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THE MANAGEMENT PUBLISHING INDUSTRY IN EUROPE

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THE MANAGEMENT PUBLISHING INDUSTRY IN EUROPE

1. Introduction

1.1 The relevance of publications in the creation of management practices

The diffusion of management theories and practices is increasingly the object of attention by management scholars. Recent pieces have described the production of management fads (Abramson, 1996), the cyclical rhythms of their expansion (Barley and Kunda, 1992), and the development of their business rhetoric (Astley and Zammuto, 1992). Despite this growing interest, the diffusion of management theories and practices is still primarily thought of as an outcome of the activities of universities, business schools, and consulting firms in the production of formal management knowledge, diffused through academic journals or professional books. The role of non-academic books and the popular press in producing and legitimizing management theories and practices is still largely unexplored.

For the last twenty years, popular publications have compared top managers to scientific organizers, pragmatic decision makers, or skillful craftsmen. Likewise, popular media have been legitimizing management practices ranging from scientific models to practical rules of thumb. In our view, in the 1990s, the popularization of business topics has widened the role of popular media. From being mere legitimators of management practices, they are turning into producers of management practices and theories. As a consequence, the production of management theories is slowly but significantly moving away from the ivory tower of academia, entering the world of mass consumption through the doors opened by popular publications. This makes the study of the role of the whole publishing industry—in terms of academic and, in particular, popular publications—in the creation of management practices especially relevant.

Popular publications (non-academic books, press, magazines) and management theory and practices appear tightly coupled from at least three perspectives. First, as Eccles and Nohria (1992) remark, the press plays a major role in setting the pragmatics of managerial discourse and shaping the rhetoric for the diffusion of management practices. It is also the main arena where platitudes and ideological statements are diffused to cause certain management theories and practices to be taken for granted (Czarniawska-Joerges and Joerges, 1990). Second, the popular media help popularize management discourses by building the legitimacy of members of the management community as experts, on both economic and day-to-day matters (Brint, 1994). Third, newspapers and magazines may also perform an important function in the management of organizations in crisis. It has been discussed how top managers can use the press to strengthen the identity of their organizations, in an attempt to prevent the negative consequences of poor performance, both internally (Chen and Meindl, 1991; Elsbach, 1994) and externally (Meyer and Rowan, 1977; Pauchant and Mitroff, 1992).

Although the existing literature has discussed the entire process of dissemination of management theories and practices, it has focused mainly on academic publications. The role of popular books and the press still needs, we believe, further investigation, since researchers have so far described the academic press as the main producer of scientific models, while assuming that popular publications are responsible merely for diffusing and institutionalizing them (Abrahamson, 1996). We argue that popular publications, and most especially the press, play the role not only of diffuser and institutionalizer, providing management theories and practices with social legitimacy, but also perform some tasks that can be perceived as concurring with the actual production of management theories and practices.

The influence of the press—newspapers and magazines—can be shown by the number of pages devoted to management issues (Nohria and Berkley, 1994). The reasons why the popular press and the management theories and practices it helps to create and diffuse are becoming so important in decision-making and managerial action, and the extent to which managers are coming to rely upon these non-traditional sources and are not employing predominantly formal management knowledge, are still mostly unknown. We believe that these issues are relevant for management theory and deserve more academic scrutiny. The relevance comes primarily from the growing influence of informal knowledge on managerial decision-making, especially at a time when recurrent waves of economic crisis and bonanza have progressively delegitimized the role of formal knowledge in management practice. As this occurs, managers look outside academia for alternative sources of knowledge upon which to base and justify their actions.

*The role of publications in the creation and diffusion of management theories and practices.
General framework*

The cultural production of social and scientific ideas has been widely studied by sociologists (Berger and Luckmann, 1967; Mukerji and Schudson, 1982; Schudson, 1989; Barthes, 1983; Crane, 1992) and philosophers of science (Feyerabend, 1996; Kuhn, 1970). The role of the mass media in the diffusion and institutionalization of social ideas has also merited attention in the areas of political science and political sociology (Habermas, 1975; Fine, 1996; Diani, 1996). These fields explain how the legitimation, delegitimation, and "trivialization" (Enzensberger, 1994) of political action and discourse have been affected by the rhetoric of the mass media.

All these studies have outlined two poles: an "aesthetic" pattern of creation for "soft" social ideas and a rational pattern for "hard" scientific ideas. The first uses art, craft and even magic to explain the rise of new ideas (Feyerabend, 1996). The second refers to the rational toolkit of hypothesis testing assuring incremental development and paradigmatic stability. Between the two extremes it is possible to find the gray area where academia, interest lobbies and political elites play their role.

Though presumed to have become increasingly scientific, management theories and practices do not follow a path of incremental development but go through cycles of creation and diffusion enhanced by social conformity, and even by episodes of mass hysteria (Nohria and Berkley, 1994). Consequently, management theories and practices are produced, legitimized, diffused, and discarded in a complex process in which counteracting and ambiguous rules coexist. We propose a model that describes the role of the actors involved as shaping each phase of the cultural process, determining the vehicles of diffusion, the source of legitimation, and the rise of new ideas. From this point of view, the creation process is primarily one of legitimacy-building, presided by the actors involved, rather than a selection

process guided by rationality and innovativeness. Depending on which channel plays the main role in diffusion, the timing and the depth of legitimization may change. Likewise, different theories and practices may have different channels of diffusion, depending upon their contents (Mazza, 1997).

Using the analogy of the habitualization-typification-objectivation process defined by Berger and Luckmann (1967), we conceptualize the process of creation and diffusion of management theories and practices as consisting of three phases: 1) production, 2) diffusion, 3) legitimization. Management education institutions (universities and business schools), consulting firms, and leading newspapers and magazines are the main actors in this process. In what follows we shall first describe the three phases separately; then we shall account for the dynamic interactions between the phases and the actors involved.

In the production phase, academic institutions, business schools, and consulting firms make sense of existing management theories and day-to-day experiences. They elaborate and codify formal managerial knowledge following the rules of production of academic knowledge (Furner and Supple, 1990). The management theories they create are not necessarily new; they are often old theories that have been "recycled", updated, and put in a new context. In this phase, scientific knowledge on management practices is translated into quasi-technical, more "relaxed" language, to be diffused as informed opinion to practitioners.

In the diffusion phase, managerial knowledge is spread by institutions for management education. In their programs, these institutions combine scientific knowledge on management with practical knowledge and rules of thumb, employing a less scientific language. In this way, management education institutions provide management theories with both the reputation of full-fledged, scientifically validated theories and the relevance of down-to-earth recommendations. In this phase, managerial knowledge begins to spill out of the business community, partly because of the social legitimacy of some of the institutions providing management education, and partly because of the interactions between these institutions and the local context.

In the legitimization phase, management theories get diffused outside the business community. Here, technical arguments are replaced by "ideological" statements grounded on narratives of business successes and on managerial myths. In this phase, management theories and practices may turn into fads as newspapers and magazines provide them with: 1) popularization, 2) ideological statements, 3) rhetoric based on socially accepted symbols. By being endorsed by non-technical media, the effectiveness of management theories and practices become taken for granted by society, and their contents become landmarks for imitation. In this final phase, as a consequence of their legitimization, management theories reach large numbers of decision-makers.

The legitimization process is reinforced by the structural link between large firms and the popular press. Since many large firms directly or indirectly influence newspapers—in the case of Italy, for instance, most leading newspapers are owned by industrial firms—we may suggest that legitimization occurs when management theories and practices are judged valuable, or are successfully applied, by leading firms.

In the press, legitimized management theories and practices are often codified for fast replication and translation (Sahlin-Andersson, 1996). So they turn into "short-term" standards, supported by dedicated organizations and diffused by ad-hoc publications and textbooks. However, legitimization is not inevitably accompanied by stability, standardization and isomorphism (Rovik, 1996). Many management theories and practices are, in fact,

quickly discarded and delegitimized, as others become "raw material" for future theoretical "recycling".

The above description of the three phases may benefit from an analysis of the dynamics that occur across the phases, as well as among the actors involved. First, the role of the popular press in legitimizing management theories and practices affects the production stage of the process by shaping the topics treated by academic journals (Barley et al., 1988). Newspapers and magazines not only concur with academic institutions in defining the state of the art of management theories, but also set the topics or priorities for academic institutions to follow suit. The recent history of management theory is characterized by this oscillation, back and forth, from academia to the popular press and vice versa.

Secondly, the popular press has started to occupy the area between academia and end-users by taking advantage of the redefinition of the role of universities and higher education within society at large (Riesman, 1998). Consistent with this process and the growing influence of the mass media on socio-economic issues, newspapers and magazines have begun to produce and recycle theories on their own. Although these theories lack academic and scientific status, they are endorsed in newspapers and magazines by "maîtres à penser", politicians, successful entrepreneurs, etc.

The interest in informal management education and the popular press, and in their mechanisms for social circulation—such as fads and fashions—derives not only from their macro sociological dimensions—the "Sociology of Business Knowledge"—but also from their role in "micro" decision-making and managerial action, and in the convergence of management practices. Managerial action has been often represented as the practical result of the simultaneous combination of different types of knowledge acquired from different channels (Schon, 1983). These types of knowledge range from assumptions in human behavior that operate as deeply embedded habits, originating in a variety of sources, not necessarily academic and not even necessarily of a management or economic kind, to informal social knowledge based upon social capital, to formal administrative knowledge, such as personnel management techniques taught, for instance, at business schools. Frequently, all these different categories of knowledge have their own channels of production, propagation, reception, and consumption, spreading and gaining acceptance independently. They may sometimes get diffused and institutionalized together, producing loosely coupled "packages" filled with heterogeneous ingredients (Alvarez and Merchán, 1992). Thus, complexity, ambiguity, and imperfection are characteristic features of managerial tasks and actions (Roethlisberger, 1954; March, 1996). And organizational outcomes are often the result of multiple, often redundant, causalities.

Accordingly, being a manager depends not on formal knowledge accreditation, but on a personal and social wisdom, in which informal knowledge plays a part. Therefore, managerial action tends to occupy the realm of politics and tactics, where managers gain consent through socially legitimized courses of action rather than through self-fulfilling, instrumental, economic rationality (Fligstein, 1997). This pushes managers to seek clues for action in the social structure which provide them with different types of knowledge, both formal and informal, and different degrees of legitimization (Hannaway, 1989). In the following section, we will describe the process of legitimization and explore how the popular press concurs in the legitimization of management theories and practices.

The popular press and the legitimization of management theories and practices

As outlined in the preceding paragraphs, the changing context of managerial action is currently forcing managers to look to non-traditional sources of legitimacy for management theories and practices. This consideration makes the concept of legitimacy the interpretive key function of the role of publications in the diffusion of management practices. As a typical interdisciplinary concept, legitimacy is largely controversial. Political science, sociology, and organization theory have provided contrasting perspectives (see Mazza (1999) for an overview). Some scholars have linked legitimization to the rightful possession of power (Berger, 1981); others to social acceptance, conformity, and tradition (Hobsbawm and Ranger, 1983). In their seminal paper, Meyer and Rowan (1977) argued that legitimization is an outcome of the socio-cultural process conducive to institutionalization and the increasing likelihood of survival. Hannan Hybels (1992) holds that it is a "profoundly malleable tool" whose "inherent vagueness" has allowed the use of meaningful explanations when more precise tools failed. So, legitimization appears as a toolbox where any researcher can find the definition that best fits his or her purposes (Suchman, 1995; Mazza, 1999).

Within organizational theory, an implicit duality emerges in the concept of legitimization. Legitimization is both an outcome of the process of institutionalization (DiMaggio and Powell, 1983; Jepperson, 1991) and the cultural process conducive to institutionalization (Meyer and Scott, 1983; Scott and Christensen, 1995). As an outcome, legitimization is a property of organizations that reduces competitive pressures, provides additional resources for facing challenges, and increases the chances of survival (Hannan and Freeman, 1989; Tucker et al., 1990). As a cultural institutionalizing process, legitimization refers "to the degree of cultural support for an organization—the extent to which the array of established cultural accounts provides explanations for its existence" (Meyer and Scott, 1983: 201). Cultural support is based on cognitive coherence with the socially shared worldview. From this perspective, legitimization is also thought of as a "retrospective process" (Staw, 1980), providing management with norms and symbols for ex post facto rationalizations of their actions.

Although legitimacy appears to be governed by a host of definitions and distinctions, identifying the sources of legitimization is a less complicated task. Legitimacy is embedded in a socially-defined system of norms characterized by key institutions in the social context. Institutional rules, rather than values or ethical dictates, frame the field of legitimized action (Thomas et al., 1986). Action is not legitimized by being grounded in abstract societal desiderata or in the supposed intentions of socialized members. Rather, it is grounded in specific rules. What are the specific rules of legitimization at the wider society level?

The New Institutional School has provided a first answer, centered on the concept of conformity. Legitimacy is gained by displaying conformity to the external environment following technical procedures, legal rules, political correctness, best practices, etc. Conformity also provides rational accounts of failures: plans relying upon institutionalized techniques are more likely to be perceived as rational and appropriate, even in the face of bad performance.

A second source of legitimization proposed by sociologists and organization theorists is power. Building upon Weber (1922), legitimization is seen as an attribute and an outcome of institutionalized power. In management, power refers to both institutional relations and economic performance. Actions purporting one or both of these factors gain legitimization.

A third source of legitimization discussed by sociologists of culture and organizational theorists is social support. Wide social support and consent to a course of action is created by the endorsement of powerful collective actors. They, and society as a whole, define the rules for the evaluation of organizational actions.

These three sources refer to the dynamics of legitimization at a social level. They are also conceptually linked with the three dimensions of organizations: practical (adoption of practices), political (power construction), and symbolic. Recent research links the legitimization of management theories and practices to the success of scholarly research in providing a semblance of rationality (Barley and Kunda, 1992; Abrahamson, 1996).

We will try now to zero in on the legitimization of management theories and practices by proposing three additional categories of sources of legitimization of management theories and practices: 1) symbolic conformity, 2) successful implementations, and 3) endorsement by powerful social actors.

Management theories and practices are legitimized when they are adopted by many firms, or when popular publications such as popular business books, newspapers and magazines report their adoption. Firms tend to follow them to master the state of the art in management, in a kind of bandwagon effect. As the conformity may be both substantive and symbolic, it is worth emphasizing how business firms primarily adopt practices through symbols and myths. Then, they tend to customize management practices according to their internal procedures and norms. In this way, the practices they implement often have only the label in common with the original conceptualizations. The use of intrinsically ambiguous labels such as Lean Production, Business Process Re-engineering or Total Quality Management leaves further room for symbolic conformity (Benders and van Bijsterveld, 1997; Walgenbach, 1997).

The successful implementation of management practices—in terms of spectacular effects on performance—is our second additional source of legitimization. Top management is often guided in its strategic decision-making by the "legends" of successful innovations, often reported by newspapers and magazines as the "new frontier" of management or "star" successful cases. The dramatization of such business successes also creates a powerful narrative for managerial action, now filling the bookshelves of libraries, as contained in guru's books and the autobiographies of top managers (Huczynski, 1993).

Endorsement of powerful actors provides management theories and practices with a third additional source of legitimacy. The basic reasoning behind this is that leaders in a field establish practices that other organizations should follow or imitate to show their alignment. This is the mechanism DiMaggio and Powell (1983) labelled "mimetic isomorphism". In other words, if powerful actors invest in a practice, the expectation is that it should provide a positive return in economic terms or in social acceptance, and therefore this investment should be imitated by the rest of the firms.

In highly industrialized countries, powerful actors are typically of three types: a) Fortune 500 firms; b) organizations with institutional relations with the State or management education centers; c) young and profitable firms with a track record of successful innovations. Fortune 500 firms provide legitimization because of their traditional top-notch status. Organizations with institutional relations provide legitimization by adopting new practices in advance of the private sector. Their institutional linkages decouple these organizations from a commitment to short-term performance, so they can assume the risks of innovation. These organizations are also well embedded in the larger social context, so their

practices inherently have a wider social acceptance. Young and profitable innovators provide legitimization because they play the role of pioneers in the field. They adopt practices in advance, allowing other organizations interested in innovative yet legitimized management practices to adopt them.

In sum, in the preceding pages we have tried to argue the importance of publications for understanding the dynamics of the creation of management practices. We have emphasized the role of popular publications (from books to the press) in spreading practices. This is a very special contribution to this sub-theme of the CEMP Project, since most of the available literature privileges carriers of formal managerial knowledge, such as academic journals. We have also introduced the general theoretical framework that will guide our research effort throughout the CEMP Project.

The following pages will outline the structure of this report.

1.2 Structure of the report

The structure of this report is as follows. The previous section was a description of the theoretical framework that the authors use to understand the diffusion of management ideas and the convergence of practices, and a justification of the relevance of publications in those dynamics.

This outline of the structure of the report is followed by a section on methodological issues, specially in the selection of country case studies made in this report.

The second chapter centers on the industry and institutional specificities. First, we focus on books (the publishing industry). When European data were not available or the research team considered them unreliable, we have made intense use of data from Spain, to exemplify the basics of the publishing industry. Second, newspapers and other periodicals (the press industry) are examined. Since academic publications will be the sole topic of the next report on this sub-theme, due next November, this type of publication will not be covered here.

The third chapter includes three basic case studies, a Southern case (Italy, plus France and Spain), a Northern case (Denmark), and the UK. The country cases included in this report have been authored, in the case of Denmark, by Peter Kjær and Jesper Strandgaard Pedersen (Institute of Organization and Industrial Sociology, Copenhagen Business School), by Carmelo Mazza in the case of Italy, and by Jonah Rockoff in the case of the UK. The Italian case has been complemented with an analysis of the Spanish and French cases by Jordi Mur. In the case of France, data have also been provided by Mylene Lagarde (ESSEC), a member of the Marie-Laure Djelic research team. As far as possible, we have respected the style and format preferred by the authors of these country cases.

The final chapter summarizes the main arguments and offers suggestions for future research.

1.3 Methodological and comparative challenges

Empirically, the report is built upon the analysis of three countries to represent a significant and illustrative (we do not claim representativeness) sample of EU similarities and differences: Denmark, Italy (complemented with data from Spain and France), and the UK. These three countries together embody three of the main socio-economic structures currently existing in the EU: the Southern European, the liberal Anglo-Saxon, and the hyper-regulated Scandinavian.

The description of the Danish context may provide us with arguments about the character of management publications in a small open economy moving towards globalization. Southern cases also provide interesting points of comparison. The French data may provide arguments on management publications in a large economy which maintains strong national peculiarities in both institutional and social terms. The description of Italian management publications may help us figure out how the management publications field interacts with the vigorous process of modernization of Italian capitalism. Management publications in Spain may reflect the path of transformation of Spanish business and society towards a modern country integrated in the socio-economic context of the European Union. Finally, the description of the UK context may provide us with data on how management publications in a mature capitalistic context are open to globalization and can be used to lead innovations in management and strategy. We hypothesize that the differences and similarities between these countries' socio-economic contexts are well reflected in the differences and similarities across the management publications field.

