 to uniform the rules within the European Union with regard to competition. In particular, the directive aimed at regulating the relatively new field of satellite television, which was already technologically able to cross national borders. In 2007, the “Audiovisual Media Services Directive” replaced the older directive, introducing a specific set of laws for traditional broadcasting services as well as for the new on-demand services. Another significant point introduced by this directive is the country of origin principle. According to this principle, the service provider has to respect the regulation of the country where it broadcasts. Thus, European Member States have the duty as well as the responsibility to enforce the rules. Some European countries have for instance a particularly restrictive national regulation if compared to others. This is

the case of France, where the *Conseil Supérieur de l'Audiovisuel* (CSA) is the authority in charge of “guaranteeing and promoting audiovisual communication freedom in France” as well as “ensuring that the French language and culture are protected and showcased on the air”¹⁶. The French regulation is particularly vigilant about the respect of language and the minors. In Great Britain regulation is less restrictive and it is also more dynamic.

Finally, in terms of legal framework we need to cite the European Advertising Standards Alliance (EASA)¹⁷ that represents “the single authoritative voice on advertising self-regulation issues and promotes high ethical standards in commercial communications by means of effective self-regulation, while being mindful of national differences of culture, legal and commercial practice”. The members of the EASA can further promote self-regulation issues as well.

As said by Cunningham (2000), European member states agree on cross-border advertising which was necessary to support the European commerce: “as cross-border commerce, spurred in part by cross-border advertising, flourishes, the European advertising industry struggles with efforts to coordinate over a dozen different standards for acceptable advertising practices. Researches conducted at this formative stage of European unification are needed to shed light on how national organisation will function in the context of European standards”. Zou and Volz (2010) add that the same set of rules regulating the advertising industry in many countries push global brands to standardise the advertising message, its visualisation as well as the type of media used for advertising purposes. According to Doyle (2012) however, even though there is an evident will to align the European countries around a

¹⁶ <http://www.csa.fr/multi/index.php?l=uk>

¹⁷ <http://www.easa-alliance.org/>

common legislation for the audio-visual sector, what is still missing is a pan-European audience.

Dealing with cultural diversity

De Mooij (2004) studied transnational advertising in relation to the growing number of global companies expanding their business over their own national borders. The main issue related to global advertising concerns an essential decision regarding whether to adopt a standardisation or adaptation strategy. According to Papavassiliou and Stathakopoulos (1997), when choosing an international advertising strategy it means for a firm to position itself in a continuum between two polar points, which are represented by standardisation and adaptation. The authors also found three sets of variables which have an influence on the choice of the right strategy to adopt, whether more standardized or adaptive, and therefore on the positioning on that continuum. Such variables represent local, firm and intrinsic determinants. The local determinants are those concerning the cultural environment, economic conditions, legal competition, consumer profile and advertising infrastructure; the firm determinants, instead, refer to the organisation itself: how it is managed and organised, beside the nature of the product; finally, the intrinsic determinants concern the advertising industry and the relationship existing between the firm and the advertising agency, as well as the media strategy and other elements of the marketing mix. Moreover, with concern to the media strategy, Papavassiliou and Stathakopoulos (1997) affirm that "satellite transmission has created the potential for an expanded use of television as an international medium (e.g. CNN, pan-European TV stations). Therefore, the continuous and increasing presence of international media may prove to be useful in developing a uniform or at least harmonious image in a number of relevant foreign markets". It then appears that the international development of media corporations directly contributes to the smoothing of social-cultural differences in the perception of media and advertising

products. This could make media corporations lean more towards a standardized approach to international media and advertising strategies.

Focusing on the cultural environment as local determinant, we need to consider that culture is not exclusively a language issue but something more complex and articulated, as the model elaborated by Hofstede demonstrates (1994). The author distinguishes culture in five main dimensions, which are: power distance, individualism/collectivism, masculinity/femininity, uncertainty/avoidance and long/short term orientation. The Hofstede's model is useful to understand country specific characteristics and for this reason it is usually adopted to take strategic decisions about global branding and advertising strategies. Examining more in detail the five dimensions, it is possible to more deeply understand the main characteristics of a given country and better adapt the advertising message to the target audience/consumers. One question arising is if in Europe advertising could for instance reach a high level of standardisation in practice. The relatively homogeneous economic development and infrastructures of the European countries are one possible trigger, and the harmonisation of regulation is a reality that needs to be considered, too. Moreover, as suggested by Whitelock and Rey (1998), consumers tend to be increasingly similar for attitude and behaviour when they buy and consume a given product. It has also to be considered that multinational companies are very keen on adopting a standardised advertising campaign to build a global image and a diffuse awareness (Taylor & Okazaki, 2006). All this can be then translated in brand equity and therefore in a long-term asset for the firm.

Standardised advertising

According to the study conducted by Whitelock and Rey (1998), the standardisation approach used in advertising seems to be useful and practicable only for a few brands. However, from the same study it appears that brands, which target young people with new products and attract their attention via standardized advertising, are able to have a strong impact on consumers. This means that when there is a

homogeneous cultural basis, global brands can effectively advertise their products by exploiting a global advertisement strategy.

Harris and Attour (2003) claim that the practice of standardisation in advertising is rare and that also those multinational companies, which implement it, adopt different kinds of standardisation. They think that “total standardisation” is not a practicable solution even for multinationals. Anyhow, they also believe that standardisation could be thought as a flexible strategy once it is applied to given brands operating in particular market conditions. According to Taylor and Okazaki (2006), if there are no obstacles to the standardisation of advertising then, a global firm should implement this policy. Furthermore, the standardisation strategy is one of the building blocks of the global marketing strategy (GMS) elaborated by Zou and Cavusgil (2002).

De Mooij (2004) adds that if before managers and advertisers agreed on the fact that advertising one day would have been completely standardised, in the new century practice demonstrated that this assumption was not totally correct. One among the most famous brands such as Coca-Cola has been looking at local differences with a new sensitivity. Indeed, Anholt (2000) says: “advertising is not made of words, but made of culture”. This means that even though advertising is translated in the country specific language, it is sometimes impossible to make sense of the advertising message, because it is the expression not only of a language but also of the culture of a country, which is an ensemble of many different things among which there is also the language.

The difficulty to translate advertising is due to the fact that it “has developed its own particular systems of meaning” (De Mooij, 2004), and it is for the major part culture that determine this set of meanings. Furthermore, due to the objective it needs to achieve, advertising is built to evoke feelings and emotions as well as history, myths, humour and arts, which are highly country specific and that most probably do not

have the same significance and preponderance if used in different countries.

Going back to the specific language issue, sometimes advertisers decide to use a foreign language with the objective to generate an international appealing on customers. For this purpose, they mostly choose English as it is considered the *lingua franca*, and in many countries its rate of knowledge as second language is very high. Despite that, understanding a language it is not always sufficient to be emotionally involved in an advertisement performed by English or American native speakers. In fact, the aim of advertising is not to be understood, but to get an emotional response towards the advertised product and brand. Thus, if a message is translated to be adopted in another country it is likely that the “lost in translation effect” happens.

For Myrland and Kinnucan (2001), who studied the effect of generic advertising applied to the salmon industry, “the aim of generic advertising is not to increase the market share of a particular firm, but rather to increase the size of the total market so that all firms in the industry can enjoy larger scale”. A parallel can be made with the advertising broadcasted by pan-European networks: companies buying advertising on this kind of medium probably do not want to sell a particular product, they probably want to be known on a larger scale. To reach this goal pan-European channels seem to offer a very appropriate solution.

Pan-European Advertising

As sustained by Coffey (2008) “as audience traits differ, audiences become differentiable products, thereby creating appeal to different advertisers for different reasons”. In line with this, PETV can be used in different ways by advertisers (Chalaby, 2008). The so-called umbrella strategy consists in buying advertising space on PETV as complement of local campaigns. In this case, pan-European advertising contributes to create a global brand and image, while local advertising is useful to drive sales. Such a strategy requires a high degree of coordination among the

different subsidiaries and it is usually suitable for luxury brands. However, also firms with lower advertising budget can buy this kind of advertising spaces because of their relatively low price if compared to those available on traditional television with larger diffusion.

Since local windows were allowed to be broadcasted, pan-European televisions saw a great increase in their advertising revenues. Customers demonstrated to like such local spaces especially for the high level of flexibility and adaptability to local needs they were able to ensure. Advertisers can in fact decide to program a campaign covering all countries or only a certain number of them, as well as chose the most suitable moment to broadcast the campaign. The trend is for PETV networks to offer advertising packages with integrated solutions that can be broadcasted at international level, maintain a certain degree of local responsiveness and combine different kinds of media. This way advertisers have a great variety of supports to choose from and through which a durable relationship with a large number of viewers and consequently with customers can be established and maintained.

At this point two main research questions arise:

- a) How does the internationalization strategy of Eurosport match with the advertising needs of its potential international customers?
- b) To what extent does the standardization of advertising correspond to a standardized organization of Eurosport as medium?

In this paper we will try not only to shed light on transnational advertising in general but also to answer to these two specific questions that refer to the specific case of Eurosport.

Method

Considering the peculiarity of the topic approached by this paper and that the literature available about transnational advertising is not abundant, the nature of this research is exploratory. In order to shed light on the characteristics, advantages and limits of transnational

advertising a single case study presenting particular features, the pan-European television network Eurosport, was chosen (Thomas, 2011; Yin, 2014). As underlined by Hollifield, (2001), “the world spread use of case-study methods means the body of work on transnational media management taken together provides rich background and insight into the evolution of transnational business strategies and operations in many of the world’s major media companies”. The research includes the review and analysis of existing literature, secondary data as well as in depth interviews. Interviews were conducted both face to face and over the phone, and lasted between 45 and 90 minutes each. The people interviewed are managers working at Eurosport Italia in Milan and Eurosport International in Paris. A first round of interviews took place between November 2010 and January 2011. In Milan, we interviewed the Head of Finance and Production, Alessandro Bocca, and the Sales Director and Head of Advertising Italy, Ermanno Zacchetti. In Paris, we exchanged with Lilian Baudard, the Head of Marketing, Nicolas Le Man from the Advertising Sales Department, and Daniela Hochgesand who is in charge of Strategic Planning. A second round included two further interviews: one with Alexandre Morenon-Conde, HR manager, conducted in April 2014, and one with Susi Thorimbart, the Head of Sales Research, which took place in June 2014.

The lack of comparable data concerning pan-European television, in particular with reference to audience measurement, made it unlikely to run a quantitative research.

Empirical results

Eurosport was launched in 1989. It was originally created as a joint venture between the European Broadcasting Union (EBU) and Sky television plc. The EBU members decided to provide the new television network with sport content by sharing their sport rights. Once sport rights became dramatically expensive and a strategic asset for media firms, beside the fact that Sky television plc merged with BSB becoming BSkyB, Eurosport nearly closed down. In 1991 the group TF1 partnered with

BSkyB to take over the pan-European television, while a decade later it acquired the full ownership. Since 2012 the American group Discovery Communications took interest in Eurosport acquiring a 20% stake. In 2014 the company became the majority owner with 51% of the shares, while since July 2015 it became the sole proprietor of the network.

Today Eurosport can be considered not only a TV network but also a multimedia platform, where the role of television is still crucial but it is not a key driver anymore for its expansion and growth. The Eurosport group's diverse portfolio includes Eurosport, Eurosport HD, Eurosport2, Eurosport-2HD, EurosportNews, Eurosport.com, Eurosport Player, and Eurosport Asia-Pac¹⁸. Since February 2017 Discovery Communications introduced a further channel in India, DSPORT. Eurosport channels are made available on all platforms including cable, ADSL, MMDS, DTT, DTH, IPTV, Internet and mobile. It has relationships with over 10,000 operators covering distribution to more than 131 million homes¹⁹ thanks to its flagship channel. Mostly in every European country Eurosport is present at least with 2 television channels and with a dedicated website accordingly to the spoken language. Germany is the only country where Eurosport is free-to-air, because of the peculiarity of the German television.

Concerning the business model 75% of Eurosport's revenues come from distribution fees thanks to the contracts stipulated with cable and satellite operators while 25% come from advertising. These are the two main sources of revenues. There are other two ways by means of which Eurosport finances its business: the production of sport events and the sub-licensing of rights²⁰ of acquired events, which will not be used by the network itself. As explained by Hochgesand "distribution focuses in the markets where we broadcast, which include 59 European countries, but

¹⁸ 17 countries reached across the region, accordingly to

http://www.eurosportcorporate.com/pdf/Eurosport%20MediaKit%20Interactif_mail.pdf

¹⁹ http://www.eurosportcorporate.com/pdf/Eurosport%20MediaKit%20Interactif_mail.pdf

²⁰ All people interviewed could not talk about broadcasting rights.

advertising goes a lot further. We source advertising from Asia and Middle-East is a very big advertising market, too". As other satellite televisions and networks, also Eurosport collects the majority of its revenues from television. However, in areas such as the Middle-East area and Russia where Eurosport is substantially present on mobile devices, smart-phones and Internet more than on television, revenues are sources through agreements with telecommunication operators.

In order to answer the specific question that we raised concerning how the internationalization strategy of Eurosport matches with the advertising needs of its potential international customers, it is worth analysing the advertising strategy on Eurosport. As mentioned before, reaching 25% of the total revenues advertising is the second main source of revenues for Eurosport. Advertisers have the possibility to be broadcasted both at an international and local level. Local advertising counts for 10% of the total advertising income. Eurosport usually broadcasts pan-European advertising within a program, whereas local advertising windows are placed between one program and the other. The possibility that Eurosport offers to advertisers of using local windows as well as being broadcast in 59 countries at the same time makes the pan-European network remarkably interesting. Opening to local advertisers means giving national and local companies the possibility to communicate locally. The advantage for them is that advertising prices are lower on satellite than on national television channels, they can reach a different audience while at the same time offer a commercial product, which is much closer to the local cultural experience. In the specific case of Eurosport Italia, since January 2010 when the local advertising windows started to be managed by Eurosport Italia itself, the amount of revenues sourced from local advertising doubled. This is due to the fact that this way the local subsidiary of the network was able to more appropriately take into account the clients' needs and develop with them integrated commercial plans. In fact, as declared by Head of Strategic Planning: "for advertisers the fact that we can broadcast in 59 countries in the same language is an

advantage for a lot of Asian advertisers, for which it is too expensive to advertise locally”.

The most advertised products on Eurosport are tourism and luxury brands. This is not a surprise as the audience of the network is composed by highly educated viewers, frequent travellers, lovers of adventures, with quite high spending availability and thus buying power. Eurosport is focusing on attracting more and more these kind of audience by editing specific programs as it is the case of ‘Business Class’ for example, a short talk dedicated to the economic and financial aspects of sports. Other programs are addressed to travellers and sport lovers, in order to make the channel an attractive advertising place for the travel and tourism industry. Even though the broadcasted languages are 19, the advertising languages are only 5. For advertisers the fact that commercials are broadcast only in few selected common languages is not a problem. They are well aware of the type of promotion and international spirit of the channel. In fact, Le Man from the advertising sales department adds that “they (viewers) understand that it is an international channel and I think that they are pretty much delighted. Most of our advertisers, do not even invest on national channels. Some of them do and talk about products, whereas at the pan-European level they talk about corporate social responsibility and corporate branding. Two different budgets, two types of communication: one is product and the other one is brand communication”. At the second position on the ranking of the most advertised products on Eurosport we do not find food or any kind of fast moving consumer goods, as the literature suggests. On the contrary we find financial products, cars, and consumer electronics.

