Contents as Products in Media Markets

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Media products usually comprise two components: a nonmaterial element (journalistic, fiction, persuasive, etc., called content) and a material element (whereby the content is distributed and made accessible to consumers, typically referred to as a platform). While both components function in tandem in the market as regards meeting needs, consumer demand is primarily linked to content; the role of communication or transmission platforms is secondary in this regard, although they may be crucial to such concerns as accessibility (Murphy 2011; Chun 2006).

Hence, the distinguishing feature of media products as such is their capacity to meet the needs and satisfy the desires of potential consumers by providing information, persuasive communication, and entertainment contents. The material elements can influence what kinds of content can be offered and what demand can be fulfilled, but they do not create a demand per se that would be independent from the contents.

Based on this premise, the distinctive nature of media contents may be defined in relation to a set of key concepts that distinguish such contents from other products. On the one hand, these characteristics relate to the status of media products as economic goods, and on the other, such features stem from the special social and cultural significance of media products (Bates 1988).

This chapter addresses media products as economic goods made available in the media market, wherein the management of such products is based on their distinctive nature. Thereafter, the conditions that shape innovation and the production of high-quality contents are explored. Finally, the relationship between contents and target audiences is analyzed because the latter are imbricated (arranged in an

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overlapping structure) in content management, and this is characteristic of such products from their very beginning.

14.1 Media Contents as Special Products

In light of the two dimensions of media contents cited above, their functioning as information goods, dual (multiple) goods, and talent goods is outlined below.

14.1.1 Information Goods

Media contents are information goods; as such, they share a set of characteristics that are inherent to their nature (Shapiro & Varian, 1999). First, given that their quality and usefulness may only be assessed once they have been consumed, to one degree or another, information goods are experience goods (Nelson, 1970). Hence, the primary objective of media product management in many cases is to gain the client's trust through the experience of an accurate perception of value (for money), which is reinforced or altered over time through a process of continuous learning based on cumulative experiences. Moreover, many media contents also function as credence goods because consumers may find it difficult to assess their degree of quality relative to what they are looking for, and this uncertainty can persist even after consumption of the product (Darby & Karni, 1973).

Second, information goods are subject to economies of scale and economies of scope. These phenomena are related to the normal structure of costs for the production of these contents, characterized by high fixed costs for the initial production of the first copy and low variable costs (in some cases, almost zero) for reproduction. As Doyle observes (2002), this cost structure ensures that marginal costs fall in inverse proportion to the number of units consumed (the basis of economies of scale) and at the same time enables significant savings in multiproduct commercialization strategies and in resale activities for a single product in a variety of formats (the key to economies of scope).

Finally, information goods share to various degrees qualities that are commonly found in public goods, describing goods that depend on the twin characteristics of being both nonrival and nonexclusive in consumption. As far as media is concerned, there are a number of ways to face rivalry and exclusiveness. While free-to-air television and radio have traditionally been regarded as emblematic public goods, the newspaper, music, and cinema industries share many of the defining features of private goods. The traits mean that consumption of the good by one person doesn't prevent consumption also by another (nonrival), and the good is not inherently private (i.e., exclusive).

14.1.2 Multiple Purpose Goods

One of the key characteristics of contents as products is the number and variety of uses to which they may give rise. Hence, it has become common to refer to such contents as multiple purpose goods because they comprise two complementary products targeting two different markets at the same time: contents for audiences and the attention-time of audiences for advertisers (Picard, 1989).

Decision-making in media management must effectively address both the "content product" and the "audience product" (Napoli, 2001), taking into account that each involves specific strategies as regards product design and quality, as well as price, distribution, and promotion. One of the integral criteria of such products in terms of advertising reception and usefulness is their status as attention goods. The media compete in an "attention economy" (Goldhaber, 1997; Lanham, 2006) where variables including consumption time, repetition, and (in)compatibility with other forms of consumption all play a role (Aigrain, 1997).

However, besides the two basic dimensions of most media products (contents for audiences and the attention-time of audiences for advertisers), which imply they be described as dual goods, there is a third dimension that should not be overlooked. This dimension accounts in large part for debates about public intervention in the media sector. To a significant degree, media products have a third target audience: society as a whole. This is especially important for considerations about media effects, or externalities, that can be for good (e.g., promoting greater tolerance) or ill (e.g., promoting violent behaviors).