The management publications field consists of three basic carriers: management books (both academic or technical, and popular), management journals, and management (business) press (newspapers and magazines)

Management journals are further subdivided into the academic type and the practitioner-oriented type. They will be the sole subject of the next report on this sub-theme. Because of this, we will treat them here only in terms of their connections with the two other subfields.

Each country case study is devoted to all three sub-fields, although we acknowledge the peculiarities of the management press, its multifaceted transformations and its deep social impact. These peculiarities are accurately analyzed in the sociological arguments advanced by Bourdieu (1996; 1998).

Our analysis of management books is based first on data on what was published in 1996. There are two reasons for focusing on one single year: first, we are more interested in defining the elements of the fields (number of publications, authors, publishers, national origin of books) than in deriving trends and statistics. Second, the number of management publications and the variety of methods for gathering industry data in each country make cross-national comparison over the years complex. Our analysis of the management press is based on the data collected in each country on the diffusion and transformation of the general and business press in each country. This analysis reports both historical and institutional implications.

According to these considerations, the research is based on two sets of questions that guide the data collection in each of the countries for the three carriers. These questions address basic quantitative issues. The sources of data are basically national institutions and databases which provide figures for what is published in each country. The case studies are

then compared in order to outline cross-national similarities and differences. Methodological assumptions and caveats are reported separately.

The field of management books has a definite structure, as it shares many characteristics of the book publishing field as a whole. In this sense, our research attempt builds upon, and benefits from, the sociological studies in this field (see Powell and Coser, 1981). From the social sciences approach we derive the need to first define the "management books" category without referring to main economic or business-based classifications. As it is self-evident what a book is and is not, the main point is to decide what a definition of management should encompass.

This leads us to set clear boundaries for a discipline which by its very nature stretches boundaries and bridges diverging approaches (Pfeffer, 1998; Hatch, 1998). In so doing, we inevitably introduce subjective elements and discretionality; nevertheless, this is a researcher's duty in analysing a complex setting (Czarniawska, 1998). Accordingly, we have decided to frame the management discipline around categories such as organization, human resources, production, finance, marketing, social sciences applied to management, business economics, and so forth. In each country, the meaning and the boundaries of these disciplines may differ significantly; that is why we do our best to take national variety into account without seeking to impose a standardized framework of interpretation. The best way to accomplish this is through the clinical case study method, by which country analyses are intended to trace all the existing nuances.

According to the field of analysis we have just defined, this study focuses on the issues in question by asking the following three research questions: How many books on management were published in 1996? What was the origin (i.e. authors and publishers) of these management books? How were these management books distributed among the main thematic areas?

General and business newspapers have been the subject of many research papers. The analysis in this study tends to address some basic quantitative issues (circulation, market share, concentration rates). In a similar vein we also address the main historical and institutional elements characterizing the development and transformation of general and business newspapers.

The data are collected from the databases available in each country on the books published in 1996. These databases order the books in thematic areas that reflect national character in the construction of the management field. For each case study we will describe the specific methodology of data collection and analysis. We will also introduce caveats and explanations about the sample and the findings. By doing this, we attempt to eliminate the existing complexity and variety while avoiding the temptation of reductionism. In these three case studies we will be addressing in detail the three research questions mentioned above. Later on, we will provide a general framework to integrate the different views and a conclusion to figure out potential avenues for further research. In this last part, we will try to define transnational commonalities and differences.

The authors of this report, José Luis Alvarez and Carmelo Mazza, would like to thank Jordi Mur, Research Assistant for the Publications theme of the CEMP Project, for his help in preparing this first report (from data gathering to co-ordination of research efforts, to the entry of some parts of this first report).

2. The main carriers: An introduction to the industry and the institutional actors

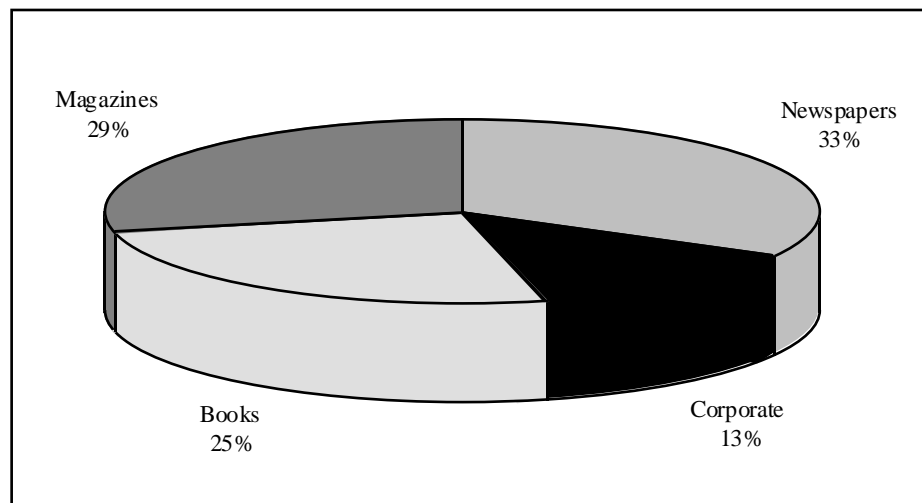
2.1 The publishing industry

2.1.1 The basics of the industry

The publishing industry is, in general, an opaque sector when it comes to data availability. Statistics and information are hard to come by, and do not define the entirety of the sector. Nevertheless, by examining some statistics and trends we may hope to gain a better understanding of the industry. The most important data sources used for this report are: *Panorama of EU Industry* (EUROSTAT, 1994), *IMO Working Paper 93/4 final* (1993), *PIRA UK* (1994), *Panorámica de la Edición Española de Libros* (1996), *Informe FUINCA* (1993), *MEC Spain* (1996), *EMI –Estudio del Mercado Interior del Sector Editorial–* (1991).

The publishing industry comprises all the stages necessary to transform the creative work of authors into a manufactured product available for distribution to the public. The final products include books, encyclopaedias, newspapers and magazines, maps, etc. The following figure shows the distribution of products:

Figure 2.1. EC print publishing market values, 1991 (Industry value 75.5 BECU)



Source: EUROSTAT, 1994.

The players in the publishing industry are better described as a group of national companies, rather than as a global, integrated industry. This becomes more evident if we look at distribution, which in many cases is regional or local. The need for frequent contact among publishers, distributors, and sellers also suits local markets. Language plurality in Europe is another barrier against integration of the industry across Europe. This further justifies the national or business systems approach adopted in this report, methodologically based upon national cases, as discussed in chapter 1.

Nevertheless, the international publishing sector is growing, mainly in regard to English language titles, which, in addition to being one of the most important mother tongues, is the most well-known second language. This represents a great competitive advantage for publishing firms in the UK and the USA. Indeed, they hold a dominant position in the market, followed by Spanish, French and German firms. On the other hand, while Italy has a well-developed industry, it is relegated to its domestic market because the Italian language is not widely-used elsewhere.

Table 2.1. Percentage of adults speaking European languages, EC (*), 1990

	English	French	German	Italian	Spanish	Dutch
Belgium	26	71	22	4	3	68
Denmark	51	5	48	1	1	1
Germany	43	18	100	3	1	3
Spain	13	15	3	4	100	-
France	26	100	11	8	13	1
Ireland	99	12	2	1	1	-
Italy	13	27	6	100	5	-
Netherlands	68	31	67	2	4	100
UK	100	15	6	1	2	1

Source: IMO Working Paper, 1993.

(*) No figures available for Greece, Luxembourg or Portugal

The publishing industry contains powerful economies of scale in production, and thus is heavily dominated by large publishing firms. However, the structural and general expenses of these large firms prevent them from cultivating a heterogeneous and diverse group of authors and subjects. Thus, the promotion of young or minority authorship is often left to small and medium-sized firms, whose production processes are more flexible. This is essential from the point of view of cultural richness, allowing many socially and culturally interesting projects to be undertaken. Technological advances, especially in Desk-Top Publishing (DTP), also make it easier for small firms with lower capital availability to join the market: 85% of publishing companies have fewer than 20 people, and only a handful have more than 500 (EUROSTAT, 1994).

These smaller-scale enterprises need support structures at various levels: distribution, commercialization, and promotion. Progressively, companies are appearing that offer these services to the small and medium-sized publisher. In this way, the efforts of institutions and professional associations to inform and connect suppliers and buyers of publishing services would be of great interest. Furthermore, as industry regulation decreases, publishers will recognise the advantages of differentiating themselves—not only through their final products but also through their management practices.

Publishing firms, especially smaller ones, face very high mortality rates. It is often the case that new publishing firms do not evaluate their entry thoroughly enough, as entry does not appear very difficult at first sight. Within the last fifteen years, a favorable socio-political environment and low entry barriers have facilitated the appearance of a great

number of new titles, as well as small young publishing companies. However, the continuity of a publishing company requires, among other things, a degree of management professionalization. Even if economies of scale are not essential for survival, management professionalization is necessary in the context of rigorous and creative administrative practices. These include publishing planning, the use of orthodox financial and control systems, and a search for more efficient means of market access combining direct and indirect channels. Management professionalization does not simply mean vertical integration, but also strong market analysis and the maintenance of light and flexible structures.

2.1.1.1 Industry structure

Europe's publishing industry is still fragmented. Most of the constituent companies are small and serve local or regional markets. There are, however, a number of major players whose activities involve both publishing and printing, as well as a wider range of economic activities involving paper-based and other media. The main groups are: Bertelsmann (D), Hachette (F), Pearson (UK), and Reed Elsevier (UK-D). Others of lesser importance are: Groupe de la Cité (F), Mondadori (I), Watmoughs (UK), Wolters-Kluwer and VNU (NL), and Axel Springer (D) in newspaper publishing. Non-EU multimedia groups such as Time-Warner (USA), Paramount (USA) and News Corporation (AUS) have a presence in all the main mass media markets (books, cinema, television, press), and are all extensively involved in EU markets.

The trend towards concentration through acquisitions and mergers is not equally marked in all countries, but it is growing everywhere. It has been more evident in the UK, where the aim has been more to secure economies of scale in the domestic market than to expand internationally. However, there are important exceptions, such as EMAP's (UK) 100 million ECU deal with Editions Mondiales (F).

Table 2.2: The world's top 20 publishers by revenue, 1990.

Rank	Publisher	Location of HQ	BECU revenue
1	Time Warner	USA	10.2
2	Bertelsmann	EC	7.5
3	News Corporation	Australia	7.2
4	Hachette	EC	4.6
5	Paramount Communications	USA	3.2
6	Times Mirror	USA	3.0
7	International Thompson	Canada	2.9
8	Garnett	USA	2.9
9	Dun&Bradstreet	USA	2.5
10	Advance Publications	USA	2.5
11	Reed International	EC	2.3
12	Asahi Shimbun	Japan	2.2
13	Reader's Digest	USA	1.9
14	Axel Springer Verlag	EC	1.8
15	Hearst Corporation	USA	1.8
16	RCS Rizzoli	EC	1.7
17	Mondadori	EC	1.6
18	McGraw-Hill	USA	1.6
19	Pearson	EC	1.5
20	Maxwell Communications	EC	1.5

Source: IMO Working Paper, 1993.

A number of factors explain why European publishers continue to maintain an important position internationally. Britain, France and Germany were economic giants when the scholarly scientific journal was born in the 18th century; the fragmented politics in the Europe of the 18th and 19th centuries created nations which looked beyond their borders for global empires and markets; from the earliest days, they had a strong sense of the world marketplace and made a timely shift to English.

Table 2.3. EC's top ranking companies, by 1992 turnover

Rank(a)	Publisher	Location of HQ	Sales (MECU)	Sales/employee (kECU)
89	Bertelsmann	Germany	7,042	156.1
151	Hachette	France	4,360	153.2
252	Reed International	UK	2,319	126.7
256	Pearson	UK	2,284	80.2
309	Axel Springer*	Germany	1,795	181.0
417	VNU	Netherlands	1,182	102.9
422	United Newspapers*	UK	1,160	96.5
450	Wolters Kluwer*	Netherlands	1,030	118.0
464	Elsevier*	Netherlands	982	134.1
469	Arnoldo Mondadori Editore*	Italy	958	171.4
473	Groupe de la Cité	France	951	105.7
489	Daily Mail & General Trust*	UK	920	95.1

(a) Position in Europe's top 500 companies.

* Includes printing operation.

Source: IMO Working Paper, 1993.

Globalization strategies are generally pursued by way of subsidiaries or by acquisitions. In practice, companies are more likely to expand by acquisition than by industrial or commercial links because of their limited knowledge of international markets and the cultural differences implicit in language and business practices. Bertelsmann and Hachette are being joined by groups such as Pearson and Reed Elsevier, which are diversifying away from their current Anglo-Saxon orientation.

The trend towards integration provides opportunities for:

- Reengineering companies' processes.
- Creating a management and finance body outside of publishing processes.
- Searching for and achieving economies of scale in production.
- Strengthening bargaining power with government bodies, raw materials suppliers, and distributors.
- The concentrated contribution of resources for the promotion of a book or collection.

- The advantage of the production cost differentials that some countries contribute.
- Greater international publishing fluidity.
- The increasing importance of global publications, with global promotional launches.
- Overcoming the national regulatory framework.

The single European market is forcing publishers to consolidate their positions in Europe. Though Europe is not a great stake in itself, the principal European languages predominate on world markets: English, Spanish, and to a lesser extent, French. With the growing importance of Eastern Europe, the importance of German is also growing. Expansion both in Europe and throughout the world is nevertheless limited by the cultural and linguistic differences which give information its national character.

2.1.1.2 National and International Trends

Domestic Trends: In most EU countries, consumption and production of published materials nearly doubled between 1984 and 1993. Growth was sustained until 1992, fell in 1993 (reflecting the general recession in the EU), and then rose again. The crisis was more noticeable in the UK, the major producer in the EU, in contrast with southern countries, such as Italy, Portugal and Spain, where growth held steady.

Employment in the industry grew steadily from 1986 until the onset of the recession in 1991. The USA still remains the world leader in the production of printed and published material. US production was 36% more than that of the EU and nearly twice that of Japan, which had the fastest growth in the period 1982-1991. However, the gap between the USA and the EU has narrowed. Over ten years, growth in the EU was 40% as against 16% in the USA.

A recent study from PIRA UK (1994) reveals that the average number of copies per title fell from 12,000 to 9,000 between 1985 and 1991. However, the number of new titles published has increased in recent years, and is another sensitive indicator of the vitality of the market. Over two-thirds of the titles published each year in the UK, the Netherlands, and Spain are new, in contrast to over half in France and Italy, and one third in Germany. Commercially, new titles are more risky than re-printings or new editions, whose production costs and sales numbers can be predicted based on previous experience. Creating new titles can be seen as a differentiation strategy adopted by major companies. This leads to competition by constriction, where companies try to get as much space as possible on bookshops' shelves and, literally, crowd out their competitors.

International Trends: the EU's trade balance with the rest of the world remains in surplus in terms of value and volume. Even though extra-EU imports had grown more rapidly than extra-EU exports, the value of exports was still more than 12 times that of imports in 1993.

Sector ratios show low activity in international trade. Exports/production ratio is about 4-5% and imports/consumption is about 2%. This reflects what has already been said, i.e. that much of the market demand is regional or local, segmented by differences in

language. And on the supply side, major national markets are often dominated by large domestic groups.

Even though the publishing industry is greatly conditioned by language, international markets are being developed as borders disappear and economic frontiers expand. Within the EU, high diffusion of English has allowed the UK to gain a major market share, closely followed by the Netherlands. The UK is becoming an important center for European publishers, as well as an important gateway for American companies that wish to establish themselves in the European market. This is specially true for management books addressed at a professional audience of managers, most of whom are proficient in English.

2.1.1.3 Basic market characteristics

– Supply

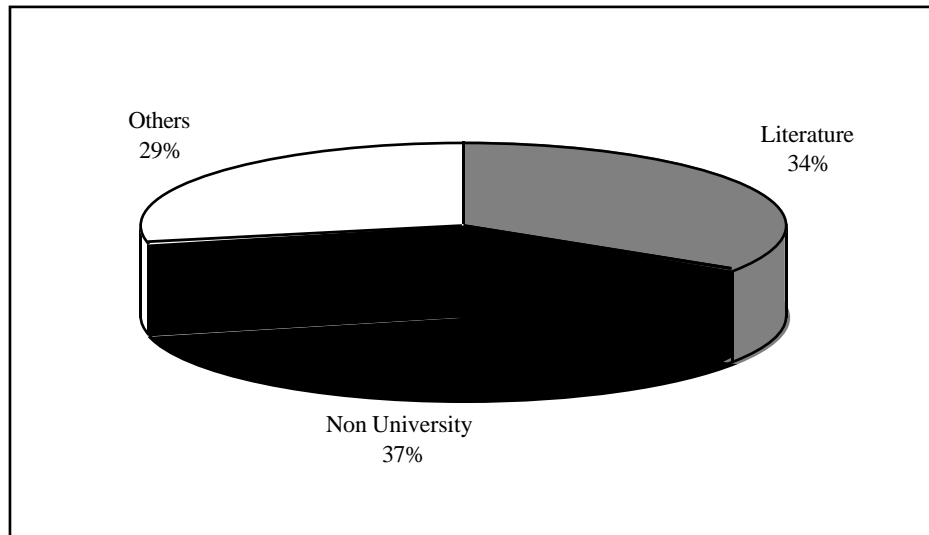
In the context of a varied supply of consumption goods, books fight for a percentage of personal expenditure, and also for a percentage of what might be considered the scarcest resource: people's time. To read requires time, effort, and concentration. To achieve this market share, publishing companies' actions must be oriented to this goal. When deciding on production, publishing companies thus face a common dilemma: should one produce what is already being sold, or sell what one produces?

Table 2.4. Distribution of books published by type

Type of publication	% of total
Single books	96.8%
Collections	2.8%
Partworks	0.4%

Source: FUINCA, 1993.

Single books make up the vast majority of the books published, accounting for 96.8% of publishers' lists (more than 53,000 titles in 1996). Following far behind are collections (2.8%), and partworks (0.4%). The market for partworks is taken up solely by larger companies.

Figure 2.2. Distribution of books published by subject

Source: FUINCA, 1993.

In terms of subject or theme, there is a clear dominance of literature over any other subject, followed by, in order of importance, non-university textbooks, dictionaries and encyclopaedias, books for children and young readers, and all other titles. If non-university textbooks and children's books are considered together, they account for 37.2%, 3% more than literature, which means that these three groups together add up to more than 70% of the market.

Medium-sized companies have a greater dispersion in their themes. However, as with big companies, a large percentage of their output is in literature. Smaller companies have two clear subject orientations: scientific and technical books (33% of publishers' lists) and university textbooks (32.8%). This suggests a different kind of specialization from large and medium-sized companies, which may lead to better results in this segment in spite of the disadvantages and difficulties deriving from the companies' small size.

The average life of a book ranges from 4.5 years for a non-university textbook to 11.9 years for literature. However, 25% of all titles are considered eternal.

The most common format is hard-cover, just under 55% of books published. Paperback is 15%. The size of a company does not appear to affect the formats in which it chooses to publish.

