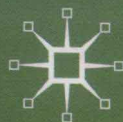


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THE MEDIA INDUSTRIES AND THEIR MARKETS

Quantitative Analyses

Edited by
Patrick-Yves Badillo and
Jean-Baptiste Lesourd



The Media Industries and their Markets

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Patrick-Yves Badillo

and

Jean-Baptiste Lesourd



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P.-Y. Badillo
J.-B. Lesourd

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Foreword

*Dominique Roux**

The work of Patrick Badillo and Jean-Baptiste Lesourd on the economics of the media industries, relying on quantitative and statistical methods, is both timely and original. As the editors of this book, they present some of the best and most recent work on the economics of the media and information sectors, and on the management of enterprises of these sectors. They also provide some of their own recent and original analyses of these topics. Moreover, this volume is an international pursuit as it includes contributions from several European countries, Japan, and the United States.

The media sector is an industry that can be an object of study from the points of view of information and communication science, economics and management, often from a cross-disciplinary standpoint. It is also an industry that cannot be studied without taking into consideration other related industries, such as the telecom industry. However, at least to our knowledge, there existed no updated and recent book in this field devoted to quantitative studies with a firm grounding in modern statistical and econometric methods. This work thus bridges a gap. It is concerned with all media, including the press, radio, TV, cinema, and the Internet, as well as with the related telecom sector. It is also concerned with many aspects of the subject, including business strategy, entrepreneurship, supply and demand. It includes publicity-related audience measurement and marketing studies. This is important, since for most media organisations, advertising and publicity directed to their readerships and audiences is a major source of income. This book also highlights the importance of technological advances and innovations related to content digitalisation processing and transmission. These are leading to the emergence of new media such as the Internet, and to a convergence between the media sectors, and other neighbouring sectors such as the information and telecom sectors. Whether contemporary societies are so-called 'information societies', dominated from an economic standpoint by information-related goods, is discussed in the book. Some of its quantitative studies show that this is a questionable assertion, especially

*Dominique Roux is both a Professor of Management at the University of Paris-Dauphine, and the President of a telecom company (Bolloré Telecom, which is a part of the Bolloré group, involved in different media – especially television and newspapers, and also in the Havas advertising group).

because of the so-called 'digital divide' whereby most people in some less advanced economies are deprived of access to new digital technologies. Finally, other important debates such as the debate on concentration in the media and information sectors are well documented in this book. In particular, its discussions on concentration-related quantitative data and indicators are welcome.

I believe that this unique work will be of great interest for scholars and researchers in areas such as information and communication science, as well as media and information economics and management. I also strongly recommend this book to practitioners of the media and information industries.

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1

Introduction

*Patrick-Yves Badillo and Jean-Baptiste Lesourd*¹

1.1 Information, information society, and the media

Information is a word which has a number of meanings. In a comparatively limited sense, it can be defined as any structured set of data that can be interpreted by human beings and is useful for human action.

From an economic standpoint, information, as defined in the above limited sense, is a scarce resource which is fundamental in market economies, for all economic agents, for businesses as well as for the general public. It can be decentralised and partly private information, but we are concerned here with public information (or information with the characteristics of public goods). Such public information is produced and transmitted by the media. But, as we shall see, information in this limited sense is far from being the only good to be produced, processed, or transmitted by the media.

In a much broader sense that includes the previous sense as a particular case, information can be defined (Shannon and Weaver, 1948) as any set of signs or data accessible to our senses. The transmission from one individual to another of such information generally involves a message, that is, a set of signs, going from an individual called the transmitter to one or more other individuals called receivers.

The occurrence of digitising allows for an equivalent definition of this broader definition of information, which is due to Shapiro and Varian (1999, p. 3): '*Anything that can be digitized – encoded as a stream of bits – is information*'.

A book, an article in a newspaper or in a magazine, a telephone conversation, a television programme, a film are examples of information in this generalised sense. The transmission and processing of information necessarily involve some kind of material data carrier, that is, a