Thus, media contents are cultural goods—the symbolic products of human creativity. As such, media content pertains to what has come to be known, under varied formulations, as the culture industries. The sociocultural value of media products should not be ignored, which can happen with an exclusive focus on their economic value. Media contents such as films and musical recordings comprise part of the cultural heritage of a society insofar as they have a direct impact on shaping social identities—although how and to which extent certainly vary—and are subject to debate. As regards the information media at the other end of the spectrum (perhaps), the quantity, quality, and variety of information made available may affect the sociopolitical framework of the community in which it is published or broadcast (Picard, 2000). For example, news coverage impacts political election campaigns and results.

The cultural dimension of media products, which is bound up with their potential management as public economic goods, has been used to a significant extent to justify state intervention in the sector, either through ownership or concrete regulations that affect these markets.

In light of the ideas set out above, most media products may be regarded as being multiple by nature—that is, given the number and variety of uses to which they may be put by a multiplicity of clients and target audiences, both individual and collective, they are more than simply *dual* goods.

14.1.3 Talent Goods

The cultural dimension of media content further suggests that they be conceived and assessed as talent goods. Imagination, creativity, and talent are indispensable for the success of media contents, in some cases because of the potential of "star power" to generate extraordinary flows of attention and in other cases because particular teams of professionals succeed in pooling their skills and abilities to produce truly valuable contents in competitive terms. That can happen in sporadically or in a more consistent way over time. In this regard, media contents fulfill the requirements to consider them as creative products. This was defined by Caves (2000: vii) as "the product or service that contains a substantial component of artistic or creative endeavor."

A hallmark of the creative product is a comparatively high degree of unpredictability in market behavior, either in terms of demand (uncertainty as regards the consumption of experience goods as such) or the offer (whereby the reasons for success or failure may not be clear either before or after it takes place)—and, indeed, both. In conjunction with the need to take on high fixed costs, many of which may be unrecoverable, such unpredictability involves a very significant rate of financial risk. At the same time, unlike what may be standard practice in other fields of activity, creative workers are heavily invested in the extent to which they personally care about what they produce. Their "creative inputs" must be internally coordinated within complex work teams, whose members cannot be easily replaced, and must be combined effectively with "humdrum inputs" such as commercialization actions, for instance. Makers of media content typically take the role seriously in terms of its role on professional identity and in terms of its reception and perception among other makers and audiences alike. Factors that may play an important role in the management of media contents when framed as talent goods include market behaviors associated with the so-called economics of superstars (Adler, 1985; McDonald, 1988; Rosen, 1981) and forms of individual brand management linked to "ingredient brands" (Norris, 1992; Venkatesh & Mahajan, 1997).

The specific features of contents as products outlined above mean that media management is a complex process because many of the factors by which the quality and value are assessed will be difficult to measure and because it is also difficult to select the basic and essential resources—above all, talent—in a sector where there is often an (over)abundance of creative pitches and proposals.

To excel in media management, given the relationship with such unique products, companies must practice prudential decision-making at the crossroads between art and commerce, between the creativity of individuals and teams and the firm's corporate financial resources, and between meeting specific audiences' wishes and dealing with both advertiser preferences and society needs in the general interest.

The next two sections discuss how these crossroads are manifested in the management of two key aspects for the success of businesses focused on contents:

one internal, that is, the management of product quality and innovation, and one external, that is, managing relationships with audiences.

14.2 Contents, Quality, and Innovation

Quality is a relative concept because it depends on objective and subjective differences between given contents and the range of other products available. Hence, quality always relates to particular situation at a specific time in a given market context. Indicators (objective standards and the data that measure public perception) reflect the *relative* position of a product or service, which is only known in comparison with equivalent goods produced by rival companies, rather than on some hypothetical, ideal, or theoretically perfect alternative.

In some cases, the link between the objective and subjective aspects of quality emerge in a natural and immediate way: no persuasive process is required to convince consumers that a comfortable, well-furnished mansion is of higher quality than a cold and leaky shack. However, the quality of intangible goods is not nearly as easy to identify: what is the best book, song, or movie of the last decade? The answer will depend on the preferences and backgrounds of each person answering and on the experience they had in consuming the product at a particular time and specific place for each of them.

Framing media products as highly complex goods has a direct bearing on the assessment of the level of quality achieved by the product or range of products that media management decides to offer an audience. As Nieto and Iglesias (2000: 137) pointed out, content quality is a "sum of qualities," many of which are difficult to assess. The fact that media products are basically experience goods and talent goods, whose value is intangible and which encompass a significant creative dimension, renders this issue especially problematic for managers in media industries.