The choice of Eurosport as advertising space is very advantageous for companies because the negotiation process is unique, it allows to establish a personal relationship with Eurosport representatives, and the savings are higher thanks to the lower costs of advertisements on satellite and cable television. In this perspective, it is worth noting that a great percentage of advertising on Eurosport, as well as partnerships and sponsorships with the network, derive from tourism institutions, which

promote a region or a nation. To respond to this strategic demand Eurosport guarantees its presence with local offices such as for instance those in Hong Kong and in Tokyo.

It can be affirmed that the global internationalisation strategy of Eurosport and its characteristic of being a pan-European network attract a great amount of international advertising. However, the case shows that local windows are those that allow Eurosport to be competitive on the pan-European market if compared with other pan-European networks.

The case shows also that the cultural differences and the potential negative implications on the effectiveness of advertising coming from a standardised message become less important when compared to the advantages that advertisers can achieve thanks to the pan-European reach that Eurosport ensures. This is mainly due to the fact that the adopted communication, the type of advertised products and the audience on Eurosport are different from and complementary to those promoted on traditional national channels, as the Head of Sales Research Susi Thorimbert recalls.

The second question about the extent to which the standardization of advertising corresponds to a standardized organization of Eurosport can be answered thanks to the interviews we conducted at Eurosport Italia and Eurosport International. As we will see the perception regarding the effects and extent of standardization within Eurosport is quite different when comparing headquarters with the Italian subsidiary.

According to the Italian managers the freedom that the Paris headquarters leave to subsidiaries to differentiate advertising and adapt it to local needs is very limited, whereas according to the managers in Paris local Eurosport networks have more power than they think to have. However, Italian managers recognize that one of the strengths of Eurosport relies on its high degree of standardization, not only as far as the content provided is concerned, which is almost the same everywhere – apart from some exceptions due to television rights' issues – but also with regard to

the style used by commentators, and more in general the highly professional approach.

The main internationalization strategy of Eurosport reflects the decision of a high standardization of advertising made by their clients, whereas the approach used by the network itself when advertising its own brand is different. In this case, Eurosport adopts the local hero strategy to promote itself. This is a multi-local strategy that consists in promoting in each country its local hero: for instance, in the case of the Grand Slam Eurosport will broadcast advertising messages featuring Nadal in Spain, Federer in Germany, Andy Murray in UK, Schiavone in Italy, Wozniacki in Denmark.

Conclusion

The phenomenon of pan-European television networks is a domain, which is still very interesting to be explored. In fact, several specific factors influence it such as the European directives, national regulations as well as cultural and linguistic issues. Advertising is one of the most influenceable entities of their business as it is particularly sensitive to culture, language, and local identity, extremely difficult to export in a standardized format without risking to lose its effectiveness. However, the case of Eurosport showed that today advertisers seem to find attractive the solutions provided by this pan-European multi-platform television network. As always in business, a pan-European advertising approach is not useful and valuable for every company, but for the future it could represent a great opportunity of investment for advertisers wishing to establish their brand and image at international level. The case shows some divergence with the existing literature with regard to the category of products to be advertised at pan-European level and to the advertising strategies adopted when facing transnational markets. In fact, our results highlight that companies and institutions select pan-European network to communicate on a large scale, overlooking cultural and linguistic issues, which could potentially have a negative impact on the proper reception of the message, when it is not country-specific designed.

Anyway, we suggest that further research focuses on this issue by analysing for instance data regarding the impact of transnational advertising on audience perceptions of the advertised brands, as well as on customers' buying behaviour. Probably, it would be interesting to run a survey among Eurosport viewers (and then extend it more generally to PETV viewers) in the main countries where the network is present such as Great Britain, Ireland, France, Germany, Italy, Spain, and the Scandinavian region. These cited countries represent the core of the European Union and those where Eurosport has been broadcasting for more than 20 years. Considering an East-European country could also be interesting because of its novelty not only on the broadcast market but also on the European Union.

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5.3 Article 3: International Diversification strategies in Transnational Media Firms: A Literature Review²¹

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Abstract

This study aims at exploring the field of international diversification within transnational media corporations by an extensive literature review. After Hollifield (2001) remarked that research was missing in this field, scholars devoted more attention to the topic as some studies show (Andrews 2003, Chan-Olmsted and Chang 2003, Van Kranenburg, Hagedoorn, & Pennings 2004, Jung and Chan-Olmsted 2005, Staphan 2005, Strube and Berg 2011). However, in 2010 Strube still suggested that research on the topic had to be extended. After reading through all different studies we realized that, in order to advance research, a comprehensive literature review was needed to point out the main questions that are still open. Such a literature review represents thus the focus of this paper. First, transnational firms and diversification strategies are defined and explained. Then, transnationality and diversification concepts are highlighted within a media industry context. In order to understand the impact of diversification strategies, some approaches to the measurement of diversification are introduced and explained. As a result, cultural distance emerges as critical factor influencing diversification strategies in the media industry.

Introduction

This study aims at exploring the field of geographical (international) diversification within transnational media corporations (TNMCs) by an extensive literature review. After Hollifield (2001) remarked that research

²¹ This is an earlier version of the paper presented at the World Media Economics & Management Conference (WMEC) in Rio de Janeiro on May 12-16, 2014

was missing in this field, during the last decade some studies have been conducted as the works of Andrews (2003), Chan-Olmsted and Chang (2003), Van Kranenburg, Hagedoorn, & Pennings (2004), Jung and Chan-Olmsted (2005), Staphan (2005), Strube and Berg (2011) confirm. However, in 2010 Strube still emphasized the need for more extensive research on this topic. After reading through the different studies, we realized that in order to advance research a comprehensive literature review was needed to point out the main questions that remain unanswered. Such a literature review represents thus the focus of this paper, which is structured as follows. In the next section, a definition of transnational corporation is provided. As a transnational configuration implies the diversification of activities in a company, definition and goals of diversification strategies follow. Transnationality and diversification are then applied to the media industry context. In order to understand the impact of diversification strategies, some approaches to the measurement of diversification are introduced and explained. As a result, cultural distance emerges as critical factor influencing diversification strategies in the media industry. An attempt is thus made to map a few major transnational media companies according to level of geographic diversification and cultural distance in the countries of presence. The paper ends with some conclusions and a few open questions, which result from the literature review and might serve as a guide for future research in this field.

Defining transnational corporations

Literature on international management includes several terms and definitions for corporations operating in multiple countries, among them the most used are multidomestic, multinational, global, geocentric, ethnocentric and transnational (Harzing, 2000). One of the main contributions to distinguish between different typologies of international companies is provided by Bartlett and Ghoshal (1989): according to the authors international firms are to be distinguished in multinational, international, global and transnational (see Table 1).

This distinction is made based on the firm's strategic orientation and

on its configuration of assets and capabilities, the characteristics of its overseas operations and its practices to develop and diffuse knowledge within the organization. According to this approach multinational organizations are characterized by a high degree of flexibility and a decentralized configuration of capabilities. Differences among countries are considered with the purpose to respond and create customized products to match national preferences, as well as industry and government regulations. International firms, instead, are oriented towards taking advantage of the capabilities and the know-how of the parent company and to diffuse and adopt them cross-border. In addition, sources of competitive advantage are strictly controlled by the parent company and totally centralized, whereas other competences are decentralized. Thus, the aim of this kind of organizations is to develop the headquarters and centralize there all core activities. Global organizations are particularly engaged in looking for cost advantages, by exploiting global scale operations and large numbers. Assets and capabilities are both centralized and globally scaled.

Table 1: Organizational characteristics

Organizational Characteristics	Multinational	Global	International	Transnational
Configuration of assets and capabilities	Decentralized and nationally self-sufficient	Centralized and globally scaled	Sources of core competencies, other decentralized	Dispersed and specialized
Role of overseas operation	Sensing and exploiting local opportunities	Implementing parent company strategies	Adapting and leveraging parent company competencies	Differentiated contributions by national units to integrated worldwide operations
Development and diffusion of knowledge	Knowledge developed and retained within each unit	Knowledge developed and retained in the center	Knowledge development at the center and transferred to overseas units	Knowledge developed jointly and shared worldwide

Source: Bartlett & Ghoshal, (1989).

Finally, the transnational orientation includes all individual characteristics of each of the above-mentioned organizations with the addition of the ability to exploit global efficiency, flexibility and spreading out

global learning. Then, the transnational configuration implies a certain level of interdependence among different national branches including the development and diffusion of knowledge at a worldwide level. This last aspect is particularly important in the field of information media, our sector of research, as its core activity is represented by the production and diffusion of information. Even though the definitions provided by Bartlett and Ghoshal (1989) are the most used and cited, some authors still do not agree with them and use different terms to define the same type of international organizations (Harzing, 2000). In this paper we anyhow refer to Bartlett and Ghoshal's definition of transnational corporation.

The internationalization of company operations and the globalization of markets contribute to increase the intensity of competition (OECD 2003). This motivates managers to diversify company activities both at international and product level (Bowen et al., 2014): they broaden the international scope of sales (Denis, Denis, & Yost, 2002; Hautz, Mayer, & Stadler, 2014; Hutzschenreuter & Gröne, 2009; Wiersema & Bowen, 2008), broaden and deepen the activities of their international network of subsidiaries (Wiersema & Bowen, 2011), and might narrow their product market scope (Bowen & Wiersema, 2005; Hautz et al., 2014; Hutzschenreuter & Gröne, 2009). Considering the importance of diversification in order to counteract the intensification of competition emerging from increasing international activities, in the next section we will approach definition and goals of diversification strategies.

Diversification strategies: definition and goals

Literature on diversification started to appear in the 1950s with contributions coming from different business research area. Scholars such as Ansoff (1958), a business historian like Chandler (1962), and an economist like Gort (1962) are considered the pioneers in this topic. More recently, also academics in different fields of business and strategic management played their role in the analysis of this subject (Ramanujam & Varadarajan, 1989). In general, the term diversification refers to a growth strategy performed by companies aiming at expanding their business in

product or service markets, which are different from those where the company usually operates (Sanchez & Heene, 2004). According to the resource-based view, companies diversify in order to take advantage of economies of scope (Penrose, 1959; Teece, 1980, 1982; Panzar & Willig, 1981; Kumar, 2009) in using both tangible (e.g. plant or equipment) and intangible resources (e.g. marketing and know-how) to achieve firm's growth.

Literature distinguishes between product and geographical diversification. Both types of diversification can be further divided into related or unrelated. Related product diversification applies to firms that diversify their product portfolio within the same industry. Unrelated product diversification occurs when the diversification takes place across industries (Qian, 1997; Rumelt, 1974). Finally, related or unrelated geographic diversification (Hitt et al., 1997) is determined by the heterogeneity of regions across which a firm is geographically located through its subsidiaries (Vachani, 1991). Generally, product diversification is defined by the extent to which a firm develops products, which can be classified in other industries. On the other side, geographical diversification is one of the strategies through which firms may expand abroad and enter new markets to develop economies of scale and scope and to take advantage of new opportunities existing in foreign markets (van Kranenburg, Hagedoorn, & Pennings, 2004; Gershon, 2000; Holtz-Bacha, 1997; van Kranenburg, Cloudt, & Hagedoorn, 2001).

From an economic perspective, international diversification allows firms to gain financial benefits from tax load reduction (Markides, 1995). Some scholars agree that the benefits deriving from international diversification are visible (Barkema & Vermeulen, 1998; Gomes & Ramaswamy, 1999; Jeong, 2003), even though highly geographic diversified companies require particular efforts in terms of coordination. Indeed, if both product and geographical diversification strategies may lead to economies of scope and scale, in the case of geographical diversification firms need to coordinate business units in multiple geographical locations.

This kind of coordination among business units and between headquarters and business units implies both internal and external transactions: internal transactions among managers in charge of multiple units and external transactions to asset the stakeholders involved such as public and governmental offices, suppliers and also customers (Hitt et al., 1997). Moreover, since in diversified companies profit growth is achieved by new business as well as by the synergies created between the old and the new business (Teece, 1982), the effective and efficient management of subsidiaries is crucial not only to perform well in terms of revenue generation but also to exploit potential synergies between headquarters and branches. In particular, it is worth noting that transnational organizations should be able to employ local knowledge and to exploit it not only within the subsidiary, therefore locally, but also in other markets (Belderbos, 2003). As changes at administrative and organizational level are a direct consequence (Ramanujam & Varadarajan; 1989), we can say that geographical diversification strategies negatively impact on rigidity costs deriving from (a) organization and coordination activities (Rawley, 2010) as well as (b) product distribution. This obviously increases the complexity of international diversification (Porter, 1990).

Hitt et al. (1997) add that besides transaction and coordination costs, firms have to deal with cultural issues in international organizations. However, highly diversified firms, not only at geographical but also at product level, are more likely to achieve transnational capabilities by reaching at the same time global coordination of knowledge and activities, as well as national flexibility (Bartlett & Ghoshal, 1989). Indeed, choosing and implementing a diversification strategy seems to be even more complex in the case of single-business firms since managers have no experience in managing internal and external diversity, and the appropriate organizational structure to support this complexity is lacking (Hitt et al., 1997). As argued by the authors, the correlation between international diversification and performance in the case of single-business companies is rather negative. Experience further explains the relationship between product and international diversification. Research shows that both

international and product diversification are negatively related and substitutes for generating a given level of firm performance (Bowen and Wiersema, 2007; Kumar, 2009). This relationship however depends on the level of prior diversification experience: with no prior experience research found a substitute relationship, while with increasing level of prior experience the relationship tends to turn into a complementary one (Meyer et al., 2014).

To conclude, our literature review underlines a general agreement among scholars concerning the risk reduction effect of diversification strategies. In particular, geographical diversification, which includes internationalization, seem to allow firms to realize greater advantages in terms of synergies, new sources of inputs and economies of scale and scope. A higher level of diversification allows building up prior experience and expanding firms' capabilities. This helps to turn the relationship between international and product diversification into a complementary one and thus a better exploitation of synergies. It appears also clear that managerial capabilities and the ability to transfer knowledge among subsidiaries and between headquarters and subsidiaries are pivotal for transnational organizations. In the next section, the specificities of diversified firms in the media sector and in particular of transnational media firms are analyzed.

Transnational media corporations and diversification strategies

Among media scholars the term 'transnational' is not properly used to strictly indicate those companies, which aim at reaching the global efficiency, and at the same time are able to develop products to satisfy local needs as defined by Bartlett and Ghoshal (1989). The term is rather used to incorporate also the characteristics of multinational, international and global corporations (Hollifield, 2001). Gershon (1997) defines transnational media corporations as national-based companies that conduct operations in at least two foreign countries. They actually represent the evolution of those companies that were called multinational corporations during the 1960s and the 1970s.

