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THEORY AND METHODOLOGY: TRANSGRESSIVE CHANGES AND CHALLENGES

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Mediatization of the Media as Industrial Transformation

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Abstract. The article implements the idea of mediatization as a process of transformation of the mass communication industry. Nowadays, the current system of mass communication is under the pressure of digital transit, which is transgressive in nature and breaks traditional business patterns, requires business administration to make mental changes in thinking and management practices, and creates the highest level of tension among media managers. The article attempts to conceptualize (through the analysis of industrial 'points of tension': between television and online video — players of the cross-media dimension) some aspects of the digital transformation of the media industry and industrial management practices. Behind this transformation is the conflict between the digital environment generated by the relatively free development of the Internet and the purposefully organized and institutionalized state-controlled media.

Keywords: media, mediatization, media industry, media management, television, video, media measurement

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Медиатизация медиа как индустриальная трансформация

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Аннотация. В статье реализуется идея медиатизации как процесса трансформации индустрии массовой коммуникации. В настоящее время сложившаяся система массовой коммуникации находится под прессом цифрового транзита, который носит трансгрессивный характер, ломает традиционные бизнес-модели, требует от менеджмента ментальных изменений в мышлении и управленческих практиках, создает высочайший уровень напряженности среди медиаменеджеров. Предпринята попытка концептуализации (через анализ индустриальных «точек напряженности»: между телевидением и онлайн-видео, игроками кросс-медийного измерения) некоторых аспектов цифровой трансформации медиаиндустрии и индустриальных управленческих практик. В основе этой трансформации лежит конфликт между цифровой средой, порожденной относительно свободным развитием Интернета и целенаправленно организованными и институционально оформленными, контролируемыми государством средствами массовой информации.

Ключевые слова: медиа, медиатизация, медиаиндустрия, медиаменеджмент, телевидение, видео, медиаизмерения

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Articulation of issue

Mediatization, in the most general sense, is the socio-cultural effect of the spread of media [1–6]. However, the media themselves are currently in a zone of turbulence. Traditional media are losing their luster to both consumers and advertisers; new digital media, filling all communication niches, are beginning to determine the configuration of the media space and the media environment. In other words, mediatization as a process of transformational changes in culture and society under the influence of the media should also apply to the media themselves, their transformations from the point of view of the interests of individuals and society, government and business. We can agree with the researchers who claim: “One of the neglected areas of studies in terms of mediatization is ironically the media system itself. The media no doubt has changed other institution, but what about the mediatization within the media itself? The media itself has experienced a storm of changes" [7. P. 365].

The methodological complexity lies in the fact that media as a phenomenon has practically no boundaries, since everything that surrounds us can be considered by a person as a carrier of meaning, that is, media. In this regard, as a research assumption, we reduce the media ontology to the media industry.

The media industry is the most significant subject of social life, a hierarchical organization, rigidly structured by financial flows, with prescribed rules, legal norms and an established corporate culture [8. P. 31–44]. In the media industry, communication technologies (through the practices of social actors) determine both the content and the form of the existence and functioning of media; what we have denominated the 'mediatization of the media' occurs. Moreover, the very problem of 'mediatization of the media' is generated by the development of the media industry and the need to reconsider the processes taking place within the industry, its transformations, and its digital change-over.

The digital paradigm of the media industry

Media industry is the industrial production and distribution of meaningful messages aimed at making a profit. Performing the functions of the institute of culture, it works as a business structure, the purpose of which is to increase revenue by attracting a wider range of consumers (readers, listeners, viewers) [9].

Until the beginning of the XXI century, the media industry developed in the form of holdings specialising in individual segments (print press, radio, television), or in the form of conglomerates of unrelated businesses. The digital revolution has broken down the barriers between previously isolated segments and has led to fundamental changes in the development strategy of companies, has caused the need for the formation of new business models [10. P. 12–24].

First of all, the digital standard has exacerbated the problem of paying for content on the part of final consumers. It is no coincidence that the development of digital technologies and the Internet has led to a surge in such a phenomenon as piracy, which has not yet been defeated. Another important element in the 'digital paradigm' is the interactivity that the digital standard can provide. The feedback from the consumer, which the creators so dreamed of, has come true. The number of likes on a digital product has become a criterion for recognition and creative success.

Finally, the digital standard has also led to the personification of media consumption, which, in turn, caused conceptual changes in the advertising product of media companies. Commodity producers began to use new communication channels not for forming loyal consumers and branding, but for immediate sale to a targeted group of consumers.