The assessment of content quality ought to at least encompass the following dimensions in a coherent way: objective quality standards (as loosely defined by media professionals: journalists, screenwriters, film directors etc.), subjective quality criteria (the degree to which needs are said to be met and expectations satisfied for particular audiences), and what may be referred to as aspects of social quality (the ways in which such products fulfill symbolic, cultural, political, and social purposes that are regarded as beneficial to and for democratic societies). The inherent difficulty of aligning these three dimensions of quality in a harmonious way, in response to their dependence on experience or trust, results in a spectrum of judgments that range from "Nobody knows" to "I know it when I see it." Thus, it should come as no surprise that products scoring high on objective quality standards sometimes lose out in the market to other, simpler contents that make fewer cultural demands on an audience (Costera, 2005; Ginsburgh & Weyers, 1999).

The quality of media contents is also continually evolving and may be consolidated over time, establishing consumer loyalty behaviors. Habits are formed by repeated acts of consumption that are persistently gratifying—or at least satisfying enough. A particular product may be tried for the first time out of curiosity, on the basis of an effective advertising campaign, or because no more appealing alternative is apparent or available in the market. The endeavor to ensure that the initial reception is eventually consolidated requires media managers to work at molding audience preferences. Only if the audience is "educated," when the public is made to feel comfortable in a particular situation or with a given brand, can a company succeed in establishing an entry barrier to other firms that strengthens its own position in the market. This can mean it not only captures potential clients or customers but also may unseat rival companies in the sector due to the influence it exerts on consumer preferences (Hasebrink, 2011).

Next, then, we will explore quality as the architect of identity, the costs of quality, and the interrelationship between quality and talent in greater detail.

14.2.1 Quality and Identity

In addition to its subjective and objective dimensions, product quality for media content also encompasses a third condition: the construction of an attractive and clearly differentiated identity among competitive alternatives. Growing competition generates noise in the market and creates uncertainty among consumers, who may not know which product to choose or how to distinguish between one offer and another. In this regard, every media outlet needs to have a clearly defined brand identity, which is linked to a well-grounded editorial agenda and communicates a set of instantly recognizable values. As we have explained, media contents are experience goods; as a result, they need credibility to survive.

In a market where there is an overwhelming supply of products, with low entry barriers (especially in relation to creative processes required for their production) and significant volatility in demand, the need for a strong brand identity is becoming more important all the time. That is vital for diverse reasons: to offer a range of different contents as part of a single, coherent brand identity; to create a brand that is continually renewed over time but retains significant values and associations within the market; and to ensure a brand that establishes professional and creative quality norms and sets a standard of public significance, thus facilitating consumer decisions regarding purchase and/or attention.

Brand identity is identified with the company's corporate mission, which grants the organization both a sense of continuity and a capacity for change (Aris & Bughin, 2005; Bogart, 2004). Stability is important because without a fixed point of reference, a company may easily lose its way. Any weakening of identity may give rise to erratic behavior, i.e., one step forward may lead to two steps back and before long the company may be falling far short of the original goal it set when starting out. To all intents and purposes, this risk disappears if company managers base decision-making on clearly established editorial principles (broadly construed, i.e., not restricted only to news content, but certainly especially pertinent there).

The corporate mission also enables a sense of dynamism within the company, since innovation is required if long-term goals are to be met. Internal circumstances (changes in a company's strengths and/or weaknesses) as well as external conditions (emerging opportunities and/or threats in the market) may render what was once regarded as effective and suitable, at a particular point in time to be now outdated and in need of revitalization. Moreover, the corporate mission is comprised of a combination of fixed principles (a particular view of the human being, a set of professional standards, a number of underlying ideas) and other, more variable considerations (market structure, public taste, broader international or domestic developments). Without a well-grounded editorial program that articulates more than merely generic or ornamental statements of good or "politically correct" intention, the company may become paralyzed or unable to change—or even to act. To supply innovative contents, thereby meeting emerging demands from the audience, the company must face challenges head-on and be prepared to leave its comfort zone. It is easier to undertake such a risk for the sake of a particular project that both guides and fosters progress, rather than simply set success itself as the only goal.