Criteria for publishing new products

It is possible that the most common criterion used by companies in deciding whether or not to publish a new product is their own past experience. However, one cannot generalize, as a lot depends on the individuals involved. The selection of a particular author by a publisher is usually based on objective criteria such as the author's subject specialization, prestige, or fame. In addition, there may be subjective criteria or even economic ones, such as the payment of royalties.

Big companies seem to have better market know-how in this area, not only due to their bigger size and better management systems, but also due to their relationships with distributors. Smaller companies have more trouble adjusting their production to demand. A solution to this could be the professionalization of independent distribution, at the service of both publishers and bookstores, but slow growth is expected in this area.

– *Demand*

The publishing industry is a key source of printed output, along with governments and other organizations. Because of the low levels of illiteracy in the EU, the potential market for the output of the publishing industry is extremely broad, encompassing all persons above a very young age.

The market, mainly with regard to books, magazines and newspapers, depends on a highly complex variety of factors. Like any consumption good, the demand for printed material is strongly influenced by business cycles (newspapers, accounting for 20% of printed material, are only slightly less susceptible.) These factors also include economic and social aspects such as demographics, education, leisure trends, access to public libraries, etc.

There is a clear positive correlation between the propensity to read and the level of education, income level, and age, though the extent of this correlation varies across countries. These factors seem to be strongest in southern European states, where the market is less mature. For instance, on average, 93% of Italian university graduates read regularly, compared to 26% of non-graduates. On the other hand, analysis in the Netherlands indicates that the aggregate predictive power of sex, age, education, job and income on book reading is low. In general, however, it can be concluded that females read more than males, and that people under the age of 30 read more than their older counterparts. Labor force participation, especially for females, has mixed effects, as it increases household incomes and reduces time available for reading.

An analysis of consumption trends also sheds light on weaker reading habits in the southern European states, reinforced by lower consumption of magazines and newspapers. In Spain, 63% of people do not read for leisure. However, improvement in education and changes in cultural habits are likely to make readership as widespread among young people in southern Europe as in northern Europe.

For a long time, children have been considered great consumers; they are seen as the readers of tomorrow and have led textbooks to be one of the most productive sectors of the publishing industry. Success in education is a key factor for future development and professional success, and the sale of educational materials is a key component of the publishing industry (see Table 2.5). As a result of the improvement of primary and high school education in the southern countries of the EU, book demand has risen, indicating the sector's growth potential. In northern Europe, the growth of demand is not so certain, and is heavily affected by population growth, economic cycles, and technological factors.

Although recent trends point to a growth in reading across the EU, this has not always been reflected in sales figures. For example, the UK has high reading indexes—50% of people read one book a month—but only 60% of readers actually purchase the books they read. This situation may reflect the strong presence of public libraries—there are seven times as many libraries in the UK as in France, for example.

Another variable to bear in mind is the impact of new technologies on demand. On the positive side, new technologies can greatly improve diffusion capacity, so more people can be reached. A single CD-ROM (Compact Disc-Read Only Memory) is capable of storing up to 550 million characters, the equivalent of around 25,000 printed pages, and so the CD-ROM has become a capital storage medium for huge amounts of information. On the downside, in addition to the ability to combine sounds and images, the CD-ROM can be a competitive threat to traditional leisure and printed media.

Table 2.5. Book markets by subject category; EC, 1992

Subject category	Value (MECU)	Market share (%)	
		by value	by volume
Professional markets			
Education	2,200	12	11
Reference	2,600	14	10
STM	1,700	9	5
Legal	700	4	1
Consumer markets			
Fiction	4,000	22	32
Children	2,800	15	18
Other markets			
Other	4,500	20	23
Total	18,500	100	100

Source: IMO Working Paper, 1993.

2.1.2 Sector analysis

In this section, we restrict our analysis to the publishing industry in Spain. As mentioned, although in each country the dynamics may change in magnitude, they remain basically the same. Collecting detailed data for all European countries would have been an unnecessary effort, since our aim in this first report is merely to understand the basic dynamics of the industry, which, in turn, will help us to understand the role of books in the creation of management practices. In this report we use Michael Porter's well-known model of sector or industry analysis, which is based on five forces: Real competitors, potential competitors, suppliers, buyers (demand) and substitutes. A company's competitive position, conceived as a consequence of the pressure of these five factors, is a key factor for the company's success or failure, and is not something rigid, fixed or invariable. On the contrary, it is dynamic, changing, always adjusting to each of these forces, depending on their relative effects.

2.1.2.1 Real Competitors

In general, the Spanish publishing sector has a stable structure and is highly stratified in three layers—big, medium, and small firms—without much interchange among them.

Bigger companies conform to a typical pattern of concentration: vertical integration, merging of interests, joint ventures, an orientation toward multimedia products, and internationalization. In combination with their high quality management practices, this makes for very little difference between large Spanish publishers and large publishing companies in other EU member states. This small number of large publishing companies or groups can be thought of as a natural oligopoly founded on economies of scale. They have created a very stable situation in which companies clearly belong to the same layer, and the composition of this market is unlikely to change in the short run.

Medium-sized companies (2.5-18 million euros in sales) display a wide variety of types and act as a counterweight to the bigger publishers. They usually create management policies suitable to their size, specialize, and seek direct access to the market, even running their own bookshops, to give themselves a stability that they could not get otherwise.

Competition is practically perfect among small companies. In order to compensate for the economic and financial difficulties resulting from their small size and inability to obtain economies of scale, they often adopt risky differentiation strategies. This puts them in a state of continuous alert or even crisis, and many fail. The real importance of this group lies in promoting diversity in publishing and so contributing to cultural growth and change.

In this last layer, the entry of new competitors is not a threat to the profitability of the group as a whole, but it may be a threat to the existence of companies whose particular circumstances make them vulnerable to the new entrants.

Profile of publishing companies

Companies can be classified by a number of different statistics. The MEC (Spanish Education and Science Ministry) puts companies into groups (1, 2 and 3) based on the number of books published per year:

Table 2.6. Book publishers by number of titles published per year

Group number	Number of Companies	Number of Titles Published	Percentage of Titles Published
Group 1 (>1,000)	152	19,898	48.91
Group 2 (100-1,000)	501	12,326	30.29
Group 3 (0-100)	2,739	8,463	20.80
Total	3,392	40,687	100

Source: MEC Spain, 1996

In this analysis, companies are defined as either big, medium-sized or small according to their sales (>18 million euros, 2.5-18 million euros, <2.5 million euros, respectively).

Most of the big companies (91%) have an internal distribution structure, with implicit economies of scale. This is also true for a large number of medium-sized companies (76%), while only one third of small publishers distribute that way.

The number of companies that have their own bookshops is generally low, with small firms leading this group (24%). There is a positive correlation between topic specialization and ownership of bookshops. This is well illustrated by publishers of science and technology books.

Although, in the past, mergers between publishers and bookshops have always been initiated by the latter, many more companies may have to adapt to the changing demand and, in a process of downward integration, incorporate the point of sale in their value structure.

There is an equal numbers of companies with subsidiaries and companies without. However, a majority (64%) of companies have their own distribution depots.

2.1.2.2 Potential competitors

The number of publishing companies in Spain grew from 1,234 in 1986 to more than 3,300 in 1997; almost all of this growth came from new small and medium-sized publishers. This large increase in the number of firms was spurred by the increase in demand discussed above, and by low entry barriers for small and medium-sized firms. Publishing itself is generally not considered a capital-intensive activity. Still, it is clear that in order to join the market, it is not enough simply to publish a book. The book must be distributed and sold, and this is where the highest entry barriers are found.

While demand may also be growing due to factors such as improved education, potential competitors remain an important variable. This is especially true for smaller companies, whose efforts to differentiate usually result in higher costs and thus increase the threat posed by new entrants. The biggest threat for large publishing companies is the entry of big foreign groups through capital acquisition. There has been considerable international investment in the Spanish publishing industry, where 32% of large firms' capital is foreign-owned and 36% of companies belong to foreign groups. However, the entry of foreign groups peaked in the early '90s and now seems to be stable.

2.1.2.3 Bargaining capabilities of suppliers

This variable can condition supply costs as well as the quality of the final product. The bargaining power of the big companies, based on volume, supports their natural oligopoly. In the case of paper, the most important raw material, the large publishers trade directly with suppliers, sidestepping the middlemen who increase the final price. However, the supply seems to be growing faster than demand, and paper prices have been falling. Pressure from suppliers does not seem to be capable of modifying the sector's profitability, and so the market remains attractive.

The Food and Agricultural Organization of the United Nations expects the demand for paper in developed countries to increase from 194 million tons in 1991 to 310 million tons in 2010. In 1993, Western Europe used a total of 30 million tons (26.8 tons in the EU) of graphics paper. This can be broken down into: newspapers (8.2 million tons), books (1.5 million tons), magazines (5 million tons) and advertising, freesheets, directories and catalogues (15 million tons).

2.1.2.4 Bargaining capabilities of buyers

Direct pressure of demand on book selling prices is almost non-existent; demand is not concentrated, other than perhaps with textbooks. In many EU member states, books have the legal status of "fixed price" items. It does not seem, therefore, that a change in consumer preferences can become a serious threat to firms' profitability in the industry. The only way in which individual consumer preferences influence book prices is through aesthetic qualities. It is very difficult to assess the quality of a new book's content in advance. Its outside appearance, in contrast, is easy to value (e.g. hard vs. soft cover). Currently, companies use appearance more as a differentiation mechanism than as a direct way to obtain profits. This differentiation strategy divides the market in a certain way, and conditions the maximum price of an edition if there is another one of higher quality (e.g. soft cover price cannot exceed hard cover price).

2.1.2.5 Substitutes, competition from other leisure and cultural activities

The level of demand for reading materials is influenced by the demand for other cultural and leisure activities (e.g. watching television or visiting a museum). Substitutes can be a real destabilizing factor in the publishing industry, and can affect its profitability in the short to medium term.

Within substitute activities, a distinction can be made between: 1) spare time activities that are alternatives to reading, and 2) activities that use an information transmission medium other than the traditional book. The activities in the first category of reading substitutes compete for leisure time with all the other leisure activities too, and so it is hard to analyze their particular effects on reading. The activities in the second category, however, compete particularly with reading, and so it is both easier and more important to analyze the impact of this kind of activity on the demand for books. The most prominent example of this kind of "pure" substitute is electronic reading materials.

Print publishing has recently come into competition with electronic publishing, i.e. publications in which information is stored in digital format. It has been predicted that 40% of income from the sale of reading materials will come from digital formats. Publishers must therefore follow progress in this area closely.

Electronic texts are rapidly being developed in multiple formats such as CD-ROM and CD-I (Compact Disk-Interactive), electronic books, etc. A 10-volume encyclopaedia that might weigh up to 50 kilos can now be published on a compact disc only 6 cm in radius and weighing only a few grams, which gives access to information in seconds and is highly portable. On the other hand, these technologies are handicapped by the lack of standardization at software level, and the need for high quality devices to access information. Below we summarize the strengths and weaknesses of traditional and digital materials.

Strengths of traditional printing (books):

- Autonomy. Books do not need intermediate devices.
- Versatility. Both in circumstances of use (time and place) and in publication typology (quality, formats, illustration).
- Lower costs. In many segments of publishing, printing on paper will be cheaper than electronic production, at least in the short and medium term.
- Universality. The three features listed above make books available to any social stratum, and to people in many countries around the planet where digital books have not yet arrived.
- Independence from commercial financing. Dependence on advertising revenue has a great influence on the revenues of other cultural industries such as television. The publishing industry, in contrast, is not subject to the cycles and particularities of an external finance agent, but only to changes in society at large and the general economy.

Weaknesses of traditional printing:

- Lower capacity to store information.
- More difficult to transport (weight and volume).
- Communication is one-way (single user and non-interactive).
- Deterioration after multiple uses.

2.1.2.6 Production process and composition of publishing costs

The main stages of the production process are:

1. Find authors and titles to publish, and negotiate with them
2. Publish in concordance with the original
3. Paginate and format text
4. Negotiate with printers
5. First correction
6. Layout and illustration for prototype
7. Check printings
8. Final printing
9. Distribution to selling points
10. Reception of returned products

The publishing industry is characterized by the importance of value added and its high dependence on qualified personnel. In the Netherlands, where the workforce is especially expensive, labor makes up 38% of total costs, whereas in Portugal the figure is 16%. However, these costs are being reduced throughout the EU, though more steadily in the south, where industrial modernization and the pursuit of economies of scale have been strong elements since the 1980s.

Major EU publishers are now looking beyond their national boundaries for less expensive methods of production. When time is not a critical factor, economies of scale are important and transport costs are a relatively low proportion of output value, European publishers have started to outsource production, or parts of production, abroad. German companies have led this trend, transferring their processes to southern European countries such as Spain and Portugal, and even to Eastern countries.

Distribution is usually considered the most expensive part of the publishing process, and yet it is very difficult to get data on its exact cost. Other costly activities in the publishing process include: translation, illustration, the creation of a prototype, photocomposition and photomechanics, equipment costs, paper, and printing and binding.

Product returns, though difficult to predict, are another very important cost, and surely one of the most difficult charges to bear in times of recession. Returns are generally destroyed or recycled. The volume and frequency of returns varies over a wide range, with return ratios as high as 60% in some cases. Again, this highlights the very close relationship between publishing and distribution. Although the number of titles is increasing, the amount of space is constant. Inevitably, the amount of exposure given to each title is reduced, and so the risk of product return is greater.

In recent years, the development of Computer-Assisted Publishing (CAP) and Desk-Top Publishing (DTP) technologies has attracted professional interest. It has been proven that CAP technologies can be very helpful for small companies. However, while computerizing design and production can bring significant time and cost savings, the cost of qualified personnel must also be considered. These technological innovations lead to increases in productivity but require more highly qualified staff. However, this has yet to pose a serious threat to profitability, as labor productivity rose by 35% in the decade to 1993 while unit labor costs increased by only 13%.

The increase in the power and capabilities of computers has been a major factor in the technological development of the publishing industry. Computers are 40 times more powerful than they were ten years ago, and at equivalent costs. Software has undergone incredible developments too. Digitalization at all levels of communication is creating vast amounts of information that companies need to be able to manage. Pre-press stages have become more developed, including new processes such as Photo-CD, photo digital treatment, color adjust, etc.

At the printing stage, photocomposition has replaced hot metal as the main technology. Press control systems, new and improved printing systems, laser printing and short-run color copiers and printers are examples of the recent advances. The growth in computer capacity is assisting these trends, supported mainly by the power and compatibility of PCs, which facilitate task integration. In time, higher technology should allow more complicated devices to be used by non-specifically qualified operators, and will make the outsourcing of printer services unnecessary. This will surely be a great advantage to small firms.

Book publishing may be affected by the development of multimedia, but the popular press is much more sensitive to this factor on account of its dependence on advertising revenue.

2.1.5 Review

The publishing industry can be described as a mature industry with a moderate growth trend. The cultural habits of consumers are key for development, while socio-economic factors such as demographic trends, education, industrialization, political trends and tradition have an unclear impact on the market evolution.

Printed publishing still leads the sector, accounting for 60%, in value, of total media consumption in Europe. However, the face of the media is changing rapidly. For example, an EU report predicts that electronic publishing will attain sales and advertising revenue of 12 billion ECU by the year 2000. In order to remain competitive, companies will have to reformulate their strategy to take account of developments such as digital media.

New products derived from traditional publishing or developed from synergy between different media will multiply and stimulate global markets, and the rate of substitution of electronic means of communication for paper-based media will increase. However, while information technology improves, corporate and individual consumers take time to assimilate it into their leisure and information possibilities, and also to acquire a familiarity in the use of these technologies. This may lead to the progressive subordination of printed information, but, for now, information technologies are a complement to the written word rather than a substitute for it.

The synergies between traditional publishing activities and the demands of the users of new information technologies will also encourage the major firms in the industry to diversify their product range. The most promising subsectors are those connected with the spread of knowledge itself: teaching, professional training, business information and other specialized areas.

In the medium term the ongoing prosperity of the economy in Europe, and indeed throughout the world, will contribute to relatively rapid growth in consumption and production, and the increasing internationalization of the sector.

2. The main carriers: An introduction to the industry and the institutional actors

2.2 Newspapers

2.2.1 The basics of the industry

Newspapers have a long tradition in Europe. The first example of public daily information dates back to the Romans, with the "Acta diurna". The first printed newspaper, *The Daily Courant*, was published in England at the beginning of the 18th century. Technological innovations have completely changed the role of newspapers by first expanding their circulation and then creating competing media such as radio broadcasting and TV networks. Interrelations among these media shape the industry landscape. As the founder of the French newspaper *Le Monde*, Hubert Beuve-Mery, noted, "Radio gives the news, the TV network makes it visible, newspapers explain it". This description of the role of newspapers may still be appropriate.

The newspaper industry in the EU is basically segmented into the industries from individual countries, because language is still a major separating factor. Thus, the industry lacks a uniform definition due to the local traditions and peculiarities characterizing the field. A common definition of a newspaper is a publication issued at least four times a week. However, the appearance of newspapers is changing, and this definition does not shed light on recent trends such as weekly supplements, special target audience issues with different lay-outs, etc.

The EU represents a market of almost 371 million people (about 1.5 times more than the US) in an area of approximately four million km². The level of education is quite high all over the EU, so the potential market is almost as wide as the total population. Currently, 1,149 newspapers are published in Europe, with an average of 83 million copies published every day (compared with 1,538 newspapers in the US with an average of 59 million copies published each day). This figure does not include the 3,622 free newspapers that are published, a rapidly growing phenomenon.

Newspapers may be classified along two main dimensions: content and circulation. Within content we may also find four types:

1. General newspapers dealing with national/international news
2. Sports newspapers dealing with sports news, mainly on a country basis
3. Scandal sheets (especially in UK)
4. Economics, business and finance newspapers

Circulation can actually be split into two classes—geographic reach and frequency of distribution. Within these we find:

1. National newspapers distributed all over the country
2. Local newspapers focused on news from a particular region or city and printed there
3. Newspapers printed every day
4. Newspapers printed several days a week (at least four days).

It has to be noted that, among newspapers printed every day, Monday issues are often so different in content that they might be considered as a kind of weekly supplement. For the purpose of this research, newspapers that are published in more than one country are considered as national newspapers, as the different country issues are generally the same.

The newspaper industry in the EU has experienced major changes in the last two decades. These changes have affected the demand structure, the market structure, and production technology. The two main trends that emerge from the changes are: 1) the remarkable reduction in circulation, and 2) the increase in the concentration rate of the industry.

The number of copies sold in the EU in the last three decades has fallen by one third. This reduction was most dramatic during the '70s and '80s, mainly due to the rising competition from commercial TV networks. It has slowed during the '90s due to the reaction of the newspaper companies, which have diversified their products by adopting new technologies and selling CD-ROMs, video cassettes, and weekly supplements along with newspapers. It is interesting to note that in the countries where the process of democratization occurred during the '80s and early '90s (Spain, Portugal, Greece, and Turkey) the number of copies sold has increased significantly. However, the declining trend in newspaper consumption has been quite uniform all over the EU, as reported in the table below, showing the percentage of people who read newspapers in most EU countries from 1985 to 1995.