The "digital paradigm" has set the main strategic vector in the development of business models of media companies: the consumer should receive an information product there, when and in the way that they consider more convenient for themselves; the consumer should receive the product that is individually assembled for them; the consumer will pay for the information product either directly with money, or indirectly — by consuming related advertising, producing user content, or providing information about themselves, their behavioral practices.

Today, one of the problems of the media industry is that the scale of investment is becoming more significant, and the effects are less predictable. That is remarkable because the collected data on consumers should significantly increase the predictability of the economic effects of the produced content, made according to consumer patterns, and this is not happening, at least not yet. The main reason is the rapidly changing media landscape: technological innovations create opportunities for products that require different competencies from company employees, different working rules. Transgressivity as overrunning the usual and comfortable is becoming the mental basis for survival not only for top managers of companies, but for all employees. Whoever monetizes technological breakthroughs faster gets the revenue. Changes occur so rapidly that they do not have time to develop norms, rules, values, around which a certain business order is formed. Therefore, the only criterion for their efficient use is income. This is the demand of the time, as it may seem at first glance. This is a derivative of the speed of change, the unattainability of understanding the full range of opportunities provided by technology. The accelerating speed of change in the media industry is becoming its attribute characteristic. This gives rise to two types of industrial risks, which act as mental limits that must be overcome by transgression ("possibility of the absolute impossibility" M. Blanchot).

The first: "be not in time". There is a well-known thesis "the winner takes it all" which every businessman strives to implement. Only the first one gets the highest margin income for a short period from an innovation that is instantly copied and scaled, losing its economic attractiveness. Therefore, time is one of the most important investment resources. Following the timing is becoming a central characteristic of both the organization and its employees.

The second: "make a mistake". Industrial management activity, as a process of tackling problems, has made a rapid transition from "classic chess" (2 hours for 40 moves) to "blitz" (5 minutes for the entire game). In the conditions of hard time pressure, the probability of erroneous decisions increases at almost all levels of business functioning. It is no coincidence that people are increasingly talking about the emotional burnout of people engaged in business. The time pressure, multiplied by the responsibility of the decision, creates an enormous psychological stress.

Business models: Competition and mediation

The modern media industry operates in a rather complex market structure [2. P. 186–194]. Companies are forced to compete in three main areas: for high-quality content (the market of authors), for the audience (the market of consumers) and for advertising budgets (the market of advertisers). This is the most general conception. Let us try to take the point further. Take as an example the video segment, which includes both traditional linear television and video distributed via various digital media. The "struggle" between television and video for the audience attention and the money of advertisers, which broke out in Russia in the 2010s, and a little earlier in the United States and Europe, is not only a field of confrontation, but also a space illustrating the main industrial conflict between the media, generated by the relatively free development of the Internet, the digital environment and purposefully organized and institutionalized state-controlled media.

Let us imagine that a commodity producer (advertiser) of a certain brand has invested a certain amount of money in advertising of its products. Who can claim this money?

First of all, the content producers or its copyright holders. One of the main assets of media companies is content that allows them to accumulate an audience for sale to advertisers or directly receive a fee for consumption. It should be taken into account that this refers to the potential audience, which is predicted by industrial researchers. At the same time, a forecast both for the model when the consumer pays for the content itself (subscription model), and in the case when the advertiser invests (advertising model) is needed.

Next in line are TV channels — broadcasters. In traditional television advertising (placed in linear television programs), TV channels remain the main beneficiaries. According to the Association of Communication Agencies of Russia (ACAR), in 2020, advertisers spent 169 billion rubles on advertising on traditional television, and 20.8 billion rubles on online video (Stream+VOD).

In this industrial segment (television advertising), the list could be finished. However, the digital environment has made it possible to place video advertisements on both desktop computers and mobile digital devices. This has led to the emergence of new players claiming money from advertisers or directly from consumers (subscription model). These include providers that provide traffic to final consumers and have their own information resources (access to websites, IP addresses). These should also include content delivery providers (CDP) that optimize traffic, deliver content to those points that are closest to consumers. As a result, the speed of access to the global network increases.

OTT services — hosting companies, digital cinemas, portals, social platforms, and distributors — have become relatively new intermediaries. In addition, software developers and device manufacturers claim an interest.

The presence of a large number of intermediaries has created a problem of business transparency. Occasionally there are heated discussions around the data of various studies that are aimed either at proving the 'integrity' of business processes in video advertising, or at proving the presence of fraudulent schemes in this segment of the media business.