The main element that distinguishes transnational media corporations from any other international firm is actually the product sold (Gershon, 2000). Indeed, media products are basically represented by content, mostly information and entertainment, which results from creative work. As content creators are often celebrities, media firms are more visible to consumers than other businesses (Picard, 2011) and thus more vulnerable in terms of reputation and image as well. Another important difference between non-media and media organizations is that the latter operate in dual markets and needs to address two sets of consumers: on one side, they supply content to consumers and on the other side, they sell audiences to advertisers (Picard, 1989). As a consequence, there is a direct interaction between strategies and choices for each set of consumers, as they affect each other both in terms of products and prices. Nowadays, media firms are rapidly shifting from two-sided to multi-sided platforms, compounding relationships among consumers and making product and price choices even more complex (Picard 2011). Within this context it is clear that media firms try to exploit the advantages offered by the nature of their products and operations, reaching out to economies of scale and scope: for instance by reselling content through a different medium or distribution channel after small modifications and adaptations, as well as by developing marketing and branding strategies based on cross-promotion activities.

Looking at the particular characteristics of the supply and demand side of media products, we can further spot the reasons why media corporations often consider a transnational configuration the most appropriate one for reaching economies of scale and scope. Concerning the supply side, as other non-physical products, media present different distribution mechanisms compared to physical products, and are much more vulnerable because of piracy and counterfeiting risks. Further, production processes cannot be so easily controlled as they involve very professional employees with a high degree of autonomy. Organizational conflict is thus very present, in particular between managers and creative staff, and in many cases decisions are not based on economic criteria, but rather on artistic endeavour and public service reasons. This may even

lead to the creation of content without compensation, making economic irrationality much more present in the media compared to other industries. On the demand side, the success of media products is highly unpredictable and most of the economic value comes from a small number of products. However, multiple reuses of products are possible and often more valuable than the original use. Further, there is an oversupply of content giving a lot of power to consumers. On top of that consumers' expenditures for content acquisition are often sunk costs and immediate payments lack (Picard, 2011).

The above-mentioned characteristics of media products explain why media firms naturally try to reach economies of scale and/or scope by going across borders and developing transnational corporations (Andrews, 2003). Expanding the breadth of their geographical and product markets, thus diversifying their activities, allows media firms to exploit advantages and minimize their vulnerabilities. Companies such as Sony Corporation, Vivendi, Walt Disney, Viacom and News Corporations are examples of this phenomenon. Product and/or geographic diversification represents one of the main strategies to pursue firm growth also according to the resource based view (Penrose, 1959; Teece, 1980, 1982; Panzar & Willig, 1981; Kumar, 2009). Triggers of diversification strategies are risk reduction, greater input and revenue sources, and – more specific for media organizations – a larger access to content as well as the possibility to overtake regulatory barriers (Albarran & Porco, 1990; Chan-Olmsted & Chang, 2003; Picard & Rimmer, 1999; Gershon, 2000; Straubhaar, 2007). Initiatives of deregulation in the media sector, in particularly in Europe and Asia, the increasingly similar life-style in metropolitan areas around the world and the on-going saturation of American media markets have been favouring the implementation of global media conglomerates (Chan-Olmsted & Chang, 2003). The case of Time Warner well resembles this trend: the company has been constantly growing and is active in more than 60 countries.

There are many studies in the field of diversification, particularly those focusing on the relationship between diversification strategy and performance. Jung and Chan-Olmsted (2005) studied the impact on the financial performance of product and geographic diversification, showing that the performance increases until a certain degree of diversification. Beyond that degree, diversification might lead to opposite results. Some studies show a non-linear relation between diversification and performance (Gomes & Ramaswamy, 1999; Hitt et al., 1997; Kolo & Vogt, 2003), others empirically demonstrated a positive correlation (Sullivan, 1994; Gomes & Ramaswamy, 1999) whereas other scholars found a negative relationship (Miche & Shaked, 1986) or a lack of relationship (Tallman & Li, 1996).

Following a two-level perspective Chan-Olmsted and Chang (2003) analyzed product and geographical diversification in seven global media conglomerates in relation with their performance. In contrast to previous studies (Buhner, 1987; Madura & Rose, 1987), they saw that there is not an inverse relationship between product and geographical diversification: the more a company is geographically diversified, the highest the product diversification it can offer. Indeed, geographic diversification strategies are supported by the nature of media products since the incremental cost of content production is very low: once the content is created the cost to make it available and usable in other countries, for instance by doubling it and just adapting it to the local language, is not that high. This is particularly true for idea driven products. Many media products are thus created and developed with the aim to exploit the windowing process (Chan-Olmsted & Chang, 2003b; Doyle, 2002; Stephan, 2005). This process consists in selling the same media products at different prices to different groups of consumers (Moschandreas, 1994) in order to maximize revenues from the distribution of products in overseas markets (Doyle, 2002). Kolo and Vogt (2003) could not find a relationship between company size and diversification nor between company size and performance. Their findings make them suggest that media corporations should focus more on reaching operational excellence rather than on pursuing growth strategies. Considering the heterogeneity of studies and results on diversification

strategies in the media field, it is worth looking more closely at the rationales that stand behind both product and geographic diversification.

Product diversification

Benefits of product diversification within the same industry are due to an enhanced market power if compared to non-diversified competitors. For this reason, product diversification may be seen as a sort of vertical integration strategy as it enhances the integration of supply chain elements such as content creation, production and distribution (Doyle, 2002; Kolo & Vogt, 2003). Another advantage is that it becomes easier to leave behind a flop by balancing short-term losses with revenues coming from other business units in expansion (Jung & Chan- Olmsted, 2005). However, (2003) argues that unrelated product diversification (i.e. newspapers and television) cannot guarantee profits since there are not many opportunities to share resources and distribution methods, and therefore to reach economies of scope. Such a strategy may lead to further diseconomies since managerial cultures might be quite different, too (Kolo & Vogt, 2003).

Geographic diversification

Geographic diversified media companies have to deal with the cost of adapting their products to local needs. Indeed, culturally and politically sensitive products such as media need to be adapted to the host country. In doing so media companies have to bear in mind that they also depend on the local infrastructure in term of communication hardware and regulatory policies, which may change from country to country (Gershon, 2000; Chan-Olmsted & Chang, 2003; Hollifield, 2004). News Corporation, for instance, was able to reach effectiveness and scale at the same time by adapting its products, in particular sport events, to local tastes. It means that even a mostly standardized global media product may include a certain degree of local adaptation elements (Bartlett & Ghoshal, 1992; Gershon, 1997; Morley & Robinson, 1995; Robertson, 1995). Beside that, it is noteworthy to underline that the actual global success of MTV started when the company created local versions of the music channel by regionalizing

the content and adapting it to the local tastes, by playing local music and adapting the language to the host country (Chalaby, 2009; Jones, 2005). More recently, Axel Dauchez, CEO of the French streaming music provider Deezer said: 'we are focusing on building consumers' engagement with music by investing in local editorials in local language. We have people on the ground choosing the best new music. We care about the cultural relevance of our service in any given country'. The top albums figures seem to confirm this trend: in 2012 for instance in Italy, Spain, and Sweden 80% of the top albums was domestic, in Germany 70% and in France 60% (IFPI, 2013). The trend continues even though over the years the percentage of domestic albums topping the charts has decreased leaving space to foreign – mostly in English language – songs. An explanation for this change might be the effect of globalization that is merging some facets of cultures. Considering the costs of local adaptation, Chan-Olmsted, Cha and Oba (2008) argue that to more greatly benefit from international diversification, media firms should expand in culturally similar regions and opt for a related international diversification strategy.

Single creation versus continuous creation media products

By distinguishing media products into single creation and continuous creation products (Picard, 2005) we can detect other reasons behind product or geographical diversification strategies. Single creation products such as movies, books, and recordings, are characterized by high marketing and sales costs. For these products, the risk of failure is particularly high, only a few among them will be successful. The need for a media firm to have many of such products in its portfolio – and therefore product diversification – is a clear consequence. The exploitation of those products in other markets – geographical diversification – seems a second reasonable and worthwhile risk reduction/growth strategy to pursue. Products like newspapers, magazines or TV-series are typical examples of continuous creation products for which content creation and not packaging is the critical success factor. Once established on the market, these kinds of products are less subject to failure if compared to single creation

products (Picard, 2005). For this category of media products responsiveness, efficient decision-making process and coordination capabilities are essential to guarantee a continuous production. Product diversification is not a necessary strategy in this case. Geographical diversification may be successfully applied and, if publishing production facilities are decentralized, local editions can significantly lower their distribution costs.

In both cases, the transfer of knowledge and capabilities across borders seems to be a critical factor in order to gain competitive advantages (Stephan, 2005; Strube & Berg, 2011). The emerging coordination tasks and the related transaction costs represent thus managerial issues that are not less important than content adaptation issues for the success of media firms' diversification strategies. In order to have an idea about the impact of diversification strategies on coordination activities and transaction costs, and therefore on managerial requirements, measuring the diversification level of transnational media firms becomes inevitable. The following section reviews some of the most known and used measurement systems.

Diversification measurement in the media industry

Measure of product diversification

Within the existing literature, we can mainly find two approaches for measuring product diversification: the objective, or continuous business count approach (Jacquemin & Berry, 1979; Kim, 1989; Varadarajan & Ramandujam, 1987), and the subjective or categorical approach (Rumelt, 1974). The American Standard Industrial Classification (SIC) system classifies firms and industries according to a four-digit code and is considered an objective measurement system. SIC codes have a hierarchical structure that begins with general characteristics and narrows down to the specifics. The first digit of the four-digit SIC codes indicates the industry the company belongs to, the second digit refers to the major industry sector, while the third and fourth digits describe the sub-

classification of the business group and specialization, respectively. For instance, the 483 SIC code indicates the broadcasting sector, while 4832 refers to radio and 4833 is the code for television. Printing, publishing and allied industries are linked to the 27 SIC code, the 2711 code classifies newspapers, while 2721 is used for magazines.

Even though the SIC-code system is largely used, in the media field some scholars sustain that the system is unable to show the product relatedness within different industries. The Herfindahl index and the entropy measure of total diversification represent two further measures based on SIC-codes and thus belonging to the objective approaches. They are preferred to the mere SIC codes by some strategic management scholars (Geringer, Tallman & Olsen, 2000; Sambharya, 1995). The Herfindahl type measure takes into account both number and importance of segments in which a firm operates (Jung & Chan-Olmsted, 2005). The measure of entropy is able to shed light on change in diversification over time. Indeed, besides stating the product segments and the sales across the segment, this measure looks also at the degree of relatedness among the various product segments (Palepu, 1985; Markides, 1995). However, common and standard diversification measurements miss the possibility to discover potential common strategic assets among business units making them unable to predict potential chances for diversification strategies (Markides and Williamson, 2007).

A subjective approach to measure product diversification is the one based on Rumelt's work (1974). The author found out nine diversification categories based on the "relatedness" of products. Such categorical approach is subject to individual decisions since it implies the classification of activities performed by a firm in a single, dominant, related and unrelated business. According to Wolf (1994), using this method for empirical studies is not recommended. Another diffused method to measure diversification is the one proposed by Ramanujam and Varadarajan (1987). Their methodology actually includes both SIC-codes and the Rumelt's approach. The authors came up with a two-dimensional conceptualization of product

diversification based on 'Mean Narrow Spectrum Diversity' (MNSD) and 'Broad Spectrum Diversity' (BSD) (see table 2).

Table 2: Two-dimensional product diversification

Broad Spectrum Diversity	High	Cell C Unrelated diversified company	Cell D Company with high product diversification
	Low	Cell A Company with low product diversification	Cell B Related diversified company
		Low	High
		Mean Narrow Spectrum Diversity	

Source: based on Varadarajan & Ramanujam, (1987)

The BSD indicates the number of two-digit SIC categories in which a firm is active. The MNSD is the 4-digit SIC code categories divided by the number of 2-digit SIC code categories in which a firm operates. Both approaches to measure firm diversification, the objective SIC codes and the subjective Rumlet's system, have strengths and weaknesses. Even though many scholars tried to propose a proper system to measure diversification, it is still unlikely to argue which system fits better in a given context today (Montgomery, 1982; Van Kranenburg et al., 2004). Scholars suggest the use of multiple measures of diversification in order to prove the reliability of results (Hoskisson & Hitt, 1990; Ramanujam & Varadarajan, 1989). Concerning media organizations, Chan-Olmsted and Chang (2003) measure product diversification using the Merger and Acquisition Index. Their analysis consists in monitoring transactions involving at least 5% of ownership, and for which the transaction value is higher than 1 million dollars. In this way, it is likely to track and understand the level of product diversification.

Measure of geographical diversification

According to Van Kranenburg et al. (2004), the above mentioned measurement systems are not suitable for media firms. They have been

developed by organization and management scholars and privilege product over geographic diversification, the latter being actually the strategy that media companies are exploiting the most (Van Kranenburg et al., 2004). For this reason, Van Kranenburg et al. (2004) proposed to measure geographical diversification using the Broad Spectrum International Diversity (BSID) and the Mean Narrow Spectrum International Diversity (MNSID). The BSID counts the number of super-regions²² where a firm is active; the MNSID, instead, is the measure of the number of sub-regions²³ in which an organization operates, divided by the number of super-regions in which the company is present (see table 3). The BSID measures diversification in unrelated or less related areas whereas MNSID looks at diversification in closer related regions. These indexes derive from those proposed by Ramanujam and Varadarajan (1989), who in turn based their study on Rumlet's (1974) work. According to Van Kranenburg et al. (2004) BSID and MNSID are able to integrate the international market dimension into the past version of the matrix, without adding further data, such as international sales or revenues from international markets.

22 Super-regions: Europe, Middle East, North and Central America, South America, Africa, Asia, Australia and Pacific.

23 Sub-regions in Europe: European Union, Central and Eastern European Countries, and European Free Trade Association; Sub-regions in the Middle East: Mediterranean Countries in the Euro-Mediterranean Partnership, The Gulf and the Commonwealth of Independent States; Sub-regions in North and Central America: North America Free Trade Association, and Central America; Sub-regions in South America: The Andean Community, Mercosur, and Caribbean; sub-regions in Africa: West Africa; Central Africa, East Africa, the Horn of Africa, Indian Ocean Side, and Southern Africa; Sub-regions in Asia: Northeast Asia, South Asia Association for Regional Cooperation, and Association of Southeast Asia Nations; Sub-regions in Australia and Pacific: Australia and Pacific. Source: Eurostat/European Union (2003)

Table 3: Measure of geographic diversification

Broad Spectrum International Diversity	High	Cell C Geographically unrelated diversified company	Cell D Company with high geographic diversification
	Low	Cell A Company with low geographic diversification	Cell B Geographically related diversified company
		Low	High
		Mean Narrow Spectrum International Diversity	

Source: based on Kranenburg et al. (2004)

Another method to measure geographical diversification is the one proposed by Kim, Hwang and Burgers (1989) who divided the global market in 6 similar groups based on economic and political factors. However, according to Chan-Olmsted and Jung (2005), Kim, Hwang and Burgers' methodology is not appropriate for media firms since geographical areas are grouped based on homogeneity of economic and political conditions while cultural and linguistic factors, pivotal in the media field, are not contemplated. The four main cultural dimensions developed by Hofstede (1980) – power distance, uncertainty avoidance, masculinity versus femininity, individualism versus collectivism – can be applied to diversification measurement systems in order to add the missing cultural influence. Already back in 1985 Ronen and Shenkar provided a country clustering method by dividing the world in a few main areas and adding Hofstede's dimensions among others. This measure could be used for diversification measurement purposes, even though it would need some adaptation since media firms' operations are more spread compared to the areas considered by the authors. For instance, Chan-Olmsted and Jung (2005) adopted Ronen and Shenkar's clusters but modified zones in order to include more countries. The new seven country clusters were the following: Anglo, Arab, Eastern European, Western European, Asian, Latin American, and African.