Table 2.7. Newspaper readership, 1985-1995

Country	Entire population			Adults (20-40 years)		
	1985-1986	1990-1991	1994-1995	1985-1986	1990-1991	1994-1995
Austria	71%	73%	75%	76%	73%	74%
Belgium	56%	56%	56%	58%	51%	54%
Denmark	85%	82%	74%	85%	82%	79%
	(1984)	(1988)		(1984)	(1988)	
France	55%	54%	53%	47%	45%	45%
Germany	82%	82%	81%	77%	76%	72%
Greece	NA	55%	45%	NA	47%	47%
UK	68%	64%	58%	68%	62%	57%
Eire	NA	69%	62%	NA	71%	68%
Italy	43%	46%	44%	51%	51%	47%
Spain	31%	32%	38%	41%	41%	47%
Sweden	84%	84%	83%	80%	78%	79%

Source: *Europeans read newspapers* - ENPA, Brussels, 1996.

As to the second trend, the concentration rate (here defined as the percentage of the total market held by the leading newspapers) within the newspaper industry has risen in the last decade, as in the media and entertainment industry. In some countries, such as Italy and Germany, the process of integration between media companies and newspapers has mainly weakened the local newspapers.

The combination of the two trends has brought a decrease in employment in the industry. The decrease has been stronger in publishing activities, while the employment rate for journalists and other collaborators has remained stable. New technologies have also contributed to lower employment, although in many countries (such as Italy and Spain) the introduction of these technologies is ruled by industrial relations agreements. In Italy, for instance, computer-aided printing has been introduced (at the Government's proposal) after a formal agreement between newspapers and the union. This agreement was intended to keep the level of employment stable in the short term, while reducing it in the long run through the intervention of pension funds.

The process of unification in Europe and the diffusion of English as a common language has affected the distribution of foreign newspapers in many countries. Although it is still a minor phenomenon in relation to overall sales, in many EU countries the distribution of business and financial newspapers such as the *Financial Times* and the *Wall Street Journal* has grown remarkably. This has brought a trend towards homogeneity in the EU, also due to the adoption of common printing technologies. In this regard, some "legitimized standards"—such as the *Financial Times*, the *Wall Street Journal*, and *The Economist*, in the case of the business press—have spread to all national business periodicals. Along with the effect of the legitimization-through-imitation dynamics (DiMaggio and Powell, 1983; Deephouse, 1996), the adoption of common printing technologies has also driven towards a similar format (photos on the covers, etc.).

2.2.2 Sector Analysis

2.2.2.1 Demand

Table 2.8 shows the consumption of newspapers in the EU countries. It can be seen that newspaper circulation varies widely across the EU. The Scandinavian countries, Germany, and the UK all have circulations per 1,000 inhabitants that are three times those of the other countries. We may cluster the EU countries in three groups: 1) German area, UK, Holland, and Scandinavian countries, (Scandinavian countries have high circulation based on local newspapers); 2) France, Italy, and Ireland, with a long tradition of general newspapers sold in big cities; 3) newly democratized countries like Spain, Greece, and Portugal, with a low, though rapidly growing, circulation.

Table 2.8. Circulation of newspapers in the EU

Country	Inhabitants	No. Newspapers	Daily circulation	No. copies per 1000 inhabitants
Austria	8,015,000	17	2,529,000	328
Belgium	10,101,600	32	1,698,000	168
Denmark	5,196,000	40	1,637,000	315
Finland	5,077,000	56	2,400,000	471
France	57,779,300	88	8,946,000	156
Germany	81,338,100	411	25,757,000	317
Greece	10,410,500	22	889,000	85
Ireland	3,569,000	8	572,000	159
Italy	57,138,500	80	6,475,000	113
Luxembourg	400,900	5	154,000	NA
The Netherlands	15,341,600	39	4,752,000	309
Portugal	9,887,000	23	400,000	38
Spain	39,117,000	125	4,100,000	105
Sweden	8,745,100	102	4,155,000	472
UK	58,276,000	101	18,741,000	321

Source: World Press Trends-FIEJ, 1995.

The main factors affecting the demand for newspapers are education, socio-economic status, and age. Education is positively correlated with newspaper consumption. Consumption is also higher in areas of high population density and large cities. The impact of age on consumption varies according to the type of newspaper. The correlation between age and consumption is stronger, for instance, in the case of local newspapers than in that of national or international newspapers.

Looking at the different types of newspapers, we see that profession and job are major factors explaining consumption. Economic and finance newspapers are read mainly by professionals and graduates. Sports newspapers, most popular in Italy and Spain, are read by people with lower education. The gap in consumption of newspapers between women and men is closing all over the EU, as well as in countries such as Italy, Spain, and Greece where newspapers have traditionally been consumed by men.

Newspaper companies have begun offering CD-ROMs and video cassettes along with newspapers, as they did with supplements in the '80s. The demand structure incorporated by these new high-tech products takes advantage of advances and cost reductions in these areas. The demand for newspapers has also begun to turn towards newspapers' web sites, as many newspapers have decided to give free access to issues each morning. They are also producing world wide web editions of newspapers that are updated with the latest news during the day.

2.2.2.2 Competitors

As remarked above, the newspaper industry in the EU is merely the sum of the national industries. Each national industry has local traditions and organizations that are not easy to reconcile in a single picture. So, it is more meaningful to figure out the main dynamics in the competitive fields. The first important dynamic is, as already mentioned, the increased concentration that is occurring all over the EU, though to different degrees (see Tables 2.9 through 2.13 below). Table 2.9 outlines the market share held by the four largest newspaper companies (RC4*) in each country in 1967 and in 1995. Table 2.10 shows the market share of the largest newspaper company in each country in 1975 and in 1990. Table 2.11 deals with the same issue but for the two largest newspapers in 1975 and in 1990.

Table 2.9. Inter-temporal comparison of top four newspapers and companies

Country	RC4*	
	1967	1995
France	30.30	27.9
Germany	41.66	38.6
Italy	29.95	44.1
Spain	29.03	47.1
UK	65.72	84.4
USA	18.00	25.1

Source: Mosconi, 1998.

Table 2.10. Inter-temporal comparison of top newspaper companies in the EU

Country	1975		1990	
	Firm	%	Firm	%
Austria	Neue Kronenzeitung	36.0	Mediaprint	54.4
Belgium (Fr)	Rossel	42.0	Hersant	40.0
Belgium (Fl)	De Standaard	16.0	VUM	31.0
Denmark	Berlingske Virksomheder	20.2	Dagbladet Politiken	25.1
Finland	Sanoma	19.8	Sanoma	25.5
France	Hachette	7.4	Hersant	25.0
Germany	Springer	28.1	Springer	23.9
Greece	Lambrakis	34.0	El Typos	19.3
Ireland	Independent	NA	Independent	51.0
Italy	Rizzoli-Corsera	NA	Rizzoli-Corsera	17.8
The Netherlands	Telegraaf	18.9	Telegraaf	18.3
Portugal	The State	25.0	Lusomundo	25.0
Spain	Prensa del Movimiento	13.8	Comecosa	15.3
Sweden	Bonnier	21.5	Bonnier	20.2
UK	Mirror	28.2	News Int.	34.7

Source: Mosconi, 1998.

Table 2.11. Inter-temporal comparison of top two newspapers

Country	Two market leaders	
	1975	1990
Austria	55	68
Belgium (Fr)	52	68
Belgium (Fl)	26	59
Denmark	38	48
Finland	26	39
France	15	35
Germany	35	29
Greece	61	36
Ireland	NA	75
Italy	NA	32
The Netherlands	36	35
Portugal	60	30
Spain	24	29
Sweden	30	31
UK	53	58

Source: Mosconi, 1998.

Together, these three tables show how the process of concentration is under way all over the EU, especially in the largest countries. Though constrained by local regulations (as in the case of Italy), the newspaper market tends to be in the hands of a limited number of large companies. These companies include multimedia corporations with interests in the Radio/TV/Entertainment field, as well as "pure" publishing companies, such as Rizzoli in Italy. So it can be suggested that a collusive oligopoly is taking shape at EU level out of the network of equity exchanges that link these companies. In the long run, this network will share the media market, from cable TV and pay-per-view to the popular press and magazines. Admittedly, the concentration process in the newspaper industry appears to be much less remarkable than in the other media industries. This is partly due to existing old regulations that protect the freedom of the press. Nevertheless, the concentration rates in the media industry are higher than in other industries, and scale economies appear to be the main driver. The impact of concentration on the industry structure is also confirmed by the fact that in many countries the market leaders have almost 90% of sales in specific market segments, as in the case of Springer, owners of *Die Welt* and *Bild Zeitung*.

The second main trend, somehow related to the first, is the increase in advertising revenues in relation to sales revenues. While advertising has been growing steadily in magazines, it has fallen in newspapers over the last 10 years. Much of this decline has been attributed to the rise of television, which has drawn advertising money away from printed media. The trend towards the liberalization of communications in the EU is a variable that must also be considered. As the number of TV channels increases, audiences are being fragmented and the media are having to compete for advertising investment. However, despite forecasts that daily newspapers might start to disappear, the major groups are maintaining their profitability levels.

In 1992, CIT estimated that agencies spent more than 22.9 BECU on press advertising within the EC. Table 2.12 shows advertising expenditure in printed media by member state:

Table 2.12. Print media advertising expenditure by Member State, 1992

Country	Newspapers (MECU)	Magazines (MECU)	Total print (MECU)	Population (millions)	Spending per capita (ECU)
Belgium	279	155	434	9.84	44.1
Denmark	526	128	654	5.15	126.9
Germany	5,589	2,570	8,159	79.36	102.8
Spain	1,762	497	2,260	39.02	57.9
Greece	54	90	145	10.06	14.4
France	1,329	1,378	2,707	57.05	47.5
Ireland	186	14	200	3.52	56.7
Italy	1,122	1,027	2,149	57.05	37.7
Netherlands	957	472	1,429	15.06	94.9
Portugal	74	79	153	10.58	14.5
UK	3,342	1,308	4,650	57.37	81.1
Total EC	15,222	7,717	22,939	344.1	66.7

Source: IMO Working Paper, 1993.

As can be seen from Table 2.13 below, in 1995 the revenue from advertising represented more than 50% of newspapers' total revenues in almost all EU countries. The percentage of advertising expenditure that went to newspapers was lower than the percentage that went to TV. The TV channels had therefore benefited most from the increase in advertising expenditure in the previous decade. As advertising becomes the main item in the overall revenues of the media, attracting resources from advertising has become the real competitive arena in the media industry. The more advertising revenues increase in real terms, the more they grow as a percentage of overall revenues. At the same time, this growth is constrained for newspapers by the power of TV to attract potential audiences. Currently, 20% of advertising revenue goes to newspapers and 60% to broadcast television (Osservatorio tecnico per l'informazione, 1999).

Table 2.13. Advertising revenue and expenditure

Country	Adv. revenue as % of total revenue	Share of advertising expenditure (%)		
		newspapers	TV	magazines
Austria	NA	39.0	52	7
Belgium	50	18.9	35.2	24
Denmark	45	34	15	15
Finland	51	58.7	21	13.5
France	47	14.6	33	15.4
Germany	63	31	17	10
Greece	44	10.3	66.5	13.2
Ireland	46	31	44	3
Italy	42	21	53.5	13.3
The Netherlands	50	37	14.3	19.5
Portugal	55	14	61	17
Spain	64	33.8	37.6	13.5
Sweden	53	63.5	18	11.7
UK	60	35.6	31.5	14.3
USA	86	22.8	22.8	5.3

Source: Mosconi, 1998.

The concentration and development of advertising revenues are therefore the underlying dynamics of competition within the publishing industry and between print publishing and other media. From this analysis it may be inferred that newspaper companies face competition on two fronts. On the one hand, there is competition coming from the concentration process within each country. On the other, the competition comes from the need to attract advertising resources. In this field, big multimedia companies are growing fast by using the synergies obtained from the concentration process already under way. Synergies involve both technology (such as the adoption of computer-aided publishing systems applicable to newspapers and TV programs) and the use of new media such as the Internet to diffuse electronic newspapers, TV programs and radio broadcasts. This also makes it possible to offer local and national advertisers a wider and more appealing set of advertising tools.

Interestingly enough, although these dynamics would seem to discourage the founding of new newspapers—as opposed to mergers between existing titles—there have been a number of cases of successful new newspapers in the EU in recent decades, including *Repubblica* (which within 10 years became the national newspaper with the largest

circulation) and *Il Giornale* in Italy, *El País* in Spain, and *The Independent* in the UK. It may also be noted that these companies are now finding synergies and establishing formal agreements with IT companies to exploit scale and scope economies in the media industry and through the Internet. This will increase the speed of concentration in the newspaper industry, and is likely to break existing regulations aimed at safeguarding the freedom of the press (as part of freedom of speech at large).

2.2.2.3 Production process

The production process of newspapers is not conceptually different from the other processes in the publishing industry. The technology is the same and technical and economic issues are quite close. For instance, the rise in the pulp price and the application of new technologies to the printing process lead to the same consequence as in other types of publication. To briefly overview the production process of newspapers, it may be divided into seven stages:

- paper supply
- news gathering
- making of supplements and other add-ins
- prototyping
- sales of advertising space
- layout and printing
- mailing and distribution to the point of sale

Except for news gathering and the making of supplements, the main issues in these production stages are the same as for books and magazines. News gathering involves creating a network of domestic correspondents and journalists, along with a link to press agencies and international correspondents. Diversification starts at this stage for the simple reason that local, sports, and national newspapers need different staff. News gathering is also intertwined with the sale of advertising space because the news is the main vehicle to attract audiences for advertisements. "High prestige" national newspapers also use opinion makers and top journalists (as part of their "factors of production") to attract readers in the same way as they do extras and exclusives. This belongs in the discussion on competition.

The making of supplements and add-ins is important as well. Three issues may be addressed: first is the making of weekly supplements (e.g. Sunday magazines) to include with the regular newspaper; second are the internal supplements that increase the number of pages of each issue (e.g. Monday issues with a sports supplement); third are add-ins enclosed in the packaging of newspapers but produced elsewhere (CD-ROMs, video cassettes, books, audio cassettes, etc.).

Weekly supplements like magazines have an ad-hoc organizational structure and production process. Though it rarely occurs, they may be sold apart from the newspaper. Such supplements, dealing with fashion, economics, entertainment and leisure, widen the focus of interest of the main newspapers. Sometimes they are produced by different organizations and are enclosed just before distribution.

Internal supplements have been developed in the last two decades in order to enrich newspapers' contents. The marketing idea was to turn newspapers into a big box with as much information as possible to meet the competition of television in giving news fast. The main field of application has been the public utilities (the classifieds), typically on a local

basis. These add-ins do not change the production process and are enclosed in the body of the newspaper just like any other section.

The third kind of add-in has focused attention on, and led to a remarkable change in, the packaging of newspapers. Enclosing CD-ROMs, video/audio cassettes, etc. entails acquiring these end products from other organizations. It also requires agreements with the copyright holders, or mergers with the companies that produce the products.

The printing stage has been strongly affected by the new information technologies (IT). The introduction of PCs and computerized page-making has allowed newspapers to have different versions printed in different cities with varying page layouts and supplements. In a similar vein, IT has allowed the use of color in front-cover photos and the title, a tradition-breaking innovation in newspaper history. IT has also cut the time required to transmit news from correspondents to newspapers, almost wiping out the old image of journalists dictating their articles by telephone. New technologies have reduced the overall cost of printing and have led to the development of free publications and newspapers that can be produced with little starting capital. This is a very wide sector in Germany and the UK, and is growing in Italy and France. At the same time, technological advances have made some occupations in the printing process obsolete. This has led to state regulations and agreements with unions to soften the impact on employment in printing firms.

2.2.3 Regulations

There are no EU rules for the newspaper industry; the rules are all at the national level. Three types of regulations may be highlighted:

- 1) tax measures
- 2) anti-trust regulations
- 3) regulation for the introduction of new technologies

As to the first point, almost all EU countries give reductions in value-added tax (VAT) and allow the deduction of mail and transportation costs. Incentives for newspapers also come in the form of lower interest rates and direct financing from the State. This provides resources for existing companies and helps to develop new companies to face the challenge of concentration. In fact, newcomers benefit from lower financial and labor costs once they establish their activity.

Many EU countries have anti-trust laws that put a limit on the degree of concentration of single group newspaper sales at both national and local level. In Italy this limit is balanced by regulations on broadcast television ownership. Other anti-trust regulations set a limit to the amount of resources drawn from advertising as a means of slowing the process of concentration. Anti-trust activity has grown considerably in the last decade in response to the emergence of international multimedia companies. It is interesting to note that in most EU countries newspaper companies are owned by publishing companies or companies operating in the media sector. In Italy, however, the main newspaper companies are owned by other industrial groups operating, for instance, in the automotive (Fiat) or chemical (ENI) industries.

In many countries the State, the unions, and the newspaper companies have signed agreements controlling the introduction of new technologies with the goal of limiting the impact on employment. In the UK, the flexibility of labour has facilitated the swift

introduction of new technologies for page-making and pre-press activities in the newspapers' printing systems. In Germany, workers' unions and newspaper companies have agreed to maintain employment levels and to limit working hours at printing workstations. So far, the new technologies have been introduced with few conflicts. Similar agreements exist in Denmark, where co-operation committees, made up of union and company representatives, have been set up to inform, educate and debate the impact of new technologies with the workers. In France, there are agreements regarding the number of technical staff needed in the pre-press activities. In this case, the goal of maintaining employment levels may lead to the limitation of investment in new technologies, unless the implementation of the new IT systems has been discussed and approved by the workers' associations.

2.2.4 Conclusion

As with the publishing industry as a whole, the newspaper industry may be characterized as a mature market with stable, or slowly declining, profits. Nevertheless, the above description may suggest a different angle from which to analyze the industry. The level of concentration and the competition for resources from advertising change the traditional picture of a stable, mature market. The changes in the media industry and the synergies linking IT, telecommunications and entertainment are about to hit the newspaper industry. The first signs are the concentration trend and the strategy of horizontal integration pursued by companies like Hachette, Bertelsmann, and Cecchi-Gori group (originally a movie producer) in France, Germany, and Italy, respectively, and by the Murdoch group in the UK and (tentatively) in Italy. The likely change in national regulations may allow these big groups to directly control most of the newspaper market as well as television broadcasting. As newspapers depend on large groups for advertising revenues, they also become more and more closely related to TV networks. The spread of cable TV may also hasten this process. In this sense, the advertising strategies and the strategies to attract advertising resources of newspapers and other media may become complementary.

In other words, the institutional and competitive environment of the newspaper industry is rapidly changing, and it is easy to predict that these changes will impact the industry in terms of technological and managerial integration. Newspapers may become part of a larger offer of communication "tools" provided by integrated firms offering everything from popular magazines dealing with scandals to cable TV channels broadcasting educational programs. The integration of these tools is technology-driven, for the companies basically use the same IT tools. Within this scenario, state regulations should soon cease to be barriers to integration as it is difficult to define limits in terms of market share for TV channels, and it is difficult to measure newspaper circulation if we include electronic publishing. Regulators at both country and EU level will have to completely revise the existing agreements and rules in order to stop concentration from denying the free press the opportunity to live outside of the control of large integrated TLC-entertainment groups.