The Internet is a communication environment that completely differs from the one created by the mass media of the recent past. It provides users with the opportunity to receive only what they want to receive. By individualized media consumption, media production becomes personalized, and the model of advertising financing for content production collapses, since it was built, as a rule, on outreach models. This leads to a shift of emphasis in business. A large number of alternative business models rely primarily on audience loyalty. Business models turn on the intersection of audience loyalty and money (targeted models), rather than content and inventory (outreach-frequency models). Creating a set of personalized audience that can be effectively monetized is the main task of media holdings.

In the context of these arguments, the situation that is developing around the audience measurement system is one of the vivid examples of the conflict of the digital transformation of the media industry.

Search for a single currency

The media industry considers measurement results as a currency that allows building commodity-money relations between advertisers and communication channels [11]. However, the measurement system has broader sociocultural consequences. The metric setting of the measuring “barometer” implicates focusing management’s attention on the indicators of commercial efficiency, which may differ from the principles of functioning of responsible and independent mass media. Now it is difficult to suppose what changes in the functioning of television as a cultural, political, and economic phenomenon will be caused by a measurement system that will record the consumption of video content on all media, regardless of the time and place of consumption. However, there is great doubt about the possibility of its creation. It is complex in nature, moreover, it affects the interests of almost all market players, which is a bad basis for consolidated decisions, which are vital.

As soon as we move beyond the traditional TV, many questions arise, starting with: what is a viewer? The mantra of television measurements — “being in a room with the TV on”, as an attribute characteristic of a viewer in the electronic measurement system — has always raised questions among data users. With the emerging of various screens, it can no longer claim to be an essential characteristic of a viewer of TV or video content.

In addition to the complexities of technological nature, the development of legal defense of personal data, which significantly complicates the entire work of measuring the audience, market players have different, almost incompatible interests. The main stakeholders in audience measurement are TV channel owners, advertising agencies that use the data, and advertisers who primarily fund research. The main role here is played by broadcasters, whose opinion determines the main decisions of the industrial committee. However, digital technologies have changed the media landscape, considerably shaking the leading position of television, which has lost a substantial part of the young audience and, as a result, advertising budgets. It appears that the dominance of television channels, as the main subjects of the transformation of the entire media industry, is gradually becoming outdated.

Perhaps the most interested and neutral in relation to various technological innovations are advertisers. Their needs are clear: they need a technology that would cover all media, make it easy to assess the effectiveness of a particular communication channel, however, they are unable to build such a system independently — this is not their profile activity.

That is, there is a situation where those who are most interested in creating a measurement system that answers the questions "how much?" or "how many?" for any content and distribution channel do not have the necessary resources, sufficient competencies, and authoritative unity to give this system an industrial character. However, those who can do this are not interested in it.

However, nowadays, the situation of confrontation between various market players on the issue of cross-media measurements has sharply escalated. Large multinational advertisers represented by the World Federation of Advertisers (WFA) have entered into an alliance with the leading technological platforms — Google and Facebook, and in 2021 launched a pilot version of the cross-media measurement Origin in the United States and the United Kingdom. The project was based on an artificial intelligence system, which is trained on recorded video consumption practices and calibrated by a panel of television measurements [12. P. 97–101]. The response of broadcasters to the proposed system was moderately critical. The proposed system does not suppose the development and compliance with industry-defined standards, which is typical of the current measurement system, but looks like a "black box", the key to which is in the hands of digital platforms. In this system, there is no place for an industrial committee, as well as there are no conditions for consolidated discussions and decisions. At present, it is difficult to imagine how events will develop; there is still no answer to the main question — will the measurement system proposed by technological platforms become an industrial currency? One thing is certain. The Origin project required active action from one of the leaders in traditional TV audience measurement — research company Nielsen, which in late 2020 announced the launch of a single cross-media panel. Nielsen ONE is planning to offer the market an independent, standardized currency that all players can trust. The pilot launch is scheduled for the fourth quarter of 2022, and the full transition to the new metrics should be completed by the autumn of 2024.

It is conceivable that in the context of multiplicity of market participants and their constant diversification, it is hardly possible to create a system of "fair" division of money, and this is what the system of audience measurement of various communication channels is primarily designed for. The diversity of media consumption hardly implies uniformity in its measurement. The desire for this is understandable, but it contradicts the whole logic of the digital transformation of the media industry that is of a transgressive nature, which means requiring management to constantly go beyond the established concepts and mental schemes, as well as to break everything usual and traditional.

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