Understanding how to measure diversification and figuring out the geographical and cultural diversity spectrum of international diversification

helps us to shed light on the advantages but also on the managerial complexity of diversification strategies. According to Stephan (2005) the major benefit of diversification stems from the competence of TNMCs to expand their stock of strategic assets and knowledge-based resources. However, it is now evident that the higher the degree of geographical diversification, the more heightened the requirements in terms of coordination of tasks and knowledge transfer. In order to minimize the emerging costs literature suggests choosing a related form of diversification.

Geographic diversification and cultural distance

As the literature review has shown, finding the appropriate diversification measurement system to use is difficult, and depends on the kind of phenomenon and industry under study. Since we are focusing on the media industry, it is clear that – as suggested by Jung and Chan-Olmsted (2005) - the cultural diversity and more humanistic aspects specifically linked to geographical dispersion need to be taken into account. They could potentially lead to a negative impact on organizational structure and knowledge transfer mechanisms in terms of conflicts, misunderstanding and unwillingness to share knowledge, and thus substantially hamper the advantages of diversification.

We have attempted to develop a matrix in which we match the extent of geographic diversification of a company, i.e. if it is present in many or a few countries, with the level of cultural distance of the countries in which the company is operating (see table 4). The extent of geographic diversification indicates the number of countries in which a company is present with subsidiaries (Bengtsoon, 2000; Jung & Chan-Olmsted, 2005). The cultural clusters are those derived from Ronen and Shenkar (1985) and readapted by Jung and Chan-Olmsted (2005) to better fit the media

industry characteristics²⁴.

Table 4: Geographic diversification and cultural distance

Extent of geographic diversification	High	Cell C Company present in many, relatively similar countries	Cell D Company present in many, highly culturally distant countries
	Low	Cell A Company present in a few, relatively similar countries	Cell B Company present in a few, culturally distant countries
		Related	Unrelated
		Clusters of cultures	

Source: Own representation.

The classification is based on the locations of subsidiaries for each company. The matrix shows that a firm might opt for localizing in many countries with a similar culture (Cell C) or in many countries highly culturally different (Cell D); diversification may however take place in few countries characterized either by similar/related cultures (Cell A), or dissimilar/unrelated cultures (Cell B).

We have then tried to map some of the major transnational media corporations on this matrix (see table 5). Looking at the sales/revenue figures of these corporations (see table 6) we can see that they are all doing well. Either they are increasing their sales as in the case of Walt Disney and Time Warner and Vivendi (Walt Disney, Time Warner and Vivendi annual reports, 2016), or they are maintaining their revenue streams along the years as Sony and News Corporation (Sony and News Corporation annual reports, 2016). Only Viacom's sales are slightly decreasing mainly because advertising revenues for the media networks segment as well as theatrical revenues are declining (Viacom annual

²⁴ Clusters are the following: Anglo, Arab, Eastern European, Western European, Asian, Latin America, and African.

report, 2016).

If we take News Corporation as example, we can observe that since its split with 21st Century Fox the company has focused its activities on the Anglo-Saxon market and narrowed the sectors in which it operates. Such sectors now mainly include news and information services, book publishing, and cable television counting respectively for about 64%, 20% and 6% of its revenues (News Corporation annual report, 2016).

Table 5: Geographic diversification and cultural distance

Extent of geographic diversification	High	Cell C	Cell D SONY, VIVENDI, VIACOM
	Low	Cell A NEWSCORPORATION	Cell B TIME WARNER, WALT DISNEY
		Related	Unrelated
Clusters of cultures			

Source: Own representation.

Table 6: Revenue streams of transnational media corporations over the years

Transnational Media Corporation	2016	2015	2014	2013	2012
News Corp (ML \$)	8,292	8,633	8,574	8,891	8,654
Sony (BL Yen)	8,105	8,212	7,767	6,795	6,493
Time Warner (ML \$)	29,320	28,120	27,360	26,460	28,730
Viacom (ML \$)	12,488	13,268	13,783	13,794	13,887
Vivendi (ML Euros)	10,819	10,762	10,089	10,252	9,597
Walt Disney (ML \$)	55,632	52,465	48,813	45,000	42,278

The company is further active in the real estate business, which represents another 10% of the revenues (News Corporation annual report, 2016). Due to structural crisis of the newspaper business, and related to that the steep decline in advertising, News Corporation remarked that its

news and information business was lagging behind. The company thus took measures by strengthening the book publishing business and entering new businesses such as digital real estate and cable. We can thus say that News Corporation presents a low level of both broad-spectrum product and geographic diversification. The company revenues are in fact well distributed in a few super-regions characterized by similar cultures: USA and Canada with a predominant 47%, Australasia with 30% and Europe with 23% (News Corporation annual report, 2016). It is worth noting though that the cable networking operations are present only in the Australian region while the book publishing activity is strictly addressed to the Anglo-Saxon market.

Other transnational media companies such as Sony, Vivendi and Viacom appear to be highly diversified within many, culturally distant countries (see table 5). Through a highly diversified product offering – it goes from TV and video, music, games, smartphones and networking services, to medical devices and financial services – Sony collects for instance about 29% of its revenues from Japan, however 21% comes from the USA, 23% from Europe, 12% from the Asian and Pacific region, and 7% from China (Sony annual report, 2016). A further 8% of revenues is generated by the rest of the world. Sony is thus a highly diversified company both at product and geographical level, which allows it not to depend on a particular product or market. Although the majority of subsidiaries is concentrated in the US and Japan, Sony is present in more than 40 different regions and about 200 different territories. Considering the fact that cultural distance does not seem to represent an obstacle to the international activities of the company, further explanations must be found to justify its success. One of the reasons might be the prior experience that Sony gained along the years and was able to spread throughout the whole organization. This might have allowed product and geographic diversification to become complements for Sony to reach a positive firm performance, as Meyer et al. (2014) suggest.

In the case of Time Warner and Walt Disney, the companies appear

to be present only in a few countries, which are not culturally related. Thanks to strong product and branding strategies their products are present in more than 150 countries, however the two companies have subsidiaries only in 7 and 12 countries respectively. Furthermore, they source more than 70% of the revenues from only one region (the US and Canada for Time Warner, and the US for Walt Disney). The same holds true for Viacom, while Vivendi is collecting about 40% - down from 70% in 2012 – of its revenues from France. Clearly, if an economic, political or financial crises breaks out in the region from which a company collects most of its revenues, that company can be in serious danger. Risk reduction might be the reason explaining the geographic diversification strategy adopted by Vivendi in the last years, confirmed by its recent attempts to substantially access culturally or linguistically similar media markets such as the Italian, the Spanish and the French speaking African one. Also Walt Disney seems to follow the same path trying to build alliances with local media companies to expand in the Chinese and Indian markets.

Discussion and conclusion

From this literature review, it seems that in the media field most studies have been focusing on the relationship between the type of diversification and firm performance. Such studies are however not able to explain why different types of diversification might lead to equally positive performance results and viceversa. As we can see from table 6 the six major transnational media corporations that we analyzed show similar positive or stable trends. Only Viacom seems really to be in a declining phase. News Corporation is probably suffering from the advertising market decline and the scandals that hit the company in the news business. If the company does not show signs of growth, it is however rather stable.

The matrix combining the level of geographic diversification with cultural distance (see table 5), combined with the spectrum diversification measures already existing in the literature, seems to provide some further explanation to the small performance differences that can be detected. If we take for instance the example of Viacom, even though the company is

highly geographically differentiated, it has a low level of broad-spectrum product differentiation and it has expanded in countries that are not culturally related. The difficulties of the company in improving its performance might thus come from the fact that the level of product differentiation is not sufficient to reduce risks – indeed, the advertising revenues decline has been hitting most of the activities – and/or from cultural misunderstandings. The low level of broad-spectrum product and international diversification might explain also the decrease in performance of News Corporation in 2016. The risk for the company in this case is not to be able to maximize synergies because of a lack of sufficient diversification experience to develop competencies. The company shows in any case a positive learning curve in this respect: since the news business was decreasing, it has progressively successfully invested in its book publishing business and added digital real estate and cable as new businesses. In the case of Sony and Vivendi prior diversification experience seems to be paying off, as the two companies are able to keep a stable position by quickly reacting to changes. The case of Walt Disney tells us that a low level of broad-spectrum and a high level of narrow spectrum product diversification allow capitalizing on experience and thus building up competence. Such competence represents a solid base to successfully embrace a low level of broad-spectrum international diversification, even if in culturally unrelated countries. The same holds true for Time Warner, which thanks to its high competence in the broadcasting business was able to exploit the opportunities offered by digitalization and launched a success such as HBO.

The above discussion highlights that the managerial aspects related to product and geographical diversification within transnational media corporations might be key to understand the impact of diversification strategies on firm performance. In particular, organizational and knowledge transfer capabilities emerge as critical factors to more deeply explain the relation between diversification strategies and transnational media company performance. This holds particularly true when considering the impact not only of geographical but also of cultural as well as professional

culture distance on employees and organizational units within media firms.

Literature points out that geographical diversification can increase the firms' access to resources in terms of both scale and variety, let alone the fact that acquiring local knowledge is essential for transnational media corporations since they are regularly faced with issues across borders. The less risky option for transnational media firms is to go for a related product and geographical diversification and therefore expand in countries that are if not geographically at least culturally closer to the parent company. The challenge for transnational media firms is however to understand how to make local knowledge flow globally to the parent company and all subsidiaries in order to (a) build up knowledge-based strategic assets, (b) maximize synergies and (3) reach a sustainable global competitive advantage, even in unrelated fields. It has become evident that diversification may easily lead to difficulties due to coordination of multiple subunits and a highly diverse workforce localized in many countries. The emerging coordination and transactions costs may be superior to benefits. In order to avoid this kind of disadvantage, and thus fully leverage from international diversification strategies, appropriate measures to manage and develop employees and more specifically talents across subsidiaries and borders become key.

At this point the following open questions naturally emerge:

1. Which is the impact of a chosen diversification strategy on the organizational structure within transnational media corporations? What is the most appropriate organizational structure for transnational media corporation in order to maximize the advantages of international diversification strategies?
2. What is the impact of the different diversification strategies on knowledge transfer within transnational media corporations?
3. What is the influence of social culture on the geographic extent of diversification and on the formation of regional clusters within transnational media corporations?

4. What are the most appropriate measures in terms of human resource management to enhance knowledge transfer and therefore efficiently and effectively accompany diversification strategies in transnational media corporations?

Answering these questions would have gone beyond the frame of our paper. We hope that they will represent an inspiration for future research.

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5.4 sArticle 4: The role of knowledge transfer within transnational media firms

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Introduction and problem discussion

We are today witnessing the transformation of a world in which the economic, social, cultural and political structures are being gradually integrated by the developments in telecommunications and information technology and by the constant increase of global products and markets. Clear evidence of today's globalization is the extent to which the activities of individual manufacturers and service providers cross national borders. Corporations have been aggressively establishing consortia and alliances outside their domestic markets and the media industry has been no exception to this trend (Albarran and Chan-Olmsted, 1998). Considering the high fixed costs of production that characterize most media products, the internationalization of activities represents a natural solution for media companies. Such a solution further enhances globalization processes as the global presence of the same medium content contributes to smooth cultural differences together with the makeup of homogeneous market segments characterized by similar perceptions of social norms and thus similar consumer behaviors (Leung and Morris, 2015).

It thus appears that internationalization strategies can be pursued by offering standardized mass media products. However, internationalization for media firms is not as simple as that. By enhancing social interaction across national boundaries, mass media contribute to the exchange of different ideas and to the transparency of cultural diversities. If this can lead to the convergence and understanding of some diversity, diversity must be taken into account when globalizing media content (Habann and Herrmann, 2003). Even though globalization opens up our minds to the entire world, in the end we are always still socially and economically anchored also to our local realities. This is confirmed by the fact that there is an increasing

demand for local and regional information. Global media firms must thus take into account national differences when internationalizing and try to pursue transnational strategies (Czinkota, Ronkainen and Tarrant, 1995; Jones, 2000; Cohen and Zysman, 2001; Picard, 2003; Habann and Hermann, 2003), which are characterized by a combined concern for global integration and local responsiveness (Bartlett and Ghoshal, 2002). At this point, some questions naturally arise: what is the organizational impact of transnational media strategies? And under which organizational conditions can transnational media strategies be successfully applied? These are the research questions that we will try to answer in this paper.

Our paper will be structured as follows: we will first define the international firm, then specify the peculiarities that distinguish transnational media firms and the development of their organizational structure. Further, we will introduce the concepts of knowledge transfer and human resource management, which appear to us as critical success factors for transnational media strategies. The role of knowledge transfer and human resource management will be highlighted through the analysis of the Eurosport case. Finally, a conclusion section will end the paper.

The international firm

A firm can be considered international when it exports products or services in one or more foreign countries. When the firm manufactures products or services in one foreign country, then it is considered as a multinational or transnational company. Most contemporary research uses the term transnational in place of multinational (Bartlett and Ghoshal, 1997; Gershon, 1997). The transnational corporation (TNC) as a system of organizations represents a natural evolution beyond the multinational corporation of the 1960s and 1970s. If the multinational corporation strategically aims at decentralizing production in the target markets (Habann and Herrmann, 2003), one distinctive feature of the TNC is that strategic decision making and the allocation of resources is predicated on economic goals and efficiencies with little regard to national boundaries. The TNC does not operate uniformly in the business approach (Fleener,

1993). Instead, business strategies and culture are often influenced by the person responsible for developing the organization and its business mission (Gershon, 2016). In the next section we explore the organizational features, which characterize TNCs, and especially transnational media corporations.