To a significant extent, strategies of content imitation stem from the fact that some companies fail to find new ways forward because they do not know where they want to go. This especially happens when their sole concern is not to fall behind or to end up in a cul-de-sac, off the beaten track. However, imitation is often a trap: the strategies that work for some companies may lead to stagnation in other organizations that are limited to merely copying the moves made by the former. It is also possible that the strategy and brand may not be appropriate to either the competencies or the position another firm has enjoyed in the market. On the other hand, in some cases, imitation may make good economic sense because companies are able to save on the costs for R&D, launch products and formats that are already successful in several markets, and realize profits from investment in innovation already accomplished by competitors.

14.2.2 Quality and Talent

There are two "brakes" on quality, the first of which is intangible. A lack of talent, of motivated professionals, and of a spirit of teamwork and a culture that promotes both excellence and innovation comprise one significant brake. The second limiting factor relates to the financial resources available to a firm because many forms of progress are "capital intensive"—that is, significant investment is required to bring about the expected results (Berry & Waldfogel, 2010).

The intangible "brake" on further development lies in the difficulty in building teams of outstanding professionals. The margin of error in this regard is almost unlimited, covering the selection and training of employees, a poor use of tools which, in turn, compromises professional teamwork, as well as policies relating to hiring and firing. Deficiencies in any of these fields tend to produce disenchantment among professionals as regards the companies for which they work, prompting them to write and speak to the interests of management personnel (what the managers want to hear) rather than consider how their work may have a positive or negative impact on the public. Given a workplace dynamic of this kind, innovative change and progress become impossible.

In part at least, the second "brake" is linked to the first: companies may mistakenly hire mediocre employees who have neither appropriate principles nor a particularly refined capacity for storytelling. This situation tends to occur in situations where the preeminent concern is to keep salaries low, rather than as a result of poor employee selection procedures (Martin, 2006).

In sum, then, it should be clear that quality does not come cheaply in media products. It requires the use of a lot of resources (more resources than those used by competitors offering a lower-quality product) and of many types in the hope that such investment may be recovered in the long term, at least. A generous budget enables companies to recruit good employees, to reach beneficial agreements with the best suppliers and distributors, to access the best production tools, and to devise a wide range of different products and/or services to meet the needs and preferences of every consumer group. But it is also safe to say that big budget productions have routinely failed, as well (Picard, 2011). Again, then, the unpredictable nature of media markets, competition, and product performance are particular to media industries—and their management.

The latter aspect is crucial for three reasons: first, the production systems are more flexible, and therefore the cost of implementing variations in each model or prototype is lowered. Second, rival companies endeavor to expand their presence in the market by seeking out less adequately covered market niches, and thus offering a very generic range may involve a major risk in terms of lost sales. Finally, the audience is now accustomed to making its own decisions in consumer choices and, as a consequence, a limited range of options may lead to rejection.

Every rule has relevant exceptions: sometimes, extraordinary talents are able to produce a blockbuster with a small budget. This is the case of "The Blair Witch Project," "Paranormal Activity," or "Super Size Me": all of them spent less than 100,000 dollars and got earnings of more than 30 million dollars. Similar cases can be found in music, television production, or publishing industries.

14.2.3 Quality and Competition

In practice, a balance tends to be struck within the market between the number of competitors and the range of products and/or services on offer. The destruction of competition in media industries is contrary to the public interest because an unregulated monopoly generally leads to an abusive pricing system while also severely limiting incentives that may favor innovation. But it is equally contrary to the public interest to see the emergence of too many competing companies in these industries: if the market becomes too fragmented, the gaps for companies to potentially exploit may be reduced, leading to an increase in prices because of the higher unit cost of production and stifling the drive to innovate. Here again the concept of media contents as special products is implied: for the most part, media products are public goods characterized by a nonexclusive consumption.

Balance in the range on offer is related to how well audience preferences are met. But this must be measured against the fact that too many offers will exceed the potential for a sufficiency of consumers, which results in a loss of productivity. The counterweight of greatest production efficiency is keyed to cost savings realized by producing a generic product for many consumers. This may fail to satisfy the needs of a large part of the public, however, thus both lowering the rate of consumption and undermining entry barriers that prevent or inhibit new competitors.

In this regard, an historical analysis of what a specific company has done in the past, and what other similar organizations have done previously, may disclose very useful insights into what future commitments should be made (Gershon, 1997). Managers and administrators must strike a successful balance between the variety of products and/or services they make available and the need for production efficiency. Internal corporate debates often center on disputes between those who favor supporting consumer preferences and those pressing for greater cost savings.