3. Country Studies:

3.1. *Northern Case: Denmark*

Case-study written by Peter Kjaer and Jesper Strandgaard-Pedersen, Institute of Organization and Industrial Sociology, Copenhagen Business School.

3.1.1 *Introduction* (1)

The character of the Danish business publications field has changed dramatically in the last two decades. The following is a first attempt to describe this changing field and some of its key elements: key actors, media and relationships to other fields. It is first and foremost a quantitative mapping of the field. It focuses on publication channels and the overall context rather than the communicated content and the role of this content in the life of Danish business firms.

There are several good reasons for examining the Danish business publications field. First, business publishing is an expanding market in Denmark—at least in quantitative terms. The conventional media are dedicating more and more space to business news and reporting. A number of new business magazines have been introduced in the last 10-15 years, signaling a growing market for news and analyses. And in recent years a whole series of new types of business media have emerged—such as Internet services, specialized newsletters and information networks—which all indicate that the market for business communication and information is undergoing fundamental changes. And yet, we only have quite vague ideas about the development and role of the field and its major actors. Most academic research on Danish news media has focused on politics and news media (e.g. Siune, 1984; Søllinge, 1992), whereas the new business media are rarely given serious attention (except, perhaps, by marketing researchers).

Second, the changes in business media perhaps signal some more profound changes in the context of organizing and managing business organizations in Denmark. The emergence of modern business media in Denmark coincides with changes in other aspects of the institutional environment of business enterprises: changes in industrial policy, changes in the public regulation of business, changes in the role of unions and business associations, and the emergence of new types of institutional actors in relation to business (e.g. management consultancies, regional development networks). Some of these developments involve a new division of roles and responsibilities between public and private actors and new types of relationships among firms and between firms and other institutional actors. The institutional conditions for organizing and managing firms have apparently changed, and mapping the role of the business press in this context may contribute to a better understanding of this emergent institutional context.

(1) Several people have provided significant inputs and shared information and insights regarding the Danish business publications field. The authors would like to thank Per Thygesen Poulsen and Erik Rasmussen for their willingness to share their ideas on the historical development of the business press as well as their thoughts concerning its future direction. The authors would also like to thank Per Harrit, Kasper Grenå, Bent Sørensen, Jes Richard Møller, Jacob Riis, Birthe Jensen, Ole Thosen, Bo Jørgensen, Steen Steiner, Poul Meelby, Klaus Skovhus and Tage Otkjær for providing insightful information on their respective newspapers and business magazines. Much of the empirical material has been collected and organized by Mette Götterup-Tang Andersen, who has also been responsible for the graphic layout in figures and tables appearing in this report.

Finally, there is a need to consider seriously the communication of concepts of organization and management, and hence the communication of management knowledge (see also Mazza, 1997). The emergence of the business publications field can be seen as contributing to the stabilization of a particular system of business communication in Denmark, a system of communication that constitutes a more or less autonomous field of production of management knowledge. Whereas the precursors of the modern business press tended to be closely linked to business associations, to highly technical aspects of business activity, or to more mundane concerns such as stock lists, currency information, shipping data, etc., the business press that has emerged since the 1970s not only constituted a new set of actors, it also involved the creation of a new set of relationships—and rules of the game—between various positions in the field: journalists, consultants, PR professionals, managers, etc. Criteria of relevance were increasingly an internal product of the publishing field and its interactions, rather than defined by "outsiders" such as business managers or trade associations. Understanding the character of the business publications field may contribute to an understanding of these new relationships and of the role and trajectory of various ideals and conceptions of business and management. One relevant question in this context is thus whether the emergence of a business publications field contributes to a homogenization of organization and management—as has been suggested by the debate on institutional isomorphism (e.g. Powell & DiMaggio, 1991). Another relevant question is whether the stabilization of a field of business communication has changed the role of models and concepts of management in management practice (i.e. do popular management ideas, communicated through the business press, increasingly become a ceremonial device in the legitimization of business strategy and processes of organizational change?).

3.1.2 Methodological Approach

The concept of "*business publications field*" is the key concept that organizes the following analysis. The concept of "*field*" is an open concept that simply identifies a number of nodes or points of observation in the analysis. The term "field" has been defined as a "configuration of relations between positions" (Bourdieu, 1992) or "a socially structured space in which agents struggle" (Wacquant, 1992). DiMaggio & Powell (1991) define an organization field as "those organizations that, in the aggregate, constitute a recognized area of institutional life: key suppliers, resource and produce consumers, regulatory agencies, and other organizations that produce similar services and products". Scott (1994) stresses relational and cultural criteria in his notion of the field concept, stating that, "the notion of field connotes the existence of a community of organizations that partakes of a common meaning system and whose participants interact more frequently and fatefully with one another than with actors outside of the field" (Scott, 1994: 207-8).

A field analysis is thus concerned with the positions that may be occupied by agents, the relations that constitute these positions, the rules governing or giving form to the relations between positions, and finally the overall boundary and structure of the field.

By using the concept of field we wish to stress, on the one hand, how social actors are always already constituted as elements of social fields, and, on the other, how a field constitutes a separate structuring of social relations and indicates a certain autonomization of social relations from other fields of practice. In other words, to be a business media organization is to be part of a particular field of practice that is governed by its own rules and procedures which cannot simply be seen as an expression of larger social relations.

In the following, we will distinguish between three steps in the field analysis. The first step concerns the conditions of existence of the field, i.e. the conditions under which a field may emerge and become stabilized. Ultimately, this could be a question of mapping the historical creation and autonomization of field elements and boundaries. The second step is the description of the players of the field, i.e. the various types of institutional actors that struggle with each other in the field. While such an analysis is hardly separable from an analysis of field structures and boundaries, it will serve as a pragmatic starting point for further analysis. Accordingly, the third step in the analysis is the broader characterization of field structures and boundaries—and of the types of relationships and rules that structure interaction in the field.

The present paper will not be able to give equal weight to all these analytical concerns. The overall purpose is to present an empirical overview of the Danish business publications field, and the primary concern will therefore be the initial description of the various field actors. Still, the overview will attempt to address three general questions:

First, what is the overall context in which the field emerges and becomes stabilized? Here we briefly discuss a number of circumstances that constitute the backdrop for the development of the publications field. This is done in section 3. *Second, what are the main institutional actors in the business publications field, what position and status do they have in it, and what kinds of contributions do they produce?* Here we describe, primarily in quantitative terms, the main business media in a Danish context, i.e. business books, business newspapers, business sections of conventional newspapers, business magazines and business publishing houses. This is done in section 4. *Third, what is the nature of the Danish business publications field?* Here we address some of the broader issues hinted at in the paragraphs above, i.e. who are the dominant actors, what are the criteria of relevance in the field, how are the boundaries of the field defined, and what is the relationship of the field to business practice. This is done in section 5.

The analysis in the following will emphasize the second question, whereas the first and third questions will serve as contextualization and discussion of the preliminary results.

In operational terms, we define "business publications" as *newspapers, books and magazines that are concerned with questions of business and management, which are aimed at the business community, and which are in general circulation*. This means that the so-called "professional press" in Denmark (journals, papers and other publications of unions, industrial associations and other organizations) falls outside our definition. It also means that other media forms like CD-ROMs, videos and Internet-based products are not included in the definition of business publications in this study.

The concept of "*institutional actors*" we define as the *media organizations that wholly or partly engage in the production of business publications*. We distinguish between the following types of institutional actors: 1) Publishers of management books; 2) General nationwide newspaper publishers; 3) Nationwide business newspaper publishers; 4) Business magazine publishers; 5) Publishers of foreign business publications (1) with circulation in Denmark; and 6) Danish business publishing houses that attempt to combine two or more publishing product types (i.e. books, business magazines, business newspapers). Finally, we will also consider the role of other types of institutional actors that may be of relevance to the business publications field.

(1) Foreign business publications are included in the analysis to be able to measure the degree to which the Danish market for business publications is penetrated by foreign actors.

The empirical analysis will primarily focus on the business publications field in the last 10 years (1987-1997), but in our characterization of the context of the field we will attempt to go beyond this time frame in order to identify longer-term patterns of development. The empirical data used in the analysis consist of three types of information: quantitative publishing data obtained from the Danish Audit Bureau of Circulations or from individual media; qualitative data about profiles of individual media organizations obtained via telephone interviews or presentation material from the individual media or from secondary sources; and qualitative data about the overall development of the field obtained from personal interviews with two experienced business press journalists and editors and from a variety of secondary sources.

3.1.3 *Setting the Scene: The Danish Business Press in Context*

The modern Danish business press emerged during the early 1970s and achieved a broader institutionalization in the late 1970s and early 1980s. The creation of a business publications field coincided with a number of broader development trends in Danish society. We shall now briefly outline the development of the business press and then attempt to situate this development in a broader historical context.

The history of the Danish business press can be divided into four phases (1):

"Commercial press" (Before 1970). Before 1970, there was no independent business press in Denmark. There was one national newspaper, *Børsen* [transl. "The Stock Exchange"], dedicated to business issues. *Børsen* was closely affiliated to Grosserer Societetet [transl. "The Danish Merchants' Guild"], which represented large Danish merchant firms. The emphasis was on trade and commerce with little or no interest in questions of industrial development, production, management etc. Similarly, other newspapers only paid limited attention to business issues and then usually to commerce and to official announcements, e.g. anniversaries, retirements etc.

"The emergence of business news" (1970-1980). In the early 1970s, *Børsen* was reorganized as a more independent business news medium with heavy inspiration from Sweden. The idea was to develop a more independent and critical type of business journalism that did not function as a mouthpiece of commercial interests (or of a single organization like the Danish Merchants' Guild), but instead attempted to create a broader public awareness of business issues and problems. By the late 1970s, this format was taken up by a number of other Danish national newspapers, which soon introduced regular business sections and more critical business journalism. The creation of a more independent business journalism was accompanied by a number of confrontations between business and the business press concerning editorial principles and sometimes even involving boycotts.

"Stabilization and counterprofessionalization" (1980-1990). In the 1980s a further development of business journalism took place, when a number of regular business magazines were introduced (2). However, this consolidation of business journalism was paralleled by a professionalization of press relations and public relations functions in many of the larger business firms. During the 1980s many business journalists, who had been active in

(1) This section is to a large extent built on information generated from interviews with Per Thygesen Poulsen and Erik Rasmussen.

(2) There was some experimentation with various business magazine formats already during the 1970s.

the creation of the new business journalism, were recruited as press officers by large business corporations. As a consequence, there was a significant growth in the amount of information about business activity made available to the media. Many firms now realized the potential for using the new business media as a profiling device and began to foster press contacts and produce news more systematically and strategically.

"From news to strategic analysis" (1990-present). During the last 10 years, there has been an explosive growth in terms of the quantity of business reporting in conventional national newspapers but few changes in format to equal the continuing professionalization of media expertise in firms and organizations. Some observers note a growing emphasis on financial and investment issues as a criterion for news selection in the Danish business press. Since 1989, there has also been a growth of new, more specialized business media, most notably around the weekly newsletter *Mandag Morgen* [transl. "Monday Morning"]. Here there is a significant shift from news-oriented business journalism to a more analytical, problem-oriented style of journalism that aims at producing "strategic information for decision makers". Strategic information is not so much news stories and information about individual firms and managers as information about the strategic conditions of business in an era of globalization. Analyses thus target economic, technological and political problem areas and often involve active attempts to mobilize new strategic business and non-business networks around such broader questions as "welfare reform", "regional development" and "competencies" (Interview with Erik Rasmussen, 1998).

As a more autonomous entity, the field of business publications is a fairly recent phenomenon. Denmark has only had a business press governed by journalistic news ideals for little more than 20 years, and even today there are conflicts and debates about the legitimacy of the business press (1). A recent example of this is a report made by a Danish communications consultancy firm, which, based on a study of a selection of TV programs, criticized business journalists for being unethical and manipulative. The report presented a list of "friendly reporters" who, according to the consultancy firm, were ethical, reliable, etc.

What is the broader context in which this development has taken place? On the one hand, Danish political and economic history since 1945 has been characterized by a significant continuity in a number of aspects: a continuing strength of centrist political projects, a tradition of maintaining a strong but not necessarily interventionist welfare state, an almost unbroken history of strong labor market organizations and collective bargaining, and a persistence of small and medium-sized firms in a national industrial structure that is still heavily influenced by agriculturally related industries. On the other hand, this seemingly stable "mixed economy" has undergone a number of "quieter" transformations in the last 30 years which in various ways have changed the conditions of existence of the Danish business press.

The problematization of public-private boundaries. Since the 1960s there have been several attempts to redraw the lines between public and private (or state and market) in Denmark. On the one hand, there has been a gradual politicization of business. During the 1970s this entailed ideals of further democratization of work life and demands for economic democracy, while during the 1980s and 1990s it has entailed ideals of corporate social responsibility and stakeholder values. These ideals have been articulated in several areas: labor market policy, environmental policy, educational policy, etc. On the other hand, the problems involving the boundaries of the welfare state have grown, beginning in the 1970s

(1) Furthermore the field now seems to be becoming more bifurcated as media adhering to more problem-oriented and strategic criteria of relevance differentiate themselves from more conventional news criteria.

with the problem of how to maintain control of the growth in the public sector; then, during the 1980s, of how to balance public sector development with private sector competitiveness; and finally, during the 1990s, of how to shift the boundaries between public and private (through privatization, liberalization, contracting out, etc.) to enhance the structural competitiveness of Danish industry and the overall flexibility of Danish society. As part of this challenging of the boundaries of the public sector, private firms have been invited to engage in the production of goods and services that used to be the monopoly of public actors, and this has often entailed intense political struggles (Andersen, 1995 and 1996). In these processes of politicization and privatization, firms and industries have thus been gradually forced to engage in processes of political deliberation and attempts to influence public opinion and to take account of a variety of economic and non-economic interests in their long-term strategic development. The new business media constitute a possible arena for such activities.

The search for new industrial policy strategies. The first oil crisis in 1974 and the resulting fiscal and industrial crisis entailed a search for a new model of economic growth. During the 1960s and early 1970s, the overall focus in economic policy making in Denmark was on conjunctural fine tuning of the economy, but the stagflation crisis of the mid 1970s led to a search for a new paradigm of economic policy making. A structural problem was identified in the Danish economy where the large public sector discriminated in favour of industries oriented towards the domestic market. Denmark's key economic problem was one of international competitiveness. From the early 1980s, there has been an increased focus on the structural conditions for industrial competitiveness, first in terms of technological development, but soon also in terms of the organizational and managerial preconditions for flexible adaptation and competitiveness. In the course of this process, the role of industrial policy making has changed from an emphasis on subsidies (to exports and technological development) to an emphasis on fostering new strategic networks in future-oriented industries and, on providing the technological and knowledge-focused infrastructure for private business development strategies. New and more complex expectations and responsibilities have been institutionalized as part of the environment of private firms, and firms and industries are now seen as strategic actors in the overall restructuring of the Danish economy (Pedersen, Andersen & Kjær, 1993; Amin & Thomas, 1998). The business press is becoming one of the places where such new ideals are articulated. However, the business press is also gradually becoming an arena for the formulation and implementation of new business strategies.

Strategies of globalization. The Danish economy is conventionally described as a small and open economy, something which is usually evidenced by Denmark's participation in EFTA and later on the EEC and EU. In accordance with this, the debate on industrial development and competitiveness was staged as one of strengthening the international competitiveness of the Danish economy. However, it is only from the late 1980s that the problem of international competitiveness became the overarching problem of Danish economic policy making - and *the* key problem of industrial strategy. With the decision to create an internal European market across national boundaries from 1992, with the collapse of the East European command economies and with the idea of hyper-flexible global markets, the notion of globalization and the concurrent need for constant strategic adaptation to changing global conditions has become a key concern of most debates on industrial development (e.g. Bartlett & Ghosal, 1987; Yip, 1989). It is this conception of the new strategic conditions that motivated a number of new initiatives in the area of business publishing, most notably the creation of the *Mandag Morgen* newsletter, which was to function not as an observer but as an actor in the processes of change (Interview with Erik Rasmussen, 1998).

The concentration and commercialization of the Danish media structure. The final contextual factor to be considered is the changes in Danish mass media after the 1960s. Until the 1960s, the Danish media structure was dominated by the political party presses. Most newspapers were owned by or affiliated to one of the four dominant political parties. This structure dated back to the rise of the party system in the late 19th century. When radio and, later on, television were introduced, these media were controlled by the state in such a way that the political party presses maintained their key role in news production. However, the political party press system collapsed during the 1950s and 1960s. Many newspapers closed and the remaining newspapers gradually severed their ties to the party system. Similarly, radio and TV began developing independent news profiles. The demise of the party press system has fueled growing competition among the remaining national newspapers, which now increasingly orient themselves towards the same audience. As a result, many national newspapers have expanded into broader journalistic areas, such as business. With the gradual liberalization of radio and soon also television broadcasting, resulting in an expansion of radio and TV stations, the internal competition on the news market entailed a further commercialization of the mass media in the struggle for advertisements and ratings. Since the early 1990s, business sections, along with sports sections, have been the main instruments in this competitive struggle (see *Medieudvalget*, 1995; *Mandag Morgen*, 1996).

The developments outlined above can perhaps be summarized as a process in which private firms have become public actors, while the mass media have become separated from the close ties to traditional political and economic interests. In the marriage of these parallel processes, the modern field of business publications emerges and becomes stabilized, at once attempting to become an autonomous force governed by independent criteria of relevance and part of a process of politicization of business in which the business press can become both an arena for the struggle over public opinion and industrial strategy and an actor in the forging of industrial projects and networks.

3.1.4 *The Field of Business Publications in Denmark*

The following description of the business publications field in Denmark is divided into four subsections, each devoted to a particular type of institutional actor in the field: management books; the popular business press (including national daily newspapers, business newspapers, business magazines, and foreign business publications); "combined" publishing houses; and other relevant institutional actors. In each subsection, we describe the various actors in both quantitative (i.e. circulation figures, market shares, etc.) and qualitative terms (i.e. profile and position in the field).

Most of the quantitative publishing data presented in the following sections have been obtained from the Danish Audit Bureau of Circulations. These data come from two annual publications: *Oplagstal & Markedstal* [Circulation Figures and Market Figures] and *Dansk Oplags- og Udstillingsbulletin* [Danish Bulletin on Circulation and Exhibitions]. These data have been supplemented with data supplied by the media organizations themselves and by a content analysis of the 10 national newspapers. The content analysis covers one week in February 1997 and attempts to estimate the number of pages dedicated to business news in each of the national newspapers. The purpose of the content analysis has been to identify which newspapers are the main producers of business news in Denmark. Accordingly, it does not involve a more particular description of contents (1).