The transnational media firm and the development of its organizational structure

Strategies and structures employed by TNCs have changed a lot over the last 30 years (Barlett and Ghoshal, 1996 and 2002; Wrigley, Coe and Currah, 2005). With regard to the organizational structure of a TNC we have observed the following changes:

- the adoption of new sourcing arrangements involving the spatial reorganization of TNC value chains from primarily national to regional or global configurations in line with changing corporate strategies (Jones, 1996). These arrangements are characterized by the national disintegration of a given value chain and the relocation of its nodal segments in multiple host countries (Bartlett and Ghoshal, 2002; Wrigley, Coe and Currah, 2005);
- the growing tendency of TNCs to replace hierarchically governed and vertical integrated production systems with network systems where groups of interdependent, vertically linked suppliers and/or distributors are coordinated by focal TNCs to produce goods or services for maximizing flexibility and minimizing risks. Changing its organizational structure to a hierarchical network by delegating non-essential activities to subcontractors – which bear most of the risks associated with uncertain market conditions – the TNC is able to reduce its transaction costs while increasing its flexibility (Jones, 1996; Harrison, 1997; Artz, 2016). These subcontractors are typically locked in TNC-centered value chains in which they have little power and the intermediate goods they produce have little trading value outside the chain.

The idea of a firm defined by the identity of ownership and control seems to be largely obsolete (Jones, 2000). Control extends widely beyond the boundaries of ownership: vertically integrated forms leave the floor to nominally independent production networks organized around a focal firm in which ownership and control are disarticulated. Already back in 1987 Cowling and Sudgen proposed a definition of firm as “the means of coordinating production from one centre of strategic decision making”. Does this development hold true today for transnational media corporations?

We have identified the following features to distinguish the transnational media corporation (TNMC) from other types of TNCs:

- a) its principle commodity is information and entertainment;
- b) the financial imperatives that drive TNMCs are not always compatible with the political and economic objectives of the host nation. At issue are the control over the international marketplace of ideas, challenges to national sovereignty, the potential loss of national culture, and technological and product dependency (Gershon, 1997);
- c) TNMCs have until recently developed into ownership based conglomerates affected by rigidity in a highly dynamic environment; however, today new technological developments are redefining special design and operations of transnational corporations, which can now exploit the power of intelligent networks by means of four work-design principles: a) virtual communication, b) information exchange, c) convergence and digital media, and d) decision support analysis (Boudreau et al., 1998; Gershon, 2016).
- d) the perceived importance of developing market power across all major stages in the vertical supply chain, has been underlined by many large scale deals that took place in the last two decades such as the AOL/Time Warner merger and the

acquisition of Endemol by Telefonica both in 2000, or the most recent acquisition of Time Warner by AT&T. This has raised concern about bottlenecks, gateway monopolies and control over access to new media.

According to Hughes (2013), “the strategic ambition of most of these players is to create vertically integrated businesses that control the gateways across TV, phone and wireless networks, offering customers a single bill, a single brand and a single EPG” (2000). Indeed, since the USA Telecommunication Act of 1996, competition has been steadily increasing within the media industry. TNMCs have first consolidated to include both content production and distribution (Albarran and Moellinger, 2002; Chon et al., 2003). However, they have later on started to restructure by engaging in divestitures (Landers, 2004) and have been refocusing their activities towards their core strategic competencies. This allows them to generate capital and cut costs, and therefore to compete more effectively (Landers, 2004; Artz, 2016). Yet, how do TNMCs refocus? How do they develop their organizational structure into a network to become more agile firms based more on effective strategic control instead of ownership? In order to answer these questions, we need to explore more deeply competition and strategic alternatives within TNMCs.

Sources of competitive advantage and organizational structure

TNC can generate competitive advantage from sources not available to a pure domestic firm. These additional sources include cross-subsidization, government support, superior insulation from currency fluctuations and enhanced ability to exploit transfer pricing opportunities and economies from bargaining leverage (Barlett and Ghoshal, 1995; Gershon, 1997). The strongest and most sustainable form of competitive advantage is based on interlocking systems of traditional hard and soft factors – such as assets, proprietary technology, flexible production systems, management skills and experience, social capital – combined with (a) a successful position in the firm’s non-market environment (in terms of legitimacy and political connections) and (b) a structure which maximizes

bargaining leverage vs. states, workers, local competitors and network affiliates. Competitive advantage from non-market and leverage factors emanates from power rather than from superior products or more efficient processes, which create customer value. In early stages a TNC's competitive advantage is typically based on factors such as superior technology, products which generate direct social as well as proprietary benefits. However, once competitive advantage is achieved a firm tends to shift its emphasis to protecting its market position through factors based on market power and bargaining leverage (Jones, 2000). Even at foreign subsidiary level, micro-political bargaining power based on information retrieval – i.e. knowledge transfer – from headquarters and its leveraging in issue-selling processes is used (Dörrenbacher and Gammelgaard, 2011).

This is exactly what the major media firms have been doing before starting to restructure and refocus their activities during the late 1990s. The opportunity to enter the market offered by the US Telecommunications act of 1996 opened the way to the emergence of new and innovative competitors mostly coming from the technology sector (Landers, 2004): this situation posed a threat to the established firms and represented a remarkable catalyst for a lot of mergers and alliances. Knowing that growth and expansion are not always driven by break-through innovations (Coad and Rao, 2008) but also by R&D based interfirm alliances which stimulate external knowledge absorption (Cohen and Levinthal, 1989; McKelvie and Davidsson, 2009; Stam and Wennberg, 2009; Michailova and Mustafa, 2012), TNMCs realized that they needed to slim and become more flexible by cooperating with new local subcontractors and/or with “innovative entrants”.

This approach would see new firms contribute with innovative solutions and/or their local competence, while established firms offering global visibility and market power. The cooperation form which arises from the collaboration between major media corporations and smaller media firms is not necessarily a hierarchical network with the major at the center of strategic decision making; the form of cooperation rather depends on the

degree of innovativeness of the new media firm. The more innovative the new media firm, the more bargaining power it has and thus the more horizontal the cooperation relationship between the partners. In this case network based organizational structures triggering knowledge exchange are enhanced. Once the “new” partner has acquired sufficient knowledge and skills, a shift in the balance of bargaining power might occur which leads to the elimination of partner dependency and the obsolescence of the cooperation relationship (Inkpen and Beamish, 1997). Vertical oriented relationships, on the other hand, emerge in the case of a low degree of innovativeness of the new firm, a situation that more frequently leads to mergers and acquisitions among the cooperation partners.

The degree of innovativeness of the new media firm does not only influence the cooperation relationship and therefore the organizational structure of TNMCs. Together with the degree of standardization of production output, it influences the internationalization strategy jointly followed by the cooperation partners, too. In order to understand this effect, we now describe the different internationalization strategies that a media corporation can alternatively choose.

International strategies

The organizational development of TNCs structures has resulted in TNCs shifting from export and multinational to global and transnational strategies since the 1980s (Bartlett and Ghoshal, 1995; Boudreau et al., 1998; London and Hart, 2004). Export strategies are product-oriented, innovation-based approaches in which a firm enters international markets based on the novelty or superiority of the goods or services it provides in its home market. The competitive advantage of these ethnocentric strategies is based on superior knowledge as manifested in leading-edge products.

Multinational strategies are market-oriented approaches, which involve firms reproducing entire value chains in each national market in which they participate. This polycentric strategy takes into account consumers' preferences in the host markets but not integration issues. It is

therefore a quite risky strategy for TNCs because of duplication of activities, lack of scale economies, coordination problems, and lack of learning mechanisms (Habann and Herrmann, 2003). Magazine publishing and sometimes television companies tend to rely on this strategy. A concrete example could be the multi-channel and multi-service Sky television owned by Rupert Murdoch, a platform gathering Sky plc in the UK, Sky Italia and Sky Deutschland.

Global strategies aim at achieving maximum economies of scale by taking advantage of converging consumer demand and the dispersal of value chain activities across countries (Dicken, 1988; Rugman and Hodgetts, 2000). If the competitive advantage resides on the exploitation of products and services on a large scale, there is a paradox connected to this advantage: the greater the variety in the environments where the company is present, the greater the possibilities to create new knowledge and come up with new products within the company, but the greater the difficulties of exploiting one standardized innovative product or service on a larger scale because of differences in culture and ideas (Forsgren, 1997). In the media industry film and music companies as well as book publishers focusing on bestseller authors follow this strategy.

Transnational strategies involve a combination of aspects of the three previous approaches: product innovation, market sensitivity and efficient production are all necessary to obtain competitive advantage in certain industries. By pursuing a transnational strategy firms try to simultaneously integrate value chain activities and differentiate production according to consumers' preferences. The background of this strategy is the realization that globalization in terms of a total convergence and homogenization of consumer demand has not occurred and learning about local needs and operating conditions remains a key success area in such industries (Habann and Herrmann, 2003). This strategy turns to be the most appropriate for the media industry, where uniform quality standards for products and services can be pursued while adapting content production

and advertising to cultural diversities and local needs (Shirkhande, 2001; Habann and Herrmann, 2003).

As we will see, Eurosport clearly adopts this strategy. With reference to emerging markets London and Hart (2004) suggest that developing relationships with non-traditional partners, co-inventing custom solutions, and building local capacity might represent a successful approach. The authors explain that this would mean to go beyond the transnational model of national responsiveness, global efficiency and worldwide learning by taking into account and leveraging the strengths of the existing market environment. In line with this, Meyer et al. (2011) underline the importance, at subsidiary level, of adopting both an internal embeddedness within the TNC network and an external embeddedness in the host milieu.

With regard to the appropriateness of such internationalization strategies for a transnational media corporation we can formulate these **propositions**:

(1) The more standard the production output, the more convenient for a media firm to apply a global internationalization strategy, while (2) the less standard the production output, the more convenient the application of a transnational internationalization strategy. Furthermore, (3) the more innovative the production output the more convenient a transnational strategy, which cares about environment related diversities: indeed, innovations can easily find opponents and are therefore not equally accepted in different environments. Furthermore, leveraging the strengths of the existing market environment might be a useful strategy for media firms to complement the transnational approach and thus ensure not only the efficiency but also the efficacy of an international expansion.

To conclude, given the refocusing trend of the major media corporations, which are concentrating on their core competencies, and their need to cooperate with new innovative media firms, transnational strategies augmented by the tactical leverage of local market strengths appear as the most appropriate ones to ensure an innovation oriented international

growth: integration pressure can be faced by adopting a network based organization while local responsiveness is pursued by cooperating with local existing firms or new innovative entrants. In order for integration to take place within a network based organization, the transfer of knowledge among the different members or the network is key (Fang et al., 2007; Kotabe et al., 2007; Dörrenbacher and Gammelgaard, 2011). Knowledge transfer is further necessary also to successfully cooperate with local subcontractors or new innovative media firms (Stam and Wennberg, 2009). In the next sections we will thus approach the concept of knowledge transfer in order to better understand its characteristics in general as well as within the context of transnational media firms.

Knowledge transfer in a transnational media firm context

Firm resources and knowledge transfer

Within a perspective of firm growth, according to the resource-based view, the unique combination of both tangible and intangible resources leads firms to a sustainable competitive advantage (Penrose, 1959). The more rare, inimitable and non-substitutable these resources, the more sustainable the competitive advantage of firms (Wan, Hoskisson, Short, & Yiu, 2011).

Grant (1996) distinguishes between resources and capabilities. The author defines resources, as inputs for the production process, whereas the capabilities represent the result that can be achieved by managing resources in a specific way. As such, capabilities are the sources of competitive advantage, but in order to achieve this result, coordination of human and financial resources is necessary. Nelson and Winter (1982) describe this kind of coordination as 'organizational routine'. Later on, Barney (1997, 2001) adds that in order to provide a sustainable competitive advantage, resources have to be valuable, rare, inimitable and organized (VRIO), otherwise competitors may benefit of them from the market and try to replicate the success.

Among all resources, knowledge is the most valuable source of competitive advantage (Grant, 1996). Furthermore, the creation and use of knowledge across the subunits is the most important flow within an organization (Lagerström & Andersson, 2003). Actually, knowledge transfer allows the entire organization to exploit synergies and lead towards the creation of new knowledge and innovation (Tsai, 2001).

According to Kogut and Zander (1992) knowledge may be distinguished in information and know-how. Information consists in data, which are easily transferable without losing any piece of it: they are actually facts, symbol and figures. Instead, the know-how is something that belongs to the company because it is a sort of accumulated knowledge that allows members to perform given activities in an efficient way (Von Hippel, 1998). Knowledge may also be distinguished in individual and organizational knowledge, tacit and explicit knowledge. Generally, tacit knowledge is owned by individuals, it is difficult if not impossible to code it or verbalize it, it can only be transferred through imitation and practice instead. On the other hand, explicit knowledge belongs to the company itself, is constituted by guidelines and rules, and it depends on the ability of the company to transform the tacit knowledge into explicit (Lagerström & Andersson, 2003; Szulanski, 1996). Grant (1996) claims that tacit knowledge represents an obstacle for an efficient practice of knowledge transfer. As such, the more knowledge is shared within an organization, the easiest it is to transfer it among groups (Kogut & Zander, 1992).

Internationalization and knowledge transfer

Companies able to use technical infrastructure properly in order to transfer knowledge are much more likely to achieve organizational effectiveness (Boudreau et al. 1998; Becerra-Fernandez & Sabherwal, 2001; Gold, Malhotra, & Segars, 2001; Gershon, 2016). Hansen (1999) adds that the transfer mechanism should fit the overall strategy of the firm in order to successfully manage knowledge and achieve benefits for both the company and the customers. However, it is worth noting that each person and organizational unit acquires knowledge in different ways and

times, and has therefore a different impact on innovation and performance (Tsai, 2001) since the absorptive capacity of recipients, either at individual or at organizational level, depends on the capacity of recipients themselves to manage knowledge (Cohen & Levinthal, 1990; Cohen & Dal Zotto, 2007). Strube and Berg (2011) claim that also cultural differences impact on knowledge transfer mechanisms because the confidence towards the unknown is low. Even Bhagat et al. (2002) focus on distinctive cultural contexts to explain different levels of cross-border knowledge transfer, in particular with reference to the cultural dimensions of collectivism and individualism, horizontalness and verticalness. However, according to Gupta and Govindarajan (2000), multinational corporations exist since they are able to transfer knowledge better than by resorting to the market, even though the efficiency and time are not defined.

Doz and Santos (1997) claim that distance may affect the knowledge transfer, and they make a distinction between spatial dispersion and contextual differentiation. The first one concerns the distribution of knowledge in given spaces, whereas the second one represents the distance in terms of culture, language and profession between senders and receivers of knowledge. Apparently spatial distance limits the effectiveness of knowledge transfer. Ambos and Ambos (2009) explore the impact that distance has on knowledge transfer effectiveness in multinational corporations that are geographically diversified focusing on two aspects: the personal coordination mechanisms (PCM) and the technology coordination mechanisms (TCM). According to the authors, PCM are affected by physical distance while TCM are context-free.

Transnational media firms and knowledge transfer

Multinational corporations can highly benefit from international knowledge transfer since they have access to a greater variety of resources and capabilities which can allow them to achieve better results and higher performance (Kotabe, 2007). According to Hollifield (2001) TNMCs managing businesses abroad are highly interested in knowledge transfer, too. Being the media industry characterized by continuous changes,

managing knowledge transfer properly and therefore generating global synergies is pivotal. However, the very nature of media products, which makes them highly sensitive to cultural influences, may obstacle an efficient transfer and sharing of knowledge and competences (Gershon, 2000; Hollifield, 2004).