The factors cited above (technological development, an increase in competition, and a more ingrained habit of choice among consumers) have an extraordinary impact in all media today—print, audiovisual, and interactive. In particular, technology has fostered high levels of specialization and segmentation in communications media, giving rise to what might be referred to (in terms of theoretical possibility at least) as the “Daily Me” or “Personal TV.” In fact, limitations on the range of products or services on offer in many fields are now solely economic in nature. As noted above, excessive personalization might place too high a cost burden on many users.

Here it is useful to consider three stages in the process of innovation: (1) identify potential improvements or advances in products and services, often based on the development of new technologies and knowledge; (2) discover whether such changes are of interest to the public, how and to what extent; and (3) devise a business model that would (as much as possible) guarantee that making such change is sustainable (Rao, 2009). Given that quality is a relative concept, the lack of innovation marks a step backward because it weakens a company’s position in relation to its competitors and gives rise to dissatisfaction among consumers whose demands and preferences are subject to ongoing change (the two are correlated, obviously). Thus, to maintain and reinforce its competitive edge, the media company must avail its self of the services of many alert professionals who are capable of discerning opportunities for continuous improvement that may be enacted via actions designed to meet the needs of the audience. These professionals may be in-house employees or specialists contracted on some basis from the wider market of service providers.

The decisions taken may also be inspired by some notable activity among outstanding professionals in a field. Professionals in every field explore the newest possibilities afforded by technological and scientific developments, by what other firms and sectors in the industry (and adjacent industries) are doing, and by listening to the advice and suggestions of consultants and experts. However, the most effective way of bringing about significant innovation is to listen carefully to, and strive to understand, the public as people express their thoughts, desires, and preferences by many and varied means. It is vital for media managers these days to be cognizant of social and cultural change, able to trace implicit demands, competent to interpret consumer decisions, and capable to address the causes of success and failure in their firms and industries.

In summary, it is extremely difficult to ensure efficient quality control systems in and for media industries. The best way to foster quality is to build up excellent teams, to ensure a culture of innovation, and to allow some "waste" and failure because that is necessary to explore and discover new territories. For this reason, the management of media companies is particularly challenging; such work requires more creativity than technical knowledge, although the later is also important.

14.3 Audience Products

The most important aspect of media management is to manage audience reach (quantitative) and public satisfaction (qualitative). This means that decision-making in media companies is determined by considerations of and about audiences. However, media are interested in audience as a measurable entity, not for altruistic reasons. They are dependent on the "audience product." The values supplied by the media are not primarily designed to meet audience needs or satisfy public demands, but rather to hone their competitive edge in relation to competitor. Media companies must produce high-quality content not only to achieve audience ratings but also to engage audience attention. In the emerging digital media markets, how media products can become more interactive, how the attention of publics may be engaged, and how audience satisfactions may be measured have become key issues for media managers and all of that needs to be understood in this light.

14.3.1 Audience Participation

The availability of digital broadband presents telecommunications operators with new business opportunities, as well as other suppliers outside the industry who have expanded their business into the booming media sector. Media companies are no longer the only providers of content. Users have begun to play an increasingly significant role in content development—as evident in the Web 2.0 model (Davidson & Rees-Mogg, 1997; Shapiro, 1999). User-generated contents receive high viewer ratings on global online platforms such as YouTube. New technologies have given individual citizens the status of coeditors involved with shaping public opinion via blogs, chats, online communities, and instant messaging. Neither the traditional media nor politicians can afford to turn a blind eye to this shifting influence.

The potential for personalization enabled by new technologies may lead to the paradox described by Carlson (2006). While the new media grants users the power to enjoy media contents when and as they choose (see also Albarran, 2010) and to avoid advertising, such technologies also enable the collection of valuable audience-related data of great interest to content providers and advertisers, such as demographic information and viewer preferences, that facilitates a more targeted form of advertising.

Online media products are characterized by peer collaboration, transparency, audience participation, segmentation, and globalization (Kozinets, 2006; Tapscott & Williams, 2006). Some of these features are complementary to traditional media, and therefore they may enrich their potential. Siapera (2004: 164) believes the Internet brings to the media the possibility to control fans' activity, ascertain their preferences and promote the creation of communities, thereby strengthening audience loyalty to the media. Of course this causal link is not certain and there is a lot that can go wrong. Again, as already discussed, media goods and their performance in markets are characterized by high uncertainty.