(1) The content analysis should be seen as a rather rough estimate of the weight of business issues in general newspapers. In some cases it has been difficult to maintain a valid operational definition of business issues since it is often inseparable from e.g. labor market issues or various public policy issues. However, the same coding criteria have been used for each newspaper, giving the content analysis a reasonable reliability although its overall validity could be questioned.

3.1.4.1 Danish Management Books

Our study of books on management was intended to generate data for a comparative study on the spread of management ideas through different types of publications. With respect to books, we wanted to answer the following questions: How many books on management were published in Denmark in 1996? How are these books distributed across the main thematic areas? What is the origin of each book, i.e. who is the author, where and when was it first published? What is the status of the publisher?

In addition to these basic questions, we coded a few other aspects that were already part of the available data, i.e. size, price and library classification.

We now briefly describe the method of the study, including the principles of data collection and coding. We then present a number of tables that represent the main findings of the study. Finally, we include a list of coding categories for the database on management books.

Data collection

The Danish National Bibliography registers all publications issued in Denmark. It is the only register that covers the area under study. In the National Bibliography, each book is categorized as precisely as possible, among other things according to topic. This categorization is based on the voluntary submission of new titles, volumes, editions and issues by publishers. All the books that are registered have an ISBN-code.

Our data collection has been based on the NatBib database, which contains all the data from the Danish National Bibliography. Although a few books may have been classified as periodicals (and given an ISSN-code), we have chosen to focus solely on books with ISBN-codes, since this is the NatBib standard.

The actual collection of data started from the so-called "60.1" code in the Danish library classification system. This code covers "Management in general and organization theory". Within 60.1 and a number of subcategories (i.e. Business economics, Personnel management and industrial psychology, Operations management and systems research, Management of production in general and Management of materials in general) all books were registered. This first group comprises 286 books.

In addition to this, a limited number of books from the categories of Social psychology, Industrial democracy, Capital, Accounting in general and Marketing were registered. Here only books that were deemed part of the general field of management were registered. In this second round, 52 books were registered.

The organization of data

The data were coded in two forms: as a numbered list of books in Microsoft Word (the BASE LIST) and as a spreadsheet in Excel, using the base list numbers as reference numbers for the books (the DATABASE).

Since the information provided by NatBib varied somewhat in terms of precision and level of detail, the entries in the base list are not identical in format. However, as a

minimum the base list contains: Our reference number for the book (for the Excel database), Library classification code, Name of author(s), Title (in bold), City and publisher, No. of pages ("sider"), Price (information not available for all the books).

Where possible, the list also states whether the book is a first edition, and whether other information on issues and editions is available. The original language and name of the translator may be included. Finally, other types of information may be included (original title, excerpt from other book, occasion of publication, etc.)

Each book has been registered in the Excel spreadsheet on the basis of our reference number. Each is coded according to the following variables: Topic (Theme), Reference number, University publisher or other publisher, Registration number of publisher, Language (and, if known, original language), Number of pages (1-100, 101-200, etc.), Price, Price segment (0-100 crowns, 101-200, etc.), Year of first edition (and, if known and relevant, other information about publication), Library classification code.

In the coding procedure, each book was placed under one thematic category only. The basis for the coding was library classification code and title. When in doubt, the category suggested by library classification was preferred.

The findings and some final remarks on the Danish data collection

The main conclusions that we can derive from the data we collected are reported, summarized and discussed below.

In 1996, 338 books on management were published in Denmark.

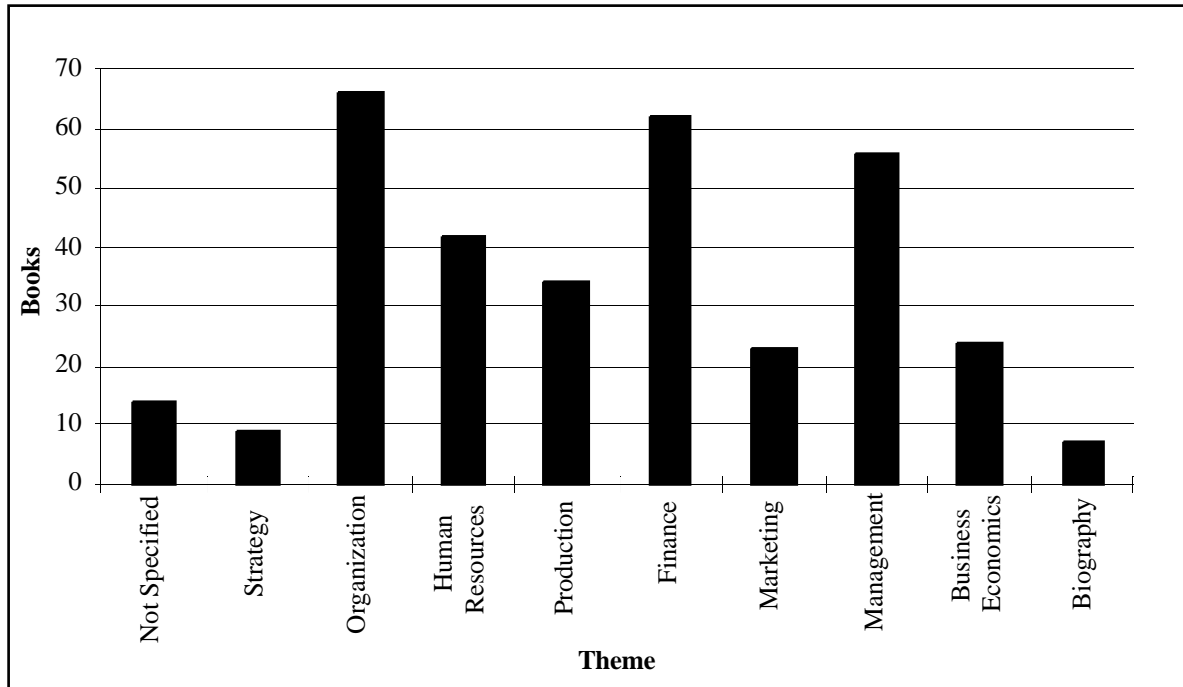
The five most important thematic areas were "Organization" (22%), "Finance" (18%), "Management" (17%); "Human Resources" (12%) and "Production" (10%).

In terms of language, 4/5 of the books were published in Danish. Almost one-fifth were in English, while only about 3% were in other languages. Only 10 books were translations from foreign languages (primarily English). Almost 90% of the books were first editions.

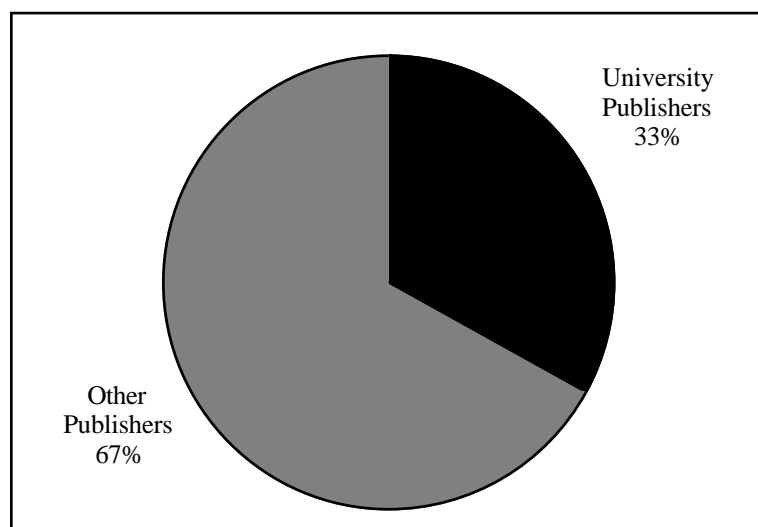
In terms of publishers, the "University presses" accounted for one-third of the books published in 1996, while the rest was published by general publishers or by specialist presses outside the universities. Among university presses (and indeed among all publishers), the Copenhagen Business School (and affiliated presses) was the dominant publisher, with a share of about 20% of the total number of books. The total population of publishers exceeded 100, which means that only a very limited number of publishers published larger series of books on management. Only 8 publishers published more than 10 books on management in 1996.

In terms of size, it is significant to note that almost two-thirds of the books had 200 pages or fewer, and almost one-third had fewer than 100 pages.

Figures 3.1 and 3.2 summarize these findings.

Figure 3.1. Number of books by theme

Source: NatBib.

Figure 3.2: Distribution of books by type of publisher

Source: NatBib.

The following remarks are based on some of the problems encountered in the process of data collection, and should be considered when evaluating and interpreting the Danish data.

The Copenhagen Business School has been registered as the dominant publisher in 1996. Many of its "books", however, are "readers" that are compiled for teaching purposes at the business school. These readers include articles from books, magazines, journals, etc., in Danish, English or other foreign languages. The number of books of this type suggests that a substantial number of publications in the field may not be books in the ordinary sense. Other educational institutions also make "readers" but do not give them ISBN-codes. The exact number of readers and similar publications is therefore difficult to estimate. It is also important to note that since many "readers" are compilations of articles in different languages, a number of foreign language or mixed language books in Denmark are simply "readers".

There are also different routines for registering working papers at different institutions. At the University of Aalborg, all the registered books on management are in fact working papers that have been given an ISBN-code (and hence registered as books). This, once again, suggests that uniform registration practices are not followed in all Danish educational institutions.

Finally, this study does not necessarily give a very precise indication of the management literature that is actually read in Denmark, since much of the course literature at Danish institutions of higher education consists of English language books that have been imported from abroad. These books have not been included in the present study, which covers only books actually published in Denmark. We do not have any systematic data on the import of foreign language books on management.

3.1.4.2 The Danish popular business press

Nationwide newspapers - status and development

Ten nationwide daily (1) newspapers are circulated in Denmark. Two of these 10 newspapers are almost exclusively concerned with business issues and will therefore be dealt with separately in the following section. The remaining eight newspapers are: 1) *Det Fri Aktuelt*, 2) *Berlingske Tidende*, 3) *BT*, 4) *Ekstra Bladet*, 5) *Information*, 6) *Jyllands-Posten*, 7) *Kristeligt Dagblad*, and 8) *Politiken*.

Det Fri Aktuelt was founded in 1871 and was originally the Social Democratic party organ. It is still owned by the so-called A-Press (the Labor Movement Press) but since the 1980s *Aktuelt* has gradually established itself as a more independent medium though still with a social democratic orientation. It has no business supplement but recently decided to upgrade its business reporting. Its daily circulation is about 34,000 copies (weekdays, second half of 1997) (2).

(1) Daily newspaper in the present context means 4-7 issues a week. Several of the newspapers described here have no Sunday edition.

(2) The factual information presented in this brief profile, and in the following profiles, comes primarily from telephone interviews with representatives of the newspapers and magazines or from written materials published by the paper. Data on circulation come from Dansk Oplagskontrol (Danish Audit Bureau of Circulation). The more evaluative remarks are our own, unless stated explicitly.

Berlingske Tidende was founded in 1749. It is not affiliated with any political party but is generally viewed as a conservative newspaper. It is owned by Berlingske Officin, an old publishing house which also owns *BT*, the weekly newspaper *Weekendavisen*, and a number of smaller publications. *Berlingske Tidende* was one of the early movers in the area of business journalism and has had a regular business supplement since 1981. Its daily circulation is about 153,000 copies (weekdays, second half of 1997).

BT was founded in 1916 and is owned by Berlingske Officin. *BT* is a sensation-oriented tabloid newspaper that competes with *Ekstra Bladet*. It has no business supplement but, according to one source, tends to subsume business under consumer issues or to put business issues into a human interest perspective. Its daily circulation is about 145,000 copies (weekdays, second half of 1997).

Ekstra Bladet was founded in 1904 and is part of Politikens Hus, a publishing house that also publishes the newspaper *Politiken*. *Ekstra Bladet* is a sensation-oriented tabloid newspaper. It has no business supplement. There are plans to expand business coverage, but as of now business issues are mainly dealt with in terms of scandals, crises, etc. that can be linked to the situation of "the individual Dane". *Ekstra Bladet's* daily circulation is about 165,000 copies (weekdays, second half of 1997).

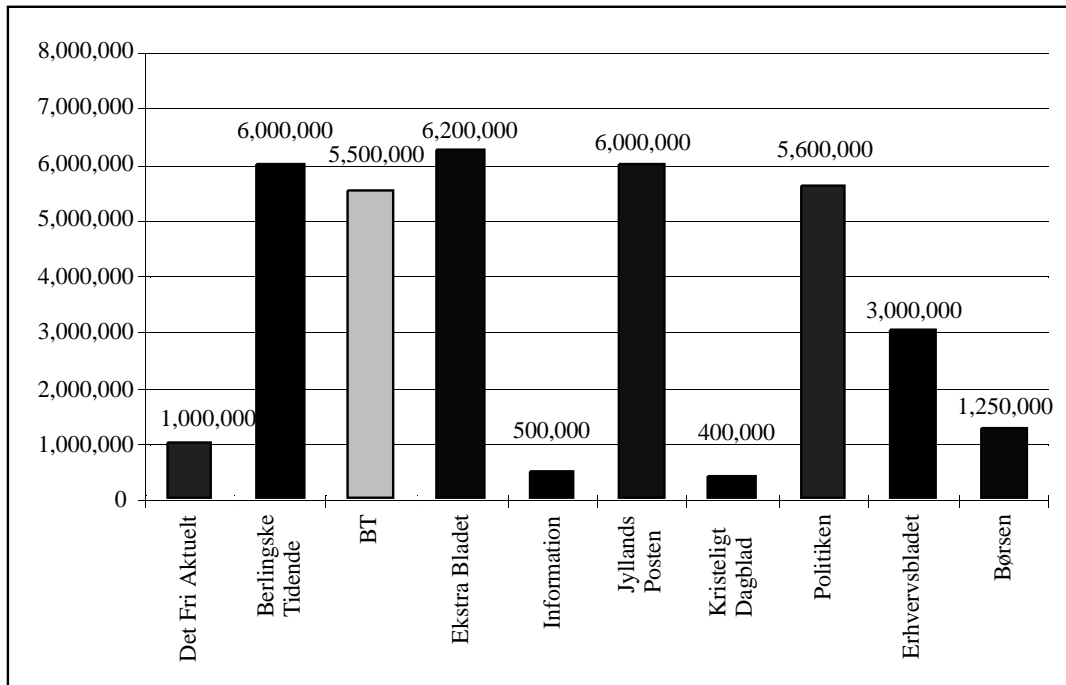
Information was founded in 1945, and is an employee-owned newspaper. It is a small independent leftist newspaper that is generally seen as the most intellectual newspaper in Denmark. It has no business supplement and usually only treats business issues as part of the broader political coverage, i.e. as part of environmental policy, industrial policy, etc. Its daily circulation is about 22,000 copies (weekdays, second half of 1997).

Jyllands-Posten was founded in 1871. *Jyllands-Posten* [The Jutland Post] has traditionally been the main conservative newspaper outside Copenhagen, but recently it has successfully profiled itself as a truly nationwide newspaper. *Jyllands-Posten* has traditionally been very business-oriented and introduced a regular business supplement in 1980, copying the *Financial Times* in its choice of pink newsprint for its business section. Its daily circulation is about 176,000 copies (weekdays, second half of 1997).

Kristeligt Dagblad was founded in 1896. It is a small Christian daily newspaper that, in addition to the standard news material, emphasizes religious and ethical issues. It has no business supplement and only limited coverage of business issues. Its daily circulation is about 16,000 copies (weekdays, second half of 1997).

Politiken was founded in 1884 as a liberal newspaper that soon established close ties to the small Danish radical liberal party. Today *Politiken* is an independent newspaper that is oriented towards the middle (or slightly to the left) of Danish politics. *Politiken* has traditionally emphasized news on politics and culture, but did introduce a regular business supplement in 1987. *Politiken's* circulation is about 146,000 copies (weekdays, second half of 1997).

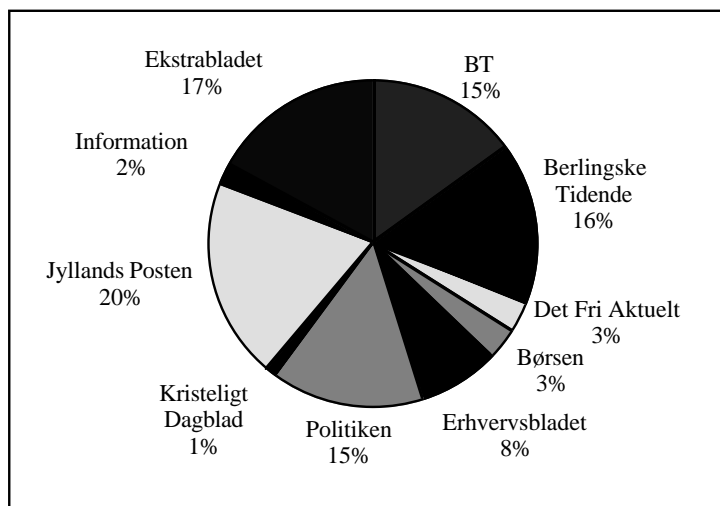
Figure 3.3 below shows *sales figures in terms of circulation* for all 10 nationwide newspapers. The figure illustrates the total number of copies sold in 1997. It can be seen that five newspapers (i.e. *Berlingske Tidende*, *BT*, *Ekstra Bladet*, *Jyllands-Posten* and *Politiken*) stand out from the rest. Each of these five sells more than 50 million copies per year, with *Jyllands-Posten* having the largest circulation, amounting to 70 million copies yearly. It is interesting to note that these five newspapers belong to only three publishing houses, as *Berlingske Tidende* and *BT* are both published by Berlingske Officin and *Politiken* and *Ekstra Bladet* belong to Politikens Hus.

Figure 3.3. Newspaper sales, 1997

Source: Danish Audit Bureau of Circulations.

Thus, the market for nationwide newspapers is made up of ten newspapers selling around 320 million copies per year, five of which dominate the market with a total circulation of more than 300 million copies per year.