In order to facilitate knowledge transfer, the 'trans-nationality' of firms needs to be reflected in their organizational structures and human resource management systems (Bartlett & Ghoshal, 2002; Festing & Eidems, 2011). Internationally diversified companies such as transnational corporations need to adapt their structure to the new environment and challenges in order to be able to compete globally. The organizational structure can support knowledge transfer among individuals by setting up collaborative networks (Singh, 2005; Tsai, 2009). As distance characterizes the organizational structures of transnational corporations, virtual intelligent networks as suggested by Gershon (2016) appear to be all the most appropriate organizational form. At the same time collaboration activities and cooperation need to be incentivized by appropriate human resource management measures (Zhou et al., 2013; Brewster et al., 2016). Hierarchical organizational structures with flexibility components may be an applicable organizational solution to promote knowledge transfer, too. Adopting product diversification strategy means diversifying product lines and therefore most probably embracing a multidivisional structure (Chandler, 1962; Hitt et al., 1997). Strube and Berg (2011) point out that transnational media companies might achieve benefits as much as they are able to balance the degree of autonomy and control to deal with subsidiaries. The decision making process in transnational corporations may be either centralized or decentralized, but it also could be a combination of the two models, according to Bartlett and Ghoshal (2002). However, Gershon (2000) argues that for TNMCs a decentralized decision making process based on flexibility is more suitable in order to respond more quickly to local needs. This solution appears to be more in line also with the network based organizational structures that transnational media

firms are adopting, both internally and externally when cooperating with local subcontractors or new innovative media firms.

Thus, internationally diversifying and becoming a transnational media company, as defined by Bartlett and Ghoshal, means for employees and organizational units to jointly develop a specialized and interdependent configuration of assets and capabilities which is later to be shared worldwide. This can only be made possible with the support of a transnational human resource management system, capable to balance both localization and standardization needs (Festing & Eidems, 2011; Brewster et al., 2016). However, as sustained by Dowling et al. (2015), there is no general solution since each company has to find the right balance of ingredients according to its own external and internal factors it has to deal with. For this reason, we now try to analyze the case of a transnational media firm, Eurosport, which through the provision of standardized products with appropriate local adaptation applies a transnational strategy.

Method

The study aims at shedding light on the organizational structure of media companies in case of transnationalization and on the impact that human resource management can have on supporting knowledge transfer.

For this purpose, we focus on the review of existing literature in the field and examine the case study of Eurosport, a pan-European television network that well resembles the transnational configuration of a media company. The study of the case is built on both secondary and primary data in order to validate and argument evidence from sources, as recommended by Yin (2009). We made a longitudinal case study analysis by systematically investigating internal and external documentation about the company during a period of 7 years (2010-2017). Further, we conducted in depth interviews with several Eurosports managers both at the headquarters and in the Italian subsidiary. Interviews were conducted in different points in time, in 2010, 2011 and 2014. In Milan, we interviewed

the Head of Finance and Production and the Sales Director and Head of Advertising Italy. In Paris, we exchanged with the Head of Marketing, a manager of the Advertising Sales Department, and the person in charge of Strategic Planning. In 2014 we further interviewed by phone the HR manager, and the Head of Sales Research. In particular, the aim of the last interviews was to analyse if there was evidence of any change in the process of passing from the ownership of TF1 to Discovery Communications. The interviews in Paris and on the phone were tape-recorded and lasted between 45 and 90 minutes. This method was chosen because of the exploratory nature of our paper and the qualitative nature of the research questions.

The case of Eurosport

The company and its strategy

In 1989 the European Broadcasting Union set up the Eurosport Consortium, a channel that partnering with Sky television plc could allow different EBU members to exploit sport rights. In 1991 the group TF1 and BSkyB partnered to take over the ownership after the channel risked shutting down after complaints by competitors to the European Commission. In 2001 TF1 took full ownership of Eurosport. More than a decade later the American company Discovery Communications stepped in, first with a 20% stake, and then taking over the majority (51%) of the channel in 2014. On 22 July 2015 Discovery agreed to acquire TF1's remaining 49% stake in the venture.

Eurosport is actually present in 54 European countries and in 20 different languages providing viewers with European and international sporting events. The company has 4 main channels. *Eurosport 1* is the main channel, now offered in high definition. *Eurosport 2* was launched in 2005 featuring more live sports events, programming and news updates. It is now present in 35 countries and 17 languages. Since 2000 *Eurosport News* offers breaking news, highlights and commentaries. In February 2017 Discovery Communications introduced a new channel in India, *DSPORT*.

Eurosport was first launched on European satellite but it is now also available on most cable packages, too. Distribution contracts with satellite and cable operators ensure about 75% of the company revenues, the remaining 25% coming from advertising. As the Head of Sales Research Susi Thorimbert told us, the company expanded its digital activities to become a truly multi-platform operator present both on the website and on mobile devices. Even though television will still represent the main business and source of revenues for Eurosport, the digital business is increasing both in terms of presence and revenues. The website represented for instance the entry mode that Eurosport used to access a big advertising market such as the Middle East²⁵. Arabia.eurosport.com was launched in December 2009 thanks to a collaboration contract with DU, a local telephone company, which started up in 2006 and needed in turn specific content to grow its business. This partnership allowed Eurosport to extend its presence on mobile devices, too.

Apart from being present in different countries offering its content in different languages, Eurosport partners indeed with many local and technology oriented companies to enrich its cutting-edge digital content offer. If the television business is very global and offers mainly standardized products, the online and mobile business allow the company to adapt to local tastes and preferences. As a consequence audience shares increase and advertising space can be sold at higher prices. The latest partnerships include for instance a contract with NowThis, a socially-distributed media brand, through which since spring 2017 sports-related social videos are produced and co-distributed. Eurosport has signed a collaboration also with CA Technologies, a software company that provides integrated technology and solutions. Through CA Technologies Eurosport can deliver enhanced second-screen experiences to viewers particularly in relation to its “Home

²⁵ Eurosport Arabia selects DMS as Exclusive Media Representative
<http://www.dms-cg.com/eurosport-arabia-selects-digital-media-services-as-exclusive-media-representative/>

of Cycling Series”, an event made of three individual, month-long competitions for cyclists. Further, the most recent partnership involves Eurosport and the Olympic Channel: starting from August 2, 2017 Olympic Channel-branded programming hours and content will be present on Eurosport and Eurosport Player, while Eurosport will be broadcast and promoted on the Olympic Channel. This partnership is of course important considering that nearly 50% of Eurosport regular schedule is dedicated to olympic sports²⁶.

Since Discovery Communications took control of Eurosport in 2014 the company strategy changed. If before Eurosport focused on broadcasting to the biggest possible audience the greatest amount of rather second tier sports (those that are not broadcast elsewhere), being diversity one of its founding values, now the company prefers to invest in sports rights that drive brand value, awareness and engagement in local markets. Such a strategy already proved to be somehow successful. For example, ratings in Norway were up double digits due to local rights for Europe League soccer and handball. In Italy advertising sales doubled since the local windows could be managed directly by the local Eurosport team, and thus adapted to local needs. However, the challenge now for Eurosport is how to remain different from local competitors while increasing the localization of its content offer. Certainly, the content that Eurosport offered in France has always been tailored to the French market. This was possible because the company is headquartered in Paris and can count there on a substantial team. Outside Paris, and even more outside Europe, the company has been present with only very small offices with employees dedicated to the sale of advertising and distribution rights.

²⁶ Discovery's Eurosport Invests in Premium, Local Sports to Boost Growth
<http://www.hollywoodreporter.com/news/discoverys-eurosport-premium-local-sports-909001>

As we can see Eurosport is a truly transnational company, trying to balance integration and local responsiveness while at the same time leveraging the local market strengths to ensure an innovation oriented international growth. In this situation knowledge transfer is fundamental. In order to successfully manage it, choices and measures in terms of organizational structure and human resource management become critical success factors. In the next section we try to understand how Eurosport is organized and manages its people.

Organizational structure and human resource management measures

Even though Eurosport has a fully international orientation, the 'Frenchness' of the company is still very deep-rooted. As already mentioned, the head-office is based in Paris and most of the people working there are French. According to the HR manager Alexandre Morenon-Conde, even though about 27 nationalities are represented in the company, employees working in their offices abroad might have the feeling that the company is too French. The organizational structure is very centralized and the diversification geographic more than product based. Indeed, the programs that Eurosport broadcasts are generally the same all over the countries with really small exceptions. However, it has to be considered that Eurosport is actually operating on multiple platforms. This characteristic and the collaboration with local and/or innovative partners – as those mentioned above – is slowly transforming the organization in a network-based entity. This allow the company to be more flexible and more easily adapt both the content offered on mobile devices and on the website as well as advertising, according to the specific users' interests and preferences in a given country. So, if we consider Eurosport globally, we can say that it is a geographically diversified company, based on a hierarchical network, which to some extent pursues also a product diversification strategy.

Within Eurosport multiculturalism is considered as an opportunity and a strength but if it is not managed properly it might lead to conflicts and misunderstandings between coworkers. This may of course affect the performance of individuals and of the whole company. In order to avoid these issues Eurosport pays attention to the integration of their new employees not only from a professional point of view but also from their familiar point of view. Indeed, the firm offers language courses and takes care of the whole family happiness and wellness. Moreover, within the company employees are regularly invited at knowing and understanding each other through a so-called intercultural communication training. The HR manager claims that 'people need to understand each other first of all, because when you work with different nationalities you have to have in mind that people sometimes might think different from you just because they come from different cultures. This is important to keep in mind and that's way we offer intercultural communication training. Then we try to make sure that our managers are also leaders able to make individuals work together as a team and moving together towards the company goals. We try to explain that teams and not only individuals are our target as HR managers'. Bearing in mind the overall company goals and stressing the importance of teamwork might lead people to overtake personal issues.

In order to strengthen the team spirit and link the headquarters with the foreign offices, all country managers gather with the managers in Paris every month. On top of that foreign offices are in daily contact with the head office in Paris. This of course not only stimulates the team spirit but is also fundamental to ensure knowledge transfer processes. Eurosport does not actually have a real policy or guidelines concerning the transfer of knowledge. However, the company is constantly looking for the best practice to communicate, in particular to make sure that communication is clear and well accepted everywhere. Indeed, it is not that simple to make the very specific business model of Eurosport as well as the strategic decisions about broadcasting schedules understandable for every employee. A lot is obviously communicated via email and this is maybe not always the best way according to the HR manager, as it is sometimes

perceived as too much of a cold tool in some countries. Also, there is no HR team in the foreign offices, which are very small. Thus, it is the HR manager in charge of the international offices that regularly travels from Paris to the foreign offices to give support and advice.

In terms of HR management Eurosport appears thus mostly to follow an ethnocentric strategy, even though it tries to take specific country habits and rules into account. Even if the company has a very French touch, it is true that in each country where Eurosport has offices the leadership style differs to be more in line with the cultural values of the host country. The company policies give however the guidelines for achieving the main corporate goals. Further, as diversity is not only a reality within Eurosport but also a value, in the HR team there is a person in charge of diversity. Eurosport has thus grown to be a company recognized for its respect for diversity. This is reflected in the equity and equality principles applied not only in the recruitment processes but also in the salary policies where for instance there are no discrepancies between men and women. This is something, which is for instance confirmed by the positive reviews on Glassdoor.

Discussion and Conclusion: Towards a transnational virtual media organization?

Along this paper, through a literature review and the Eurosport case study, we have explored which internationalization strategies and organizational features characterize a transnational media firm. Essentially this type of firms has a hierarchical division or network based organization where (1) strategic decisions are made centrally and operative ones are taken by the decentralized subsidiaries, (2) global or transnational internationalization strategies are applied according to the nature – in particular, the degree of innovativeness and of standardization – of products and/or services. Even if the trend is not defined yet, we believe though that the once global media firm is transforming into a slimmer international company embedded in a transnational virtual media organization.

A virtual organization is characterized by modular heterogeneous units, which are spatially distant from each other and cooperate with the aid of telecommunication technology (Davidow and Malone, 1993; Scholz, 1996; Picot, Reichwald and Wiegand, 1996; Gershon, 2016). An inter-organizational form of virtual organization is represented by the strategic network (Lorenzoni, 2000; Lechner, 2001), which well resembles the nature of the transnational virtual media organization. Dissolving intra- and inter-organizational firm boundaries customers' requests are assigned to the most suitable partner firm within the network in a systematic, flexible and dynamic way. The specialization of the single partner firms allows the exploitation of cost advantages and enhances flexibility (Dal Zotto, 2001; Reiss, 2001). Moreover, the collaboration with foreign local partners allows major media companies to care about cultural diversities and customers' specific local needs. According to the core competences of the partners, through cooperation the transnational virtual organization is expected to reach a general optimization of the value chain, a higher degree of innovativeness and a unified appearance towards the customers.

This network driven organizational development clearly appears in the case of Eurosport. Under these conditions concepts such as formality and centralization become less important living the place to teamwork, distributed and network leadership concepts. Fundamentals of such an inter-organizational fluidity are the anchorage to decentralization trends of the general management concept of all partner firms within the network, the adaptation of organizational members to new and challenging tasks and the use of effective telecommunication tools as knowledge transfer mechanisms (Dal Zotto, 2001). In this way a basic organizational flexibility potential is created which further allows small media firms to build up virtual size by sharing resources with the network partners and especially with the incumbent media firm. This was the case of the startup telecom company DU in the Middle East, which clearly profited from the Eurosport partnership to grow its business.

If the development of media corporations into hierarchical networks brings them to restructure and downsize (Landers, 2004), by turning to virtual organizational structures they can keep slim and exploit the concept of virtual integration: in this way independent media firms are networked into a transnational virtual media organization (Voskamp/Wittke, 1994) where strategic cooperation between the members is reached through a mixture of centralization and decentralization (see figure 1).

Extreme concepts are always risky: a complete centralization, typical of vertical integrated corporations, usually maximizes wrong decisions at the top when they should solve decentralized local problems. Similarly, a decentralized organization maximizes coordination efforts for interdependent decisions. The optimal degree of decentralization depends on the degree of innovativeness, and therefore on the bargaining power, of the small or new media firms within the virtual network. However, this cannot be defined precisely. The mostly horizontal collaborations between Eurosport and the new ventures as well as the strategic investments in local sport rights highlight the trend towards a virtualization of the company organizational structure. This appears to be a way, from an organizational and strategic point of view, to master the complexity of the dynamic and highly competitive environment in which Eurosport is operating.