Digital media audiences tend to be more passionate and engaged: they do not simply enjoy what they like by themselves; they typically share it with others (Newman, 2012). Hence, communities that are based on shared interests, tastes, and knowledge have emerged and proliferated. At the same time, the evaluation of contents continues to rest mainly on popularity—in general, a spontaneous form of popularity—which media managers may find difficult to either plan for or predict. In the new media scenario, it seems necessary to develop efficient tools to know and understand audience behaviors and interests.

14.3.2 Engaging the Audience

Media audiences are defined on a scale of quantitative parameters that advertisers use to budget their investments. These are based on viewer ratings, shares, and circulation measures. Media managers are keenly aware that users have a variety of tastes, feelings and critical perspectives as regards different media products. The critical attitude among many in the audience today is especially acute in relation to contents for which they have to pay. Audiences that pay, known in commercial circles as subscribers, tend to pay only for contents they regard as indispensable (Herrero, 2003; Picard, 2011).

Pay-per-view media make available a wide range of consumer options and foster user evaluation and personalization of the contents on offer. Users can pay to view the basic package, select specific contents, or pay to access exclusive contents. Pay-per-view options grant the subscriber a decisive role in establishing which contents ought to be offered and which withdrawn. The later especially happens when few users express a willingness to pay for the offer. The pay-per-view model facilitates an almost perfect match between supply and demand, at least in theory, taking into account the tastes and needs of subscribers.

For media companies in many cases and types, the meeting point with consumers, a key location for all companies in the service sector, is not a physical space where direct interaction takes place. This can happen, for example, when a radio or TV channel is broadcasting from a remote location or at the head sales office of a book publisher. But for many media, and media products, ratings figures amount to an implicit, indirect form of contact, wherein the role of users tends to be minimized. This tends to be problematic, however, as insightful discussed by Ien Ang (1991) in a seminal volume titled *Desperately Seeking the Audience*.

Westerlund, Rajala, and Leminen (2011) highlighted two aspects of the new digital business model: the revenue paradigm and customer-driven strategy, both of which foreground the role of the audience. The transformation of business practice brought about by new technologies has prompted a shift from something-for-everyone to everything-for-selected media consumers—that is, spectacular growth in specialized and personalized contents that respond to particular consumer profiles. The internal structure of media companies has likewise been transformed (or is being, depending on context) by this radical change, leading to a focus on market research and on building new organizational capabilities and operational skills. The company-driven or competitor-driven strategies approach that shaped media operations for many years is being replaced by customer-driven strategies. This shift also requires business organizations to be more versatile and adaptive than historically characteristic (Sánchez, 1995).

In addition to allowing users to choose their favorite programs or channels, the type of interactivity enabled by new media technologies fosters what Bordewijk and van Kaam (1986) referred to as interactivity of register, which denotes the media's capacity to register user information and to adapt or respond to user needs. Prahalad and Ramaswamy (2000) draw a distinction between "customization," a production strategy whose purpose is to meet the needs of a particular client, and "personalization," in which the client is a cocreator or the content (s)he uses. Digital media are significant here because of their capacity to foster a more active attitude to and engagement with contents among users. By means of technologies integrated into a platform, rather than external devices such as mobile telephones or the Internet, the audience can take part not only in content creation but also in its evaluation.

Online digital media also enable new and richer data to be collected (Napoli, 2011). Although the Internet is still a comparatively new media and its audience-measurement tools are not yet fully developed, it is clear that far more than only the number of users or the amount of time spent on a given website can be quantified. Analysis can reveal where users come from, what they like, how they behave, and when they make choices. Thus, the Internet provides more detailed knowledge of the audience.

In the new digital media context, profitability is more closely related to nearness, identification, satisfaction, entertainment experience, and branding than to mass audiences and large revenues. A number of scholars have used the term "social capital" (Burt, 2005) in this regard, described as "the benefits individuals derive from their social relationships and interactions: resources such as emotional support, exposure to diverse ideas, and access to non-redundant information" (Ellison, Steinfield, & Lampe, 2010: 873). However, social capital is very difficult to monetize, even among users. Rather than revenues, social media provide media companies with traffic to their sites and information about how people are thinking and responding to products. This depends on the degrees to which media firms are able to capture the data, analyze it, and do something useful in response. This indicates a range of new challenges and also opportunities for media managers. Engagement and branding, closely related to identity ant talent, would appear to be the most valuable benefits to be monetized; some say these are the real social capital (Doyle, 2010).