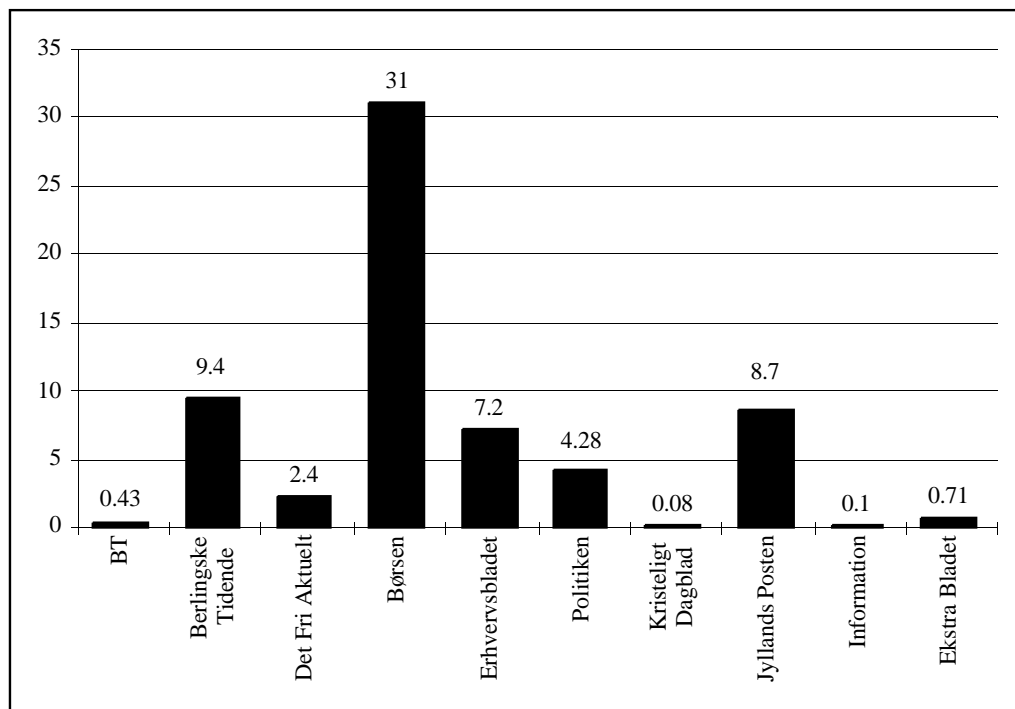
Figure 3.4 below depicts the market shares of the various newspapers:

Figure 3.4. Market shares of nationwide newspapers, 1997

Source: Danish Audit Bureau of Circulations.

However, these circulation figures tell us nothing about the importance of each newspaper with regard to business. If instead we choose another indicator and look at *the average number of pages devoted to business-related topics per issue*, only two newspapers appear to dominate the scene: *Berlingske Tidende* and *Jyllands-Posten*. *Erhvervsbladet* and *Børsen* will be dealt with separately later.

Figure 3.5. Pages per day devoted to business topics in the nationwide newspapers (Week 6, 1997)



Source: Danish Audit Bureau of Circulations

The figure reveals that *Berlingske Tidende* has 9.4 pages per day devoted to business topics while *Jyllands-Posten* has 8.7 pages. The other newspapers differ in the number of pages devoted to business topics. *Kristeligt Dagblad* and *Information* produce the fewest pages, with less than one page per day on business. *Politiken* is the third largest provider of business news (after *Berlingske Tidende* and *Jyllands-Posten*), but it devotes only 4.28 pages per day to business, i.e. less than half the amount of the two main competitors. In terms of average percentage of the total amount of business coverage, it becomes evident that *Berlingske Tidende* and *Jyllands-Posten* dominate the scene, together providing 70% of the total number of pages concerned with business-related issues produced by the eight daily newspapers.

In sum: Of the eight Danish daily newspapers, two stand out in terms of business reporting. These two, *Berlingske Tidende* and *Jyllands-Posten*, were also the first two newspapers to introduce a regular business supplement. The third major player in the field, *Politiken*, has a somewhat weaker position in terms of business news. It also has a shorter history of emphasizing business issues in editorial terms.

Business newspapers

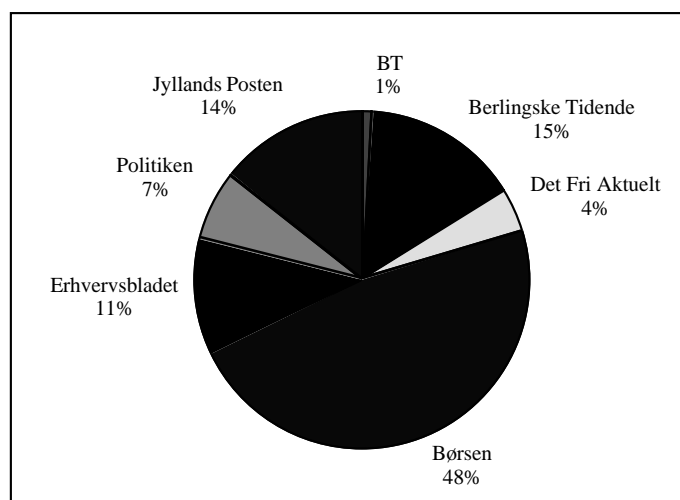
As mentioned earlier, two of the ten nationwide newspapers, *Børsen* and *Erhvervsbladet* [transl. The Trade Journal], differ from the rest of the nationwide newspapers in that they are almost exclusively concerned with business. They differ from one another not only in terms of circulation but also in terms of editorial profile:

Børsen was founded in 1896 but changed to its current format in 1970. It was *Børsen* that pioneered modern business journalism in Denmark. *Børsen* has an image of seriousness and is generally considered the key business newspaper in the Danish context. In terms of its readership, *Børsen* is oriented towards decision makers and investors in Danish companies. Its daily circulation is about 43,000 copies (weekdays, second half of 1997).

Erhvervsbladet was founded in 1964 but it was not until 1974 that it became a daily newspaper, appearing five days a week. *Erhvervsbladet* has a somewhat mixed reputation. On the one hand, it is widely circulated and has a reputation for highlighting the situation of small and medium-sized firms. On the other hand, it is dominated by advertisements and articles sponsored by particular firms, industries or chambers of commerce. It is mostly handed out for free. Thus, out of a daily circulation of about 106,000 copies (weekdays, second half of 1997), only about 1,400 were paid for by the readers (the figure has been declining steadily over the last 10 years).

Erhvervsbladet has the widest circulation, with almost 30 million copies yearly, while *Børsen* has a circulation of around 12 million copies per year. Thus, these two business newspapers together have a circulation of more than 40 million copies per year. Their market share, according to Figure 3.5 above, is 8% for *Erhvervsbladet* and 3% for *Børsen*. While this may not sound much, if we look at the average number of pages devoted to business-related topics per issue, it becomes clear that *Børsen* has a very strong position, both compared to the nationwide newspapers, which is not so surprising, but also, and quite surprisingly, compared to *Erhvervsbladet* (see Figure 3.5 above). *Børsen* has 31 pages devoted to business issues per day, whereas *Erhvervsbladet* only has 7.2, which is less than either *Berlingske Tidende* or *Jyllands-Posten*. If we look at the percentage each newspaper has of the total number of business-related pages, the dominant position of *Børsen* again becomes apparent (1):

Figure 3.6. Share of total business related pages (Week 6, 1997)



Source: Authors, newspapers themselves.

(1) For reasons of presentation, the two newspapers *Information* and *Kristeligt Dagblad* are not included in the diagram, since each has a share of approximately 0% of the overall number of business pages.

In other words, while the market for business newspapers in quantitative terms is dominated by *Erhvervsbladet*, qualitatively, in terms of status and in terms of production of journalistic articles, *Børsen* is the dominant business newspaper in Denmark. Thus, *Børsen* provides almost 50% (47% to be exact) of all the business pages etc. produced by Danish national newspapers per day, whereas *Erhvervsbladet* provides only 11%.

Business Magazines

Only four Danish magazines qualify as business magazines (according to the criteria outlined in the Introduction). These four are: 1) *Børsens Nyhedsmagasin* [transl. The Stock Exchange News Magazine], 2) *Penge og Privatøkonomi* [transl. Money and Household Economy], 3) *Ugebrevet Mandag Morgen* [transl. Monday Morning Weekly], and 4) *Økonomisk Ugebrev* [transl. The Economic Weekly]. The profiles of the four magazines differ in many respects.

Børsens Nyhedsmagasin, which was founded in 1985 and now publishes 21 issues per year, is aimed at top and middle managers and business students. Almost all subscribers are firms. *Børsens Nyhedsmagasin* has developed a particular type of journalism that emphasizes more investigative journalism that profiles people, networks and companies in Denmark. Its circulation is about 13,000 copies per issue (1997) and it is published by the House of Børsen.

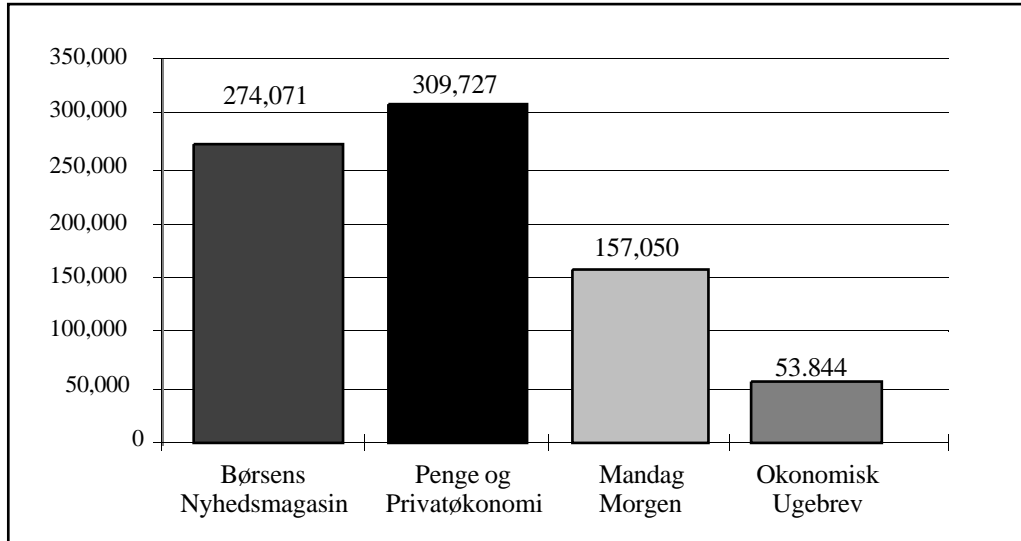
Penge og Privatøkonomi, which was founded in 1977 and publishes 11 issues annually, is aimed at private individuals who are interested in economic matters. It deals mainly with questions of how to make money (private economy) and dedicates little attention to broader questions of business and management. Its circulation is about 28,000 copies per issue (1997) and it is published by the House of Børsen.

Mandag Morgen was founded in 1989 and publishes 45 issues per year. It targets decision makers in both the public and the private sector and offers to "interpret the news and put it into context and perspective". *Mandag Morgen* focuses almost exclusively on analyses of developments in business or in areas relevant to business and has gained the reputation of being an agenda setter in the area of economic policy making. Its circulation is about 3,200 copies per issue (1997) and it is published by the House of Mandag Morgen.

Økonomisk Ugebrev was founded in 1994 and publishes 42 issues per year. It targets managers in private businesses, particularly in the area of finance and accounting. Its stated purpose is to give a quick overview of events and tendencies that business managers need to know about. Its circulation is about 1,300 copies per issue (1997) and it is published by the House of Børsen.

Figure 3.7 below shows circulation in 1997 for these four business magazines. Please note that the four magazines do not have the same frequency of publication. The circulation figure is obtained by multiplying circulation per issue by number of issues per year. Another problem when calculating the circulation of business magazines is that since many are based on company subscription, the actual readership may be 10 to 15 times higher than the number of copies sold.

Figure 3.7. Total circulation of business magazines in 1997

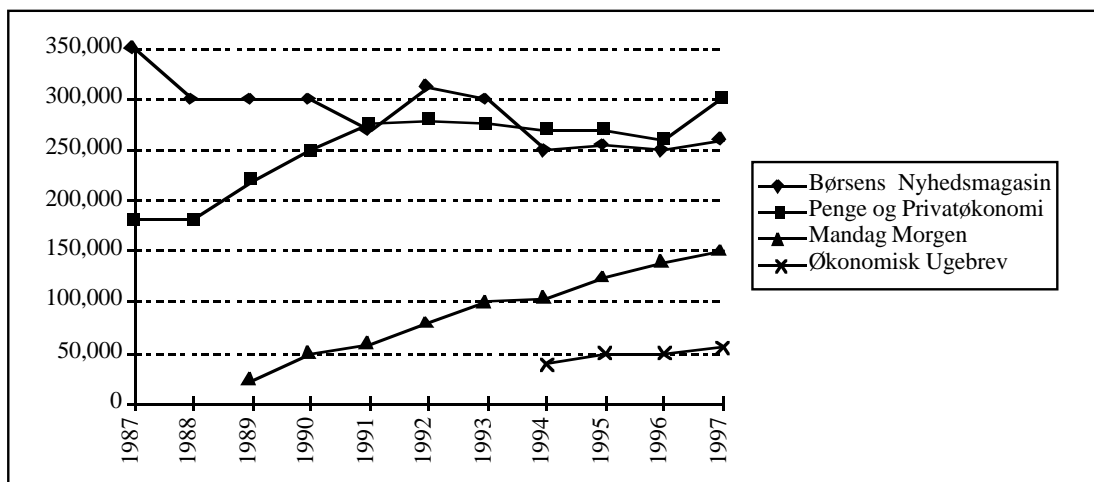


Source: Danish Audit Bureau of Circulations and the magazines themselves.

Penge og Privatøkonomi and *Børsens Nyhedsmagasin* dominate the market for business magazines in terms of circulation. The figures show that *Penge og Privatøkonomi* has the widest circulation, with around 310,000 copies yearly, closely followed by *Børsens Nyhedsmagasin*, with approximately 275,000 copies yearly. *Ugebladet Mandag Morgen* is number three, with 160,000 copies, but has only half the circulation of *Børsens Nyhedsmagasin*. And finally, *Økonomisk Ugeblad* has a circulation of only about 50,000 copies yearly.

Figure 3.8 below shows the growth in circulation of the four business magazines:

Figure 3.8. Total circulation of Danish business magazines, 1987-1997



Source: Danish Audit Bureau of Circulations and the magazines themselves.

While the overall market for business magazines has expanded somewhat during the last 10 years, the individual market shares have shifted. *Penge og Privatøkonomi* has had a marked overall increase in circulation, while *Børsens Nyhedsmagasin* has declined somewhat from its rather strong position in the late 1980s. *Mandag Morgen* and *Økonomisk Ugebrev* have experienced a steady increase in circulation since the beginning, but neither seems to be in a position to challenge either of the other two.

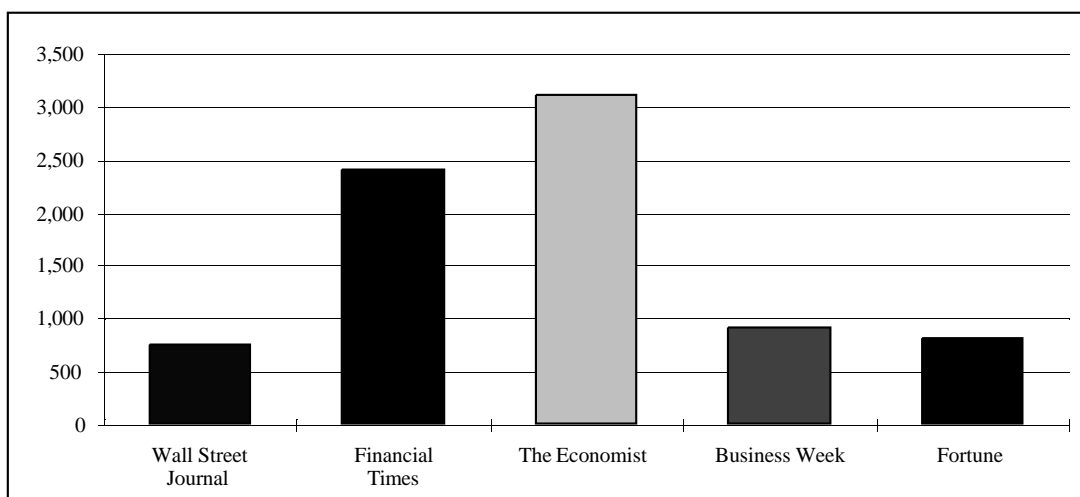
In sum, the four magazines work in a fairly stable market but seem to be oriented towards somewhat different audiences and utilize different types of formats to cater to these audiences. *Penge og Privatøkonomi* is more of a private household and leisure magazine targeted at "the private, individual consumer", while the other three magazines are oriented towards different groups of private or public decision makers. *Børsens Nyhedsmagasin* and *Mandag Morgen* stand out as the two dominant players, both in terms of readership and in terms of editorial policy or ambition.

Foreign Business Publications in Denmark

It has only been possible to obtain information on circulation from five foreign business publications in Denmark (1). These five are: 1) *Wall Street Journal*, 2) *Financial Times*, 3) *The Economist*, 4) *Fortune*, and 5) *Business Week*.

Of these five publications (two business newspapers and three business magazines), the *Financial Times* and *The Economist* have the largest circulation per issue, with approximately 2,400 and 3,000 copies per issue respectively, while the *Wall Street Journal*, *Business Week* and *Fortune* are significantly smaller, with a circulation per issue of less than 1,000 copies each (see Figure 3.9 below):

Figure 3.9. Circulation per issue of foreign business publications in 1997

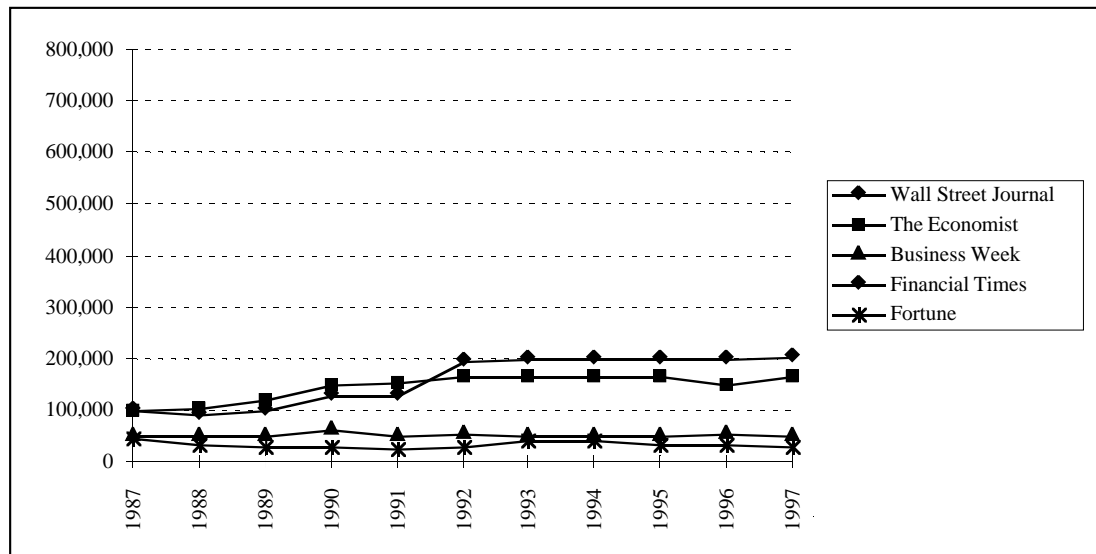


Source: The magazines and newspapers themselves.

(1) The agent of *Forbes* could not supply data on circulation, while the *Financial Times* agent only supplied data on 1997 circulation.

In a 10-year perspective, total annual sales of foreign business newspapers and magazines have increased, but with a slower growth rate during the last 4-5 years (see Figure 3.10 below). Unfortunately, no longitudinal data are available on the circulation of the *Financial Times*.

Figure 3.10. Total circulation of foreign publications in 1987-1997



Source: The magazines and newspapers themselves.