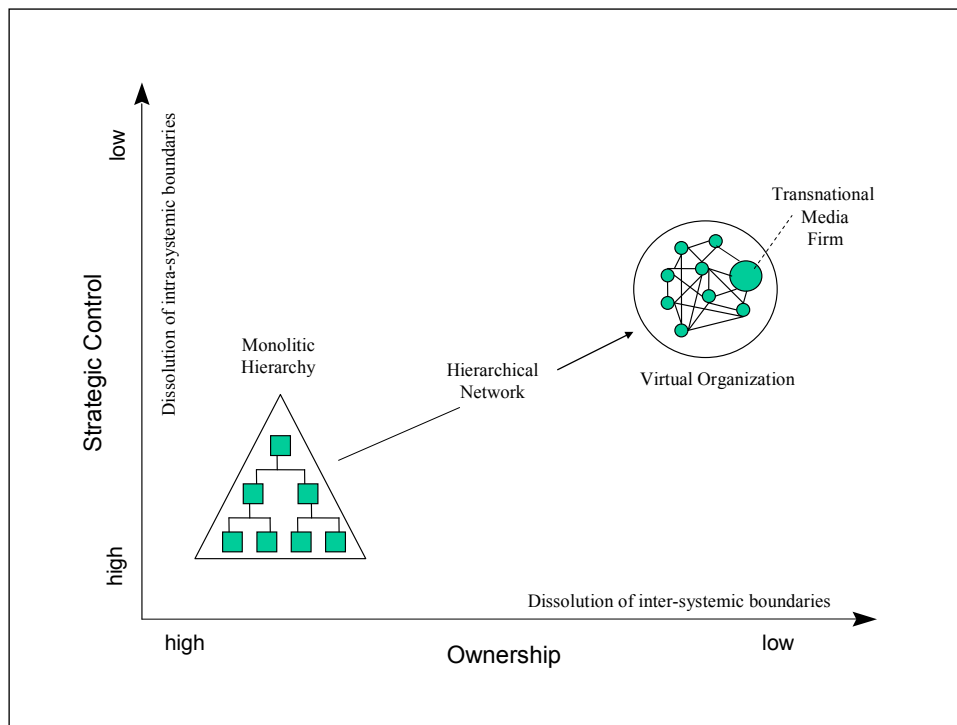


Figure 1: A configuration of the transnational virtual media organization

It is though evident that the success of such a solution depends on the human resource management measures that are put in place to support and enhance knowledge transfer mechanisms within the transnational virtual organization. The case of Eurosport highlights that cultural differences represented indeed an issue. The company showed both intentions and actions for mastering this issue by communicating to all organizational members that cultural distance is an advantage and a fundamental element of diversity, one of the core values of the company. The existence of a diversity manager, the intercultural communication training, the daily exchanges among managers at the headquarters and foreign offices as well as the integration measures for new hires well confirm this.

Furthermore, our case study confirmed our propositions. Indeed, in terms of television programs – a standardized product – the internationalization strategy followed by Eurosport is global. On the contrary, when localizing its content offer the company showed a clear

reorientation of the strategy in transnational terms. On top of that, when innovating the product offering via partnerships such as that for social video production and distribution or second screen digital options for viewers, Eurosport testified a clear intention to care about environment related diversities and leverage the strengths present in the host markets. Of course, in our case evidence about the efficiency of the international expansion strategy followed by Eurosport is missing.

We are aware that the nature of our qualitative study based on an in depth single case study has been explorative and that the paper features obvious limitations. In particular, even if Eurosport is operating through many subsidiaries and substantially investing in partnerships with local smaller and innovative firms, we cannot claim that there is a general trend of global media firms to develop towards transnational virtual network organizations. However, by shedding light into the organizational structure and human resource management practices of Eurosport, this paper succeeds in extrapolating a new organizational trend for innovative global media firms. This clearly suggests further research on this topic. A first interesting task for further research could be represented by the development of explicative case studies, which could turn our propositions concerning organizational and international strategy choices of established media firms into hypotheses. Testing these hypotheses through a wider empirical study could be a second research task seeking to confirm the new profile of the global media corporation that we have proposed in this paper.

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6 Conclusions

In the ever-changing environment in which we are living in today, companies have to face many challenges. However, this environment offers them a lot of opportunities, too. As to media firms, the digitalization and the extremely easy way to be constantly connected with multiple devices in any place had a huge impact on them. Traditional media firms had to reconsider themselves and their business models in order to survive the on-going industry and market transformations. On the other hand, new actors appeared on the stage, fighting for their space on the market, and willing to exploit what digitalization and diffused broadband infrastructures offered. Besides technology that pushed the convergence of media and IT, also the more progressively open legislative frameworks of the audio-visual sector - in particular in Europe - contributed to make crossing national borders a real option for media firms.

Within this context, both traditional and new media companies compete with players coming from other industries to attract the attention of customers in a highly globalized market. Maintaining the coherence between product and corporate strategies, so that both corporate mission and vision are respected, becomes a crucial issue. If companies succeed in this respect, then they might benefit from the trust and loyalty of their costumers. Considering this frame, we thus identified four challenges that media firms need to deal with in order to reach a sustainable competitive advantage: (1) the social network challenge; (2) the internationalisation challenge; (3) the cultural challenge and (4) the knowledge transfer challenge. We examined each one of them in the four papers collected in this doctoral thesis. Our aim was to look for a potential answer to the following research question: how can media firms achieve a successful internationalisation strategy while being faithful to their mission and vision, and thus maintaining their original brand identity and image?

Starting from the challenge that technological development – and specifically the emergence of social networks – has set for media firms, both internally and externally, we then focused on the internationalization

challenge, which is basically a consequence of an increasing digitalized and globalized environment. In particular, we looked at the aspect of cultural difference that emerges both from the point of view of consumers of media products, and that of employees of transnational media corporations. We analysed the reasons why a media firm should opt for an internationalisation of its business, how this strategy should be implemented and which are the outcomes. We examined the impact that this kind of decision has on the company and on its employees across boundaries.

By crossing national borders media companies can exploit economies of scope and scale. Moreover, by exploiting the specific characteristics of media products, companies can take advantage of the windowing and convergence process and thus distribute their products abroad (Doyle, 2002). Internationalisation might be implemented not only by locating operations abroad but also by distributing products overseas (Doyle, 2006). Through small adaptations in order to fit with local specificities and needs, the same audio-visual content can be sold abroad, for instance. However, cultural distance problems are likely to emerge, not only with regard to the language issue but rather to a deeper and ancient set of values rooted in the culture of each population (Hofstede, 1980). This is why selling cultural products in a foreign market is actually not as simple as one can think, just adjusting the language is surely not enough. This is particularly true in the case of news outlets.

This thesis contributes to the field of media management in many ways. First, it highlights the growing importance of marketing and branding activities for media firms. Due to the contextual presence of both media and non-media companies in the market, media organizations are facing an increasing competitive pressure. Trying to attract audiences and create with them long lasting relationships by the means of social networks is thus all the most important now that business models are slowly shifting their revenue sources from advertisement to subscriptions in many sectors of the industry. The thesis stresses though the fact that the use of social

networks can have both positive and negative effects, and for this reason it needs to be monitored and guided by a dedicated position such as the digital communication manager.

Second, even though media products are culture sensitive and need adaptation to be successfully exported, we found out that a certain degree of product standardization could be implemented with profit, as shown by the case of Eurosport where an effective balance between these two apparently opposite strategies makes them successfully coexist. Further, we showed that although cultural issues affect diversification strategy decisions, managerial and knowledge transfer capabilities emerge as critical factors to explain the relation between diversification strategies and transnational media company performance.

Finally, from an organizational point of view, this thesis sheds light on the organizational forms that can ensure efficient and effective knowledge transfer mechanisms within transnational media corporations, allowing them to sustain a competitive advantage. We learnt that the emerging transnational virtual network organizations, with the support of human resource management, might promote and sustain an innovative environment as in the case of Eurosport.

In the next sections, we present an overview of what we have identified as the four major challenges that transnational media corporations are facing today, as well as a summary of the thesis results with reference to those challenges.. We further discuss the complexity of managing media firms across boundaries and the limitations of our research design

6.1 Overview of the challenges

6.1.1 The social network challenge

The social network challenge has been analysed in the first paper included in this thesis. Here the importance that social networks have for

companies with marketing and branding purposes emerges. The paper further highlights that social networks might also sustain and support knowledge transfer within newly created transnational organisations (Wankel, Magala, & Magala, 2016). Companies in general and media companies in particular exploit social networks in order to gain visibility, to attract advertising, to engage and interact with consumers and build a direct long lasting relationship with them. The aim being that of making consumers become trustworthy and loyal to the brand. The reality is however rather complex, and since social networks represent a very powerful tool, they need to be managed properly. Indeed, as our paper shows, putting a person in charge of the social media activities and operations became necessary for RTS in order to guarantee its corporate credibility (Kaplan & Haenlein, 2010) and a coherent corporate communication both internally and externally. The role of digital communication manager has since then gained importance within organizations. Within media organisations, it is even more important because of their higher exposure and need of transparency and integrity.

6.1.2 The internationalization challenge

Digitalization and convergence made possible for media firms to distribute their content all over the world, potentially having a global audience. In this way companies are able to achieve economies of scale and scope by exploiting the unique characteristics of media products. However, by expanding across national boundaries, media corporations might face difficulties. Media products are very culture sensitive and product adaptation is thus pivotal to match the local tastes. Our investigation of the case of Eurosport actually shows that a proper balance between standardization and localization can be the key to implement this internationalization strategy.

6.1.3 The cultural challenge

The expansion abroad potentially leads a company to achieve economies of scale and scope, but it might also increase the transaction and coordination costs due to the fact that the organisation becomes geographically dispersed. Entering new markets allows a company to gather different and complementary human resources, thus contributing to achieve a sustainable competitive advantage. This competitive advantage can be reached only if the organization is able to properly manage the cultural differences that arise among employees, and among branches and subsidiaries, for instance by adopting integration measures and thus encouraging employees to share their knowledge and capabilities with others. In this respect our research shows that cultural distance influences diversification strategies, and managerial capabilities can act as moderating factor.

6.1.4 The knowledge transfer challenge

Since knowledge transfer appears to be critical for the success of internationalization strategies, we tried to understand how to face this fourth challenge. We found out that the organizational structure has a deep impact on knowledge transfer: hierarchical organizations are not encouraging this practice, even though, as tested with the case of Eurosport in our fourth article, including elements of flexibility might dramatically change the results. As such, an appropriate organizational structure and the support of human resource management can enhance knowledge sharing by creating a dedicated work environment where people from different cultures are integrated and able to work together to reach common goals, as the case of Eurosport stated.

6.2 Summary of results achieved within the scope of this thesis

The table below shows the results of the thesis, focusing on the main findings emerged by the analysis of the four challenges presented in this research.

	Branding with social media at RTS	Pan-European television and transnational advertising: the case of Eurosport	International diversification strategies in transnational media firms: a literature review	The role of knowledge transfer within transnational media firms
Focus	Media branding	Pan-European television & transnational advertising	Internationalization & Diversification strategies	Organization & Human resource management
Method	Case study	Case study	Literature review	Case study
Case	RTS	Eurosport	6 transnational corporations	Eurosport
Results	<ul style="list-style-type: none"> •DCM pivotal role to exploit & monitor the brand •Definition of a corporate social media strategy •Attraction of the audience to build long lasting relationship •Coaching and supervision 	<ul style="list-style-type: none"> •Technological improvements are faster than culture sensitiveness •Balance between standardization and localization •Local windows to attract advertisers 	<ul style="list-style-type: none"> •Link between diversification strategies and knowledge transfer •Geographical diversification increases the access to resources (scale and variety) •HRM to manage and develop employees 	<ul style="list-style-type: none"> •HRM to stimulate the knowledge creation •Organizational structure influences knowledge transfer •ES as example of transnational virtual network organization

Table 2: Ruseme of results

In the first article 'Branding with social media at RTS' our research questions were: 'what are the brand building activities in which RTS invests online? And what are the reasons for this choice?' In order to answer this question we examined the case of RTS. It appears that the role of the digital communication manager (DCM) is pivotal, both for media and non-media organizations. However, in the case of media outlets, and in particular newsgathering organizations, its position is even more strategic in order to exploit the potential of social networks, in terms of visibility, customers' engagement, interactivity and promotion while assuring at the

same time the respect of ethic, transparency and independence, which are some of the most important journalistic values. Thus, the DCM, by setting guidelines and policies for employees, makes sure that the company is protected both internally and externally from possible jeopardy, which might affect the corporate brand. Actually, the acceptance of the guidelines is not sufficient to raise the awareness about the risks and potentials offered by social networks. This is why the DCM acts as a coach and supervisor to instruct and advise journalists, editors and speakers in order to make them able to attract and interact with the audience assuring long lasting relationship with them. Therefore, in this case, RTS faces the social network challenge by establishing this new job position in the organization aimed at exploiting the brand and protecting the company from brand damage both from internal and external forces, in order to respect the coherence of the brand image and the corporate strategy.

The second paper 'Pan-European television and transnational advertising: the case of Eurosport' highlights that technology can break the barriers faster than culture. Indeed, as shown by the case of the pan-European television, even though technology and legislation allowed broadcasters to cross borders with their signals, the receivers across the borders were not actually attracted to foreign televisions, because of cultural distance. Despite their characteristics that make them suitable for exportation, media products are cultural goods (Doyle, 2002). As such they are not consumable (Albarran, 1996), non-excludable and non-depletable. This allows them to be reproduced limitless on different formats, taking advantage of the windowing process. In this way, thanks to the very nature of media products and to digitalization, which lowers dramatically distribution costs, media firms can achieve economies of scale and scope. However, a certain level of adaptation to local tastes is needed. In this paper, we aimed at answering the following research questions: 'how does the internationalization strategy of Eurosport match with the advertising needs of its potential international customers? And 'On what extent does the standardization of advertising in general correspond to a standardized organization of Eurosport as medium?' The case of Eurosport shows a

continuous search for balance between standardization and localization, when selling a cultural sensitive media product such as sport content. The sport network that we studied use a standardization strategy when broadcasting the television signal, whereas a localization strategy on the website and on mobile devices adapting the content to each country. Since media firms operate in a dual market, as stated by Picard (1989), it was worth analysing the advertising side of Eurosport operations: the opening to local advertisement windows between two broadcasted events increased the revenues from local advertisers. Adapting the content to the host country is thus the action taken by Eurosport to face the internationalization challenge. As mentioned above, the adaptation strategy is adopted for the local versions of the Eurosport website and on mobile devices, while the content broadcasted on television is actually almost everywhere standardized.

In the third paper, 'International diversification strategies in transnational media firms: a literature review', a relation between diversification strategies and knowledge transfer emerged. The research question concerned the impact of diversification strategies on media firms. Due to geographical diversification the size and complexity of a company increases. , The number of transactions and coordination efforts augment and, as a result, knowledge transfer mechanisms might be affected in terms of efficiency and efficacy. However, geographical diversification enables firms to acquire new resources, which might be complementary to the existing ones. Clearly, the complementarity of resources can be exploited only if knowledge is transferred, and thus if it flows within the different organizational units of the company. Within this context, human resource management is pivotal to enhance knowledge transfer practices among team members. Media organizations have to deal with cultural differences both externally and internally as not only media consumers' tastes but also employees' cultural values differ in a geographically dispersed organizational setting. The third paper of this thesis showed that media corporations can face this cultural challenge by focusing on the

development of managerial capabilities that can support knowledge transfer mechanisms and to sustain thus help sustaining a competitive advantage.