14.3.3 Audience Satisfaction

The audience does not simply consume media contents: implicitly or explicitly, the public acknowledges the value of such contents as information goods insofar as they add to their knowledge and/or meet their expectations. If contents succeed in holding the public's attention, audience satisfaction can increase. However, establishing a yardstick against which such satisfaction may be measured is not a straightforward task in media management.

In 1995, the annual report issued by AEDEMO (the Spanish Association of Market, Marketing and Opinion Research) included an assessment scale devised to optimize program scheduling in audience satisfaction terms. This was based on viewer predictions in relation to programming (see Pascual & Navia, 1995). To ensure that these predictions are accurate, the assumption was that every individual is watching what (s)he likes in any given moment—the so-called coefficient of coherence. Further research disclosed that this was not in fact the case, and so researchers began to ask why viewers don't always consume the content they might like most. The reasons for this apparent contradiction are many and various and often lie beyond the control of media managers. For instance, the consumer's choice may depend on someone other than the individual viewer; viewers may be unaware of other, more appealing program options; broadcast schedules may prevent viewers from watching the programs they most like; and loyalty to a particular program may lead viewers to ignore more highly rate programs scheduled for broadcast at the same time. This suggests a level of complexity that is quite high for managers of media firms.

Frank and Greenberg (1980) carried out a series of inquiries exploring the interrelationship between audience attention, program types, and the reasons why viewers watch different programs. Among the significant potential factors they identified are social stimulus—that is, sharing ideas with others, the desire to retain a certain social status and/or to impress others, effort to assert leadership, seeking to escape one's problems, trying to build closer family bonds, wanting to better understand others, to be entertained, to improve one's knowledge in educational terms, and an intellectual desire simply to learn. As Frank and Greenberg pointed out, this research facilitates program scheduling based on audience interests, program promotion, and the evaluation of existing shows. But of course, it also suggests the complications in establishing which interests to prioritize in making those decisions and the need to juggle varied and potentially contradictory interests.

Hooking and holding the audience's attention marks success in understanding what audiences need, likes, and tastes. Meeting audience needs and interests involves fulfilling their wishes, thus raising their spirits and prompting them to share what they like with others. In the new digital media economy, sharing is both a sign and measure of satisfaction. Satisfaction cannot be assessed only in terms of audience ratings; it can also be evaluated by reference to the number of individuals who talk about the content; how many view the contents repeatedly; how many download or record contents for later viewing; how many register as fans or access other media to find out more about given contents; and how many are prepared to pay for related products (Medina, 2009).

14.4 Conclusions

The distinctive nature of media contents as products is complex. Their threefold definition as information goods, multiple goods, and talent goods creates particular demands on the decision-making process as regards the range of contents on offer and gives rise to a significant number of distinctive consumer behaviors, which render the management activity in media companies more complex and more complicated than in many other industries.

On the one hand, media contents as products cannot be managed merely by reference to conventional quality standards. Rather, the multiplicity and variety of factors that comprise content or service quality must be taken into account. In this regard, aspects relating to brand and corporate identity and mission and the talent of professional and management teams, as well as their ability to innovate contents in response to audience indications and needs, are especially noteworthy.

At the same time, media contents as products require increasingly refined management competency insofar as these are framed by and depend on audience as product. This form of management goes beyond the established approach to traditional management, or even of legacy media products, because it involves offering high-profile products whose competitive edge draws on such factors as audience participation, engagement, and satisfaction.

In short, then, the management of media contents framed as high-quality products and as audience products requires investing significant resources in the knowledge that such investment will only be recovered in the long term, if at all. In fact, it requires taking calculated risk to a very high degree because success is so unpredictable. This locates the audience (i.e., meeting the public's needs and demands) at the heart of the business decision-making process and calls for the design of an editorial project that renders the diverse skills, talents, and labor of many kinds of professionals internally coherent and consistent and sets out a path toward progress that is clear and compelling for most. This both arises from and is reinforced in companies with highly trained and motivated staff who are committed to bringing about a "peaceful transition" more or less as a continual project today—a process that neither unnerves the audience by making abrupt changes nor rests on the laurels of past success when the fundamentals no longer facilitate sustaining the causes of that success.

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