Finally, the last paper in this thesis 'The role of knowledge transfer within transnational media firms' confirms that the role of human resource management is crucial to enable and enhance knowledge transfer. The recruitment of people who are open to share their knowledge and experience with others is just one example. Language courses and intercultural communication trainings are also measures that help creating an environment favourable to sharing knowledge. The analysis of the case of Eurosport allowed answering the following research questions: 'what is the organizational impact of transnational media strategies?' and 'under which organizational conditions can transnational media strategies be successfully applied?'. The case highlighted that the organizational structure of a company deeply influences knowledge transfer mechanisms. Eurosport is operating through many subsidiaries and substantially investing in partnerships with local smaller and innovative firms. It thus appear as a hierarchical organization that, by including elements of flexibility, is developing into a transnational virtual network. The company is seeking to combine the advantages of both economies of scale and scope: expanding internationally it reaches scale while collaborating with local innovative firms it looks for innovativeness. Of course, to reach economies of scope, knowledge transfer mechanisms are fundamental, and Eurosport shows to enhance them through appropriate human resource management measures. We cannot claim that global media firms are generally developing in this direction. However, our case points out that transnational virtual network organizations, with the support of appropriate HRM measures, represent a potential solution for media corporations to deal with the knowledge transfer challenge.

6.3 Discussion of findings

This thesis highlights some of the complexities related to the management of media firms within and across national boundaries. With regard to the specific topics handled in each paper included in this thesis,

first of all we found out that branding through social media is crucial not only for communicating the brand image and identity of a firm but also to show the alignment of operations with the overall corporate strategy of the firm. Using social networks for branding purposes might lead to reputational damages for the company. This is the reason why, as we stated in this thesis, a digital community manager in charge of social media operations is pivotal in every company. Our RTS case shows that this holds especially true for news organizations, which are highly mediatically exposed both as companies and through their own employees – who sometimes are celebrities.

In the second paper, we looked at the diversification strategies that media corporations can pursue when internationalizing. The nature of media products, often characterized by high fixed costs, requires firms to look for economies of scale and scope. International expansion becomes thus a logic solution. However, difficulties might arise because with the organizational size also the managerial complexity increases. Entering foreign markets with a cultural product such as media content means dealing with the complexity of optimizing adaptation and standardization strategies as we showed in our paper. Further, dispersing operations at global level increases transaction and coordination cost, and engenders problems related to cultural differences (Su & Tsang, 2014). In the third and fourth paper, we highlighted the complexity of managing knowledge transfer processes between the headquarters and the branches, as well as the importance of human resource management to support those processes. Indeed, according to the resource base view, geographic diversification is also a great opportunity for an organization to acquire new complementary resources and thus to better sustain a competitive advantage.

This thesis thus clearly shows how Internationalisation requires efforts at multiple levels. Through social media it is possible to engage and involve consumers with the company brand, make them familiarise with new products or develop trust in new organisations at global level. On the

other side, it is also necessary to ensure the full commitment of employees to the corporate mission and strategies. Measures such as the introduction of a social media manager seem to be necessary to deal with this issue. Through their international reach, transnational media organizations have access to wider variety of competencies and resources. They can thus exploit economies of scale and scope, but at the same time they need to deal with the struggles of connecting all different branches with each other and with the headquarters. This might be very difficult. For this reason, human resource management can give a huge contribution in creating the appropriate environment within the organisation and enable transnational media firms to face the challenges of cultural distance and knowledge transfer. Recruiting and selecting appropriate employees, as well as introducing incentives, expatriate programs, performance and reward practices (Swart, Kinnie, van Rossenberg, & Yalabik, 2014) are some of the potential actions. Other measures can include socialisation initiatives, organisational culture, and the development of a common language (Schomaker & Zaheer, 2014). Certainly also the structure of the organisation has an impressive impact on knowledge transfer (Gold, Malhotra, & Segars, 2001; M Strube & Berg, 2011). A good balance between centralization and decentralisation might help the knowledge transfer mechanism (Bartlett & Ghoshal, 1989), while a certain degree of flexibility is suitable in order to guarantee a quick response (Gershon, 2000) within transnational media corporations.

Thus, our findings suggest that the internationalisation strategy is an effective option to expand the business abroad since media corporations may benefit from the characteristics of media products and their distribution features. The internationalisation of operations is however complex to realise because of the increasing transaction and coordination costs as well as the knowledge transfer issues. However, if well applied, social media and HRM instruments can give a great contribution to media organisations in developing a brand abroad and in managing a decentralised organisation, while maintaining the original brand identity and image, which is the answer to our main research question.

6.4 Limitation of research design and suggestions for further research

In this thesis we tried to fill a research gap in the field of transnational media management as demanded by Hollifield (2001) and Strube (2010). We provided in depth case study analysis and thorough reviews of literature and secondary data. However, our study remains general. Future research could narrow down topics, focusing more on distinct elements and testing them with a quantitative approach, as explicitly recommended by Hollifield (2001). Further, we focused on the audio-visual sector. Certainly, other segments of the media industry such as publishing would be worth investigating. The crucial role of knowledge transfer as well as the potential support of human resource management just emerged within this thesis. As such, these two topics would deserve a deeper study, for instance combining their investigation with an in depth study of the optimal organizational structure ensuring the sustainability of a global media organization. Last but not least, future research could also engage in measuring the impact of social media branding on media companies, for instance identifying which is the value of engaging viewers on social networks.

7 List of publications

Title	Publication/Conference
<i>Branding with social media at RTS</i>	Published in: Friedrichsen M. and Mühl-Benninghaus W. (Eds.): Handbook of Social Media Management (pp. 591-602), Springer Berlin Heidelberg, 2013.
<i>Pan-European television and transnational advertising: the case of Eurosport</i>	Extended and revised version of the paper presented at the annual conference of the European Media Management Association (EMMA) in Moscow on June, 10-11, 2011. Ready to be submitted to a journal.
<i>International diversification strategies in transnational media firms: a literature review</i>	Extended and revised version of the paper presented at the World Media Economics & Management Conference in Rio de Janeiro on May 12-16, 2014. Ready to be submitted to a journal.
<i>The role of knowledge transfer within transnational media firms</i>	Ready to be submitted to the Journal of Media Business Studies.

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9 Annexes

Lignes directrices sur l'utilisation des réseaux sociaux par les collaboratrices et collaborateurs de la RTS

Les présentes « lignes directrices » visent à déterminer quelle est l'attitude personnelle ou professionnelle la plus appropriée pour les collaborateurs de la RTS impliqués dans la production de contenus éditoriaux ou représentant la RTS de par leur fonction ou leur notoriété. A ce titre, elles s'appliquent en particulier aux journalistes, animateurs, réalisateurs et webéditeurs, ainsi qu'aux cadres.

En cas de doute sur l'utilisation des réseaux sociaux, n'hésitez pas à en référer à votre supérieur hiérarchique et/ou au responsable des relations en ligne.

Trois principes de base

Tout ce qui est publié sur les réseaux sociaux doit être considéré comme public, immédiatement partageable et donc définitif. Par ailleurs, les posts peuvent être compris comme relevant de l'activité professionnelle.

Enfin, la force de propagation « virale » des informations sur les réseaux sociaux est une opportunité formidable ; mais elle comporte aussi des risques qu'il faut maîtriser.

Comportez-vous sur les réseaux sociaux comme sur les antennes et/ou dans l'espace public en respectant trois principes de base :

- 1) Tout collaborateur de la RTS exerçant une activité journalistique ou de programmation est soumis au **devoir de réserve** dans sa prise de parole, afin de préserver son indépendance et sa crédibilité, et à travers lui celles de la RTS. C'est le cas notamment pour les sujets politiques, économiques, sportifs ou religieux. De même, il convient d'éviter les jugements de valeur intempestifs sur les autres médias, qu'ils soient concurrents ou partenaires de la RTS.
- 2) Tout collaborateur est soumis au **devoir de loyauté** vis-à-vis de son employeur (la RTS comme la SSR). Cela concerne la critique publique de l'entreprise ou l'utilisation d'informations internes ou confidentielles.
- 3) Tout collaborateur doit enfin **faire preuve de bon sens** dans l'utilisation des réseaux sociaux et avec les contenus qu'il poste, en évitant de choquer le public, de le manipuler ou encore de prêter le flanc à de mauvaises interprétations.

Vie privée et vie professionnelle

Sur les réseaux sociaux, la distinction entre la sphère privée et le domaine professionnel n'est pratiquement pas possible. Certains réseaux sociaux ne permettent pas à une même personne d'ouvrir deux comptes différents. Il n'est pas dans l'intention de la RTS de contrôler ce qui relève de la sphère privée, mais le fait est que l'usage à titre personnel des réseaux sociaux peut avoir un impact sur la crédibilité professionnelle des collaborateurs et sur l'image du média pour lequel ils travaillent.

Lorsqu'un contenu est posté à titre privé, il faut **vérifier si ce contenu peut nuire à la RTS**. En cas de doute, il est préférable de renoncer à sa publication. S'il est quand même posté, il y a lieu de préciser que cela relève de la responsabilité de son auteur et que cela ne représente pas la position de la RTS.

Lorsque c'est possible et souhaitable, il faut **créer des comptes distincts** pour bien séparer le privé du professionnel et éviter que le public associe des propos et des contenus personnels à la RTS du fait d'une qualité de collaborateur ou de cadre.

Respecter la loi, respecter les règles déontologiques et les droits d'auteur

Les réseaux sociaux ne sont pas des zones de non droit. La loi et la jurisprudence s'y appliquent avec la même rigueur que sur les antennes, de même que les règles déontologiques et les droits d'auteur (images et sons). Les collaborateurs de la RTS doivent y faire preuve de pertinence, de professionnalisme, de crédibilité et de sens des responsabilités, ainsi que le prescrit le mandat (concession) qui est conféré à la SSR et à la RTS.

Les règles déontologiques de la RTS sont suivies sur les réseaux sociaux comme sur les antennes. Les sources et les informations doivent être scrupuleusement vérifiées. De la même façon, les propos et les contenus sont vérifiés avant d'être postés ou partagés. Les rumeurs ne sont pas commentées. Les sujets sensibles ou qui peuvent porter à polémique (comme par ex. la religion, la politique, les minorités, etc.) doivent être traités avec vigilance et de manière réfléchie, dans le respect de la charte déontologique de la RTS.

Agir à visage découvert

La transparence, c'est-à-dire le fait de travailler à visage découvert, est une exigence déontologique fondamentale, qui ne souffre que de très rares exceptions (autorisées par la rédaction en chef). Cette exigence est respectée sur les réseaux sociaux également, car elle engage la crédibilité du collaborateur et l'image de la RTS. Pour cette raison, s'il s'agit d'un compte lié à l'activité professionnelle ou d'un débat qui implique la RTS, **il convient de s'identifier toujours comme collaborateur de la RTS.** En particulier les illustrations des profils des collaborateurs RTS, particulièrement sur twitter, sont concertées avec les lignes lorsqu'elles présentent, par leur décalage ou leur fantaisie, un risque de confusion ou de perte de crédibilité professionnelle.

Echanger avec le public, mais de manière professionnelle

Sur les réseaux sociaux, le ton n'est souvent pas le même qu'à l'antenne, le style est différent que sur nos sites web : plus direct, plus spontané, mais aussi plus superficiel, plus émotionnel. La vitesse de réaction et de propagation fait partie intégrante des réseaux sociaux. Tout cela n'est pas mis en cause ici. Pour autant, la RTS et ses collaborateurs doivent préserver leur crédibilité et leur réputation.

Faire preuve de professionnalisme. Le second degré, l'impulsivité ou les formules ambiguës peuvent engendrer des malentendus dommageables. La vulgarité et l'injure n'ont pas leur place sur les pages et les comptes de la RTS, ni les propos familiers. Il convient de garder avec le public une certaine distance professionnelle.

Réserver les scoops à nos propres vecteurs

Les réseaux sociaux sont des plateformes commerciales – et parfois nos propres concurrents : leurs audiences ne nous sont pas créditées. C'est pourquoi la priorité doit être accordée aux antennes et aux plateformes web et mobiles de la RTS.

En règle générale, **les scoops ne doivent pas être postés sur les réseaux sociaux avant qu'ils soient diffusés sur les vecteurs de la RTS** (radio, télévision, sites web et vecteurs mobiles). Une annonce (*teasing*) est toutefois possible.

Des exceptions à cette règle peuvent exister : c'est à la rédaction en chef concernée d'en décider.

Se méfier des mauvaises interprétations

La notion « d'ami » sur les réseaux sociaux obéit aux codes du monde numérique et demande dès lors une prudence toute particulière quant à la nature de ces liens et l'utilisation des informations auxquelles les « amis » peuvent ainsi accéder. De même, la fonction de recommandation (« like ») ne signifie pas nécessairement une adhésion aux propos postés.

De façon générale, l'accès aux contenus des réseaux sociaux n'implique pas de participer activement aux débats.

Il faut être attentif à la perception que le public peut avoir des « amis » et des recommandations.

Le cas échéant, il ne faut pas hésiter à mentionner que la présence sur les réseaux sociaux poursuit un but professionnel (recherche d'informations ou d'opinions, investigation, etc.) et que les « amis » ou les recommandations ne reflètent pas nécessairement une opinion personnelle ou celle de la RTS.

Les réseaux sociaux sont des outils, pas des jouets

En agissant en tant que journaliste sur les réseaux sociaux, on passe une sorte de contrat de confiance avec le public. Légitimement, celui-ci créditera chacun des posts comme une information vérifiée et crédible. Il risque donc de ne pas faire la différence entre une vraie information et un canular par exemple.

Il faut considérer les réseaux sociaux comme des outils de travail et comme un média à part entière.

Pour cette raison, il convient de faire preuve de la même rigueur professionnelle que sur les antennes. C'est la crédibilité de chacun qui est en jeu, ainsi que celle de la RTS.

Garder les informations internes confidentielles

Les réseaux sociaux sont des fenêtres grandes ouvertes sur la chaîne de production des contenus rédactionnels et sur la vie d'une entreprise. Il est facile de poster pendant qu'on est en reportage ou en séance de rédaction. Des informations qui seraient partagées avant même d'être vérifiées ou publiées, ou des débats internes qui seraient dévoilés et commentés pourraient nuire à la RTS.


Il convient de garder les informations internes confidentielles. C'est bien sûr le cas des échanges professionnels internes aux rédactions ainsi que de toutes les données et informations qui y sont traitées.

Plus largement, afin de préserver la RTS, il ne faut poster aucune information interne ou donnée confidentielle et chiffrée, ni contenu concernant des collègues et la « vie quotidienne » de la RTS.

Les présentes lignes directrices entrent en vigueur immédiatement.

Lausanne/Genève, le 3 décembre 2013

Le Directeur RTS



Gilles Marchand