Compared with the total annual circulation of about 42 million copies of the two Danish business newspapers, *Erhvervsbladet* and *Børsen*, the two foreign newspapers, the *Financial Times* and the *Wall Street Journal*, taken together sell fewer than 1 million copies per year in Denmark. While not insignificant, foreign newspapers clearly have a rather peripheral position in the market.

In the area of business magazines the differences are less dramatic. Foreign business magazines sell about 225,000 copies a year, while the four Danish business magazines have a total annual circulation of about 800,000 copies in 1997. While part of the strength of foreign magazines is due to a higher frequency of circulation, they still occupy a stable but by no means dominant position in the market. However, it is difficult to be precise as to the influence of foreign publications owing to the lack of data on overall circulation and the particular audiences targeted by the various publications. An indication of the status of foreign business publications was given in an interview for this project, when the interviewee stated: "...foreign business publications are subscribed to by few individuals and companies and read by even fewer people. They are simply put on display near the reception to signal an international business outlook."

3.1.4.3 Integrated Publishing Houses

A number of Danish book publishers publish books on business and management on a regular basis. Besides the broad conventional publishing houses and the university and business school presses, several professional associations such as the Danish Engineering Association and the Danish Union of Lawyers and Economists (DJØF) have publishing houses that publish in the area of business and management. There are also a number of smaller specialized publishers in the area of business publishing. However, in accordance with the delimitations mentioned in the introduction, we shall not be studying this particular type of publishing house.

In the following, we shall focus our attention on a certain type of publishing house, namely those that bring together several different types of publications, i.e. books, magazines and newspapers, "under one roof". The reason for examining this category more closely is that combined publishing activity of this kind may create particular advantages and opportunities for synergy (i.e. the use of business journalists in the production of books on management, or the marketing of business books in the pages of magazines or newspapers) and so provide a stronghold and a dominant position in the Danish business publications field.

In this area we find four main players, three of which combine business books and newspapers or business magazines: 1) The House of Jyllands-Posten; 2) The House of Børsen; 3) The House of Erhvervsbladets Forlag, and with a somewhat different set-up: 4) The House of Mandag Morgen.

The House of Jyllands-Posten consists of a daily newspaper (see above) and a business book club that publishes 8 books a year on business issues. Jyllands-Posten also owns Centrum, a book publishing company. According to Jyllands-Posten, there are no links between newspaper, book club and book publisher. There is, the company says, no use of journalists from the newspaper in any of its other activities.

The House of Børsen is owned by the Swedish publishing house Bonniers. Børsen consists of the *Børsen* business newspaper, *Børsens Nyhedsmagasin*, *Penge og Privatøkonomi*, *Økonomisk Ugebrev* and a book publishing company that publishes management books and other books relevant to business. According to Børsen, there are no links between the two activities, i.e. no cross-use of journalists or other types of expertise.

The House of Erhvervsbladet. This family-owned publishing house publishes the business newspaper *Erhvervsbladet* and a number of books with business content. It also publishes a trade magazine on retailing. However, journalists from the business newspaper are not used in the book publishing activities.

The House of Mandag Morgen. This publishing house is special in the sense that it does not combine book publishing with magazine publishing, but rather the publishing of the weekly *Mandag Morgen* with the publishing of consultants' reports and special analyses for individual firms or groups of firms. These activities are carried out by various divisions, such as Strategisk Forum [Strategic Forum], Micro News, and Corporate Denmark. Thus, analysts in the House of Mandag Morgen may be working simultaneously on consultancy projects concerning the Baltic Region and newsletter articles concerning related topics. Similarly, the publication of a consultancy report is usually accompanied by the publication of articles on the report in the newsletter. The House of Mandag Morgen is thus the only publisher that consciously combines a range of activities to create synergies between various types of publishing projects.

In sum: while there are a number of publishing houses that have different types of publication activities under one roof—with The House of Børsen appearing as a very important player—only the House of Mandag Morgen consciously attempts to exploit possible synergies by combining these activities. All the other publishing houses have chosen to separate their activities into distinct organizational units that have no practical contacts.

3.1.4.4 Other Institutional Actors in the Danish Business Publications Field

In our analysis so far, we have only considered a particular set of predefined types of actors in the publications field, namely conventional private mass media organizations such as newspaper, magazine and book publishers. In this last section we will briefly consider four types of institutional actors that we think may play a significant role in the business publications field, although they fall outside our conventional definitions of business media:

Professional press. The professional press (in Danish "*fagblade*") (1) are magazines or newspapers that are mass-distributed to a select audience, usually on the basis of membership of an organization. According to one estimate there are about 1,300 professional press publications with periodical circulation in Denmark (Sepstrup, 1996). An important segment of the professional press is connected with the trade associations or the unions. Many of these publications carry articles that deal with issues of business management and organization, written by professional journalists or analysts. Two prominent examples are *Ingeniøren* [transl. The Engineer], the magazine of the Danish Engineering Association, and *DJØF Bladet* [transl. The DJØF Newspaper], published by the Danish Union of Lawyers and Economists (in Danish "*DJØF*"). Both cover the area of management extensively and deal with new models of organization both in the public and in the private sector. *Ingeniøren* alone has an annual circulation of more than 3.3 million copies (1995).

R&D institutions. A number of R&D institutions in the Danish context have developed extensive publishing activities aimed at business firms. Many of these institutions distribute newsletters to relevant segments of industry and also distribute reports and books to firms and industry associations. Perhaps the most prominent example is Dansk Teknologisk Institut (DTI) [Danish Institute of Technology], which has engaged very actively in communicating with small and medium-sized firms on issues of organization and management.

Political institutions. Several public agencies publish books, reports and newsletters concerned with organization and management on a regular basis. Prominent examples are the Ministry of Environmental Affairs, the Ministry of Industry and Trade, and the Ministry of Finance. Another important political institution that also produces both magazines and books—under one roof—is Kommunernes Landsforening (KL) [Danish Association of Municipalities], which is a key player in the dissemination of management ideas to local governments.

In our analysis, we have focused only on publications, and so have not considered television (or radio, for that matter). Nor have we considered Internet services or new types of multimedia services such as CD-ROMs, videos or the like. Several of the newspapers

(1) The professional press could also be translated as trade press. In any case, the category is quite broad and in some Danish studies functions as a residual category where the only commonality is the membership requirement and that there has to be a periodical publication of some kind.

discussed above have developed Internet services that allow for new ways of generating information. Other actors have specialized in the provision of new types of business information, either "strategic business information" (*Mandag Morgen*) or various types of information relevant to investment and private finance.

We have not examined any of these types of institutional actors closely, but even a superficial review of the area suggests that much of what is published in Denmark in relation to business and management may originate outside the more conventional channels outlined in the analyses above.

3.1.5 Conclusion: The Nature of the Business Publications Field

We have outlined some of the historical and contextual features of the Danish business publications field as well as a number of characteristics of the players in the business publications field. We conclude by summarizing the results so far and by proposing a number of issues for further research.

We described the history of the Danish business publications field over the last 20-30 years as being linked to a number of broader changes in public-private relationships, industrial policy making, internationalization strategies and media structure. Taken together, these tendencies constituted a particular context in which a business publications field has been structured as a more or less autonomous field.

The field of business publications in Denmark is dominated by a limited number of actors. The two nationwide newspapers *Berlingske Tidende* and *Jyllands-Posten* appear to dominate the field, together with the business newspaper *Børsen* and the magazines *Børsens Nyhedsmagasin* and *Mandag Morgen*. Around these five key actors there are a limited number of less influential actors such as the newspaper *Politiken* and the magazine *Penge og Privatøkonomi*, which are oriented to somewhat different areas of interest, despite strong circulation figures. Foreign publications—newspapers and business magazines—do not seem to play a significant role in the Danish publications field and neither do integrated publishing houses. The House of *Mandag Morgen*, however, appears as the only example of a publishing house that has attempted to consciously integrate various types of publishing activities under one roof.

This description of the various actors in the field merely constitutes a first step in a more comprehensive analysis of the business publications field. A logical next step would be to examine more closely the structure of relationships in the field and the rules defining and regulating them. Such an analysis is a precondition for addressing some of the broader issues concerning the communication of business knowledge. This question of relationships and rules can be divided into three dimensions:

Rules and structures of relevance. One key element in the development of the business press has been the gradual development of independent journalistic rules of relevance. Since the 1970s, the business press has become news-oriented, i.e. news criteria have been established as key notions of relevance. One important question is how these criteria of relevance are reflected in the journalistic production process, i.e. in the types of relationships and processes through which news is produced and circulated, or in the journalistic content, i.e. in articles, reports and books. Another important question is whether we are witnessing a shift in relevance criteria. Notions such as "strategic information" and the creation of new media types suggest that business media modelled on the conventional news

media may constitute only one possible way of organizing mass-mediated communication of management knowledge.

Rules and structures of field definition. The business publications field has so far been analyzed as a clearly delimited field of production, populated by mass media organizations engaged mainly in the production of news. However, evidence in this study suggests that these conceptions of field boundaries may be somewhat inadequate. The discussion on other possible institutional actors in the field suggests that one ought to consider, on the one hand, other types of media and, on the other hand, other types of institutions such as political institutions or R&D institutions that also take part in the broad communication of business knowledge. Another, perhaps even more problematic boundary to consider is the boundary between different "carriers" of business knowledge, i.e. publications, graduates and consultants. If the trend towards "strategic information" is a lasting trend, then it will become increasingly difficult to distinguish between media institutions, educational institutions and consultancies. Consider the case of the House of Mandag Morgen, where a media enterprise is consciously combined with a large consultancy—with both activities focusing on the same types of problems. There are also examples of consultancies engaging actively in education, etc. Thus, a task for further research will be to examine the changing boundaries of the business publications field and the processes through which these boundaries are defined and redefined.

One final aspect that has not been examined in the present context has been the "consumption" of business knowledge or, more narrowly, of business news. We have dealt solely with the producers' side of the communication process. How do firms and other business organizations organize their consumption of business news? What rules of reading and interpreting business information can be found? What procedures exist to ensure that key events are handled properly by firms, while less significant events are systematically disregarded? Some of our contacts in the field have been rather skeptical with regard to the impact of the business press. It has been suggested that the business press is mainly a profiling device for firms and industries vis-à-vis customers and other stakeholders. It has also been suggested that Danish managers are generally poorly informed of broader economic, political and societal developments, and that they are often not interested or at least not consciously concerned with international business developments, i.e. as reported by the foreign business press. On the other hand, certain ideas and concepts seem to be disseminated quickly and with little resistance through the business press to firms and organizations.

Each of these three dimensions deserves more serious attention. None of them has been systematically analyzed so far, and we therefore have only vague ideas about the communication of business knowledge in the Danish context. Hopefully the present analysis will serve as a stepping stone for the work ahead.

3. Country Studies:

3.2. Southern Case: Italy (Complemented with Spain and France)

3.2.1 Introduction

The press is a widely studied institution within the social context, and newspapers are the most traditional object of analysis within the press. The influence of the press has

been extensively investigated and is widely acknowledged as a given in all social, political and economic domains. Recently, in the grand parade of the main events of the millennium, Gutenberg's invention has been given first place, and offset printing has been ranked among the 10 most important events of the last century. However, the role of the press in general, and of newspapers in particular, has not been sufficiently investigated.

Given the centrality of the press in the social dynamics, the recent diffusion of management knowledge and the increasing use of economic terminology to describe societal issues cannot be analyzed without taking into account the role of the press. We also need to analyze the recent efforts of the specialized business press to address a larger audience in order to fully map the patterns of creation and diffusion of management knowledge. These two aspects are central in investigating the growing popularization of the business press.

From this very general perspective, the Italian case presents many interesting features that make it worth further investigation. First, Italian society has experienced a dramatic change in the last two decades, shifting from a highly ideologized and highly critical attitude towards management to enthusiastic support for such basic ideas of capitalism as the stock market and labor market flexibility. In this sense, even though Italian society has followed what has been a general trend in the Western world, it has moved from one of the above-mentioned extremes to the other.

Second, the shift in management orientation has been accompanied by change in the structure of the press, especially newspapers. The change has affected both the economic and the cultural dimensions of production and diffusion. In spite of the supposed stability of the press field, in Italy it has experienced an interesting qualitative and quantitative change. The rise of the business press also appears to be linked with a wider change in the way newspapers are organized and managed. The role of the institutional actors within the industry and the interplay between newspaper publishers and large industrial firms have reshaped the structure of the press in Italy, often through courses of action legitimized by the new managerial wave. From this perspective, the Italian case is readily comparable with other similar cases in Western Europe, and nowadays in Eastern Europe, and may help to build an overall map of the transformations related to the diffusion of management knowledge.

Third, as management knowledge becomes part of the content carried by the press, the issue arises of the different communication strategy that characterizes management as compared with traditional focuses of press interest such as politics and social chronicles. This different strategy of communication is based on the adoption of an essential, somewhat dramatized, "fast" language (see Bourdieu, 1998) that fits the time constraints on the diffusion of information by commercial TV channels. This "fast" language, and a new lexicon, is coupled with structural change in the industry and the growth and emergence of media such as the Internet and television broadcasting. Analysis of the Italian case may therefore shed light on the birth of a new media field, merging the existing media industries, and the spread of a common communication strategy. From this perspective, the dynamics in Italy are again comparable with those observable in other countries, with certain peculiarities regarding the courses of action chosen by large industrial firms and the publishers working in the field.

The following Italian case study is based on a theoretical framework which focuses on the institutional actors and their action strategies. It thus covers a wide range of social and economic issues within the field. Like any institutional analysis, it also includes a historical perspective to facilitate a purposeful interpretation of the changes in the field.

The case study is structured in three main parts. First, a definition of the methodological approach of the analysis. Second, an analysis of the "Management books" and "Newspapers and journals" sub-fields; this analysis addresses the basic quantitative issues and the socio-economic aspects related to the changes in the "Newspapers and journals" sub-field. Third, a discussion of the conclusions on the emerging changes in the press.

3.2.2 Methodological Approach

The methodological approach adopted in this paper is based on the New Institutional School of organizational analysis (Meyer and Rowan, 1977; Powell and DiMaggio, 1991). This theoretical approach is particularly useful in two respects: 1) the definition of the press field in social terms, and 2) the construction of the legitimized courses of action.

The press field may be defined in terms of economic variables, following the logic of industrial organization analysis. Nevertheless, this kind of description may not shed light on the social dynamics underpinning the changes in the actors' networks. The new institutional school provides a key concept that takes those social dynamics into account: the concept of the organizational field (DiMaggio and Powell, 1983; Scott and Christensen, 1995). The organizational field—defined as the arena in which a set of institutional actors recognize their interrelations or, as Bourdieu (1995) remarks in more general terms, a configuration of relations between positions—makes it possible to represent the network of actors and the ties between the institutional actors. The concept of the organizational field is also a starting point for describing the dynamics of the network of actors by looking at how the structure of the field moves over time and in conjunction with social changes.

In the case of the press organizational field, the ties among institutional actors are mirrored by the ownership structure of newspapers and the way ownership changes over time. We can explore the entry of institutional actors from other organizational fields, changes in the relative centrality of the actors in the network, and the relations among the actors' positions through a field analysis based on how the field and its boundaries work. This provides a macro level interpretation of the actors' interplay and its effect on the overall structure of the newspaper field and adjacent fields.

Along with the macro description, the new institutional approach and the constructivist perspective provide the analytical tools to reconstruct the legitimization process of courses of action. The institutionalization and legitimization of a new discourse and a new rationality in the field has the effect of re-configuring the ties within the network of actors. More interestingly, the process of translation of the legitimized discourse occurring at the field level plays a major role in defining and legitimizing new courses of action which reconfigure each actor's policies. In other words, the emergence of new courses of action may redefine the structure of the field by changing not only the ties between actors but also the contents of the actors' policies (Czarniawska and Sevón, 1996; Czarniawska and Jacobsson, 1995).

In the case of the press, the emergence of a managerial discourse and rationality dramatically affects the structure of the field by introducing new actors and legitimizing a network of action which was not available earlier in the same terms (Czarniawska, 1997). The actors already present in the field are unable to undertake the new actions in the network in the same way. As a consequence, some actors are replaced and some lose their centrality in the positions in the field. This network of action is also linked to other existing fields through the adoption of a common rhetoric and retrospective reconstruction.

Constructing the new representation of the field by constructing a map of the legitimized network of actions calls for a theoretical framework at the micro level. Institutional analysis of actions and their effects on institutions (Meyer and Rowan, 1977; Scott and Christensen, 1995; Dobbin and Strandgaard-Pedersen, 1997) provides just such a theoretical framework. In order to look at the diffusion and legitimization of management discourse, a sociological perspective (Berger and Luckmann, 1967; Czarniawska, 1997) is helpful in interpreting how the form and content of discourse is defined and shapes the interpretative clues available to actors in the field.

In the following section, we will describe the management press field in Italy by analyzing the three main sub-fields: management books, management journals, and newspapers. As far as newspapers are concerned, we believe that to separate business dailies from general dailies would undermine the role of highly legitimized general newspapers in setting the economic topics. We will therefore pay great attention to the development of the newspaper sub-field in Italy as a whole, without focusing exclusively on business newspapers.

To prevent the analysis from becoming overly broad, we propose to focus on the basic features of each sub-field (definition and number of publications, publishers, etc.). In the case of management books and journals, we shall analyze what was published in 1996. This analysis may provide clues for interpreting the underlying social dynamics of the Italian press.

3.2.3 The structure of the management press field

3.2.3.1 Management books

The goal of this part of the case study is twofold: first, we aim to provide some basic quantitative data on books on management published in Italy. Second, we aim to set the context for a comparative analysis of management publications across the EU. Our data collection addresses the following questions with respect to books:

- How many books on management were published in Italy in 1996?
- How are these books distributed across the main thematic areas?
- What is the origin of each book, i.e. who was the publisher?

In what follows, we briefly describe the method of the study, including the principles of data collection and coding. We then present a number of tables that show the main findings of the study.

Data collection

All books published in Italy are registered and given an ISBN number. There are many databases in Italy which classify books in thematic areas. We used the ALICE database, from which we extracted all the books in the "Management" category. This gave us 160 books on management published in Italy in 1996. We then carried out a detailed classification of these books by dividing the "Management" category into six sub-categories, based on the casewriter's knowledge of the Italian context.

Owing to the structure of the ALICE database, the "Management" category does not include books on related themes—such as social psychology, sociology, or industrial organization. The definition of "management books" used in this case is therefore rather narrow.

Organization of the data

The data were coded as a spreadsheet in Excel—based on the books' main elements. The list in the spreadsheet contains:

- Title
- ISBN number
- Name of author(s)
- Publisher
- Main thematic area
- Type of publisher (university press or other)
- Other types of information may be included (original title, excerpt from other book, occasion of publication, etc.).

In the coding procedure, each book was placed under one thematic category only. The basis for the coding was library classification, title, and the casewriter's specific knowledge of the Italian context.

The findings and some final remarks on the Italian data collection

The main conclusions we can derive from the data we collected are reported, summarized and discussed below:

In 1996, 160 books on management were published in Italy.

The main thematic areas were "Strategy" (37%), "Organization" (36%), "Human Relations" (30%), "Finance" (5%), and "Production" (2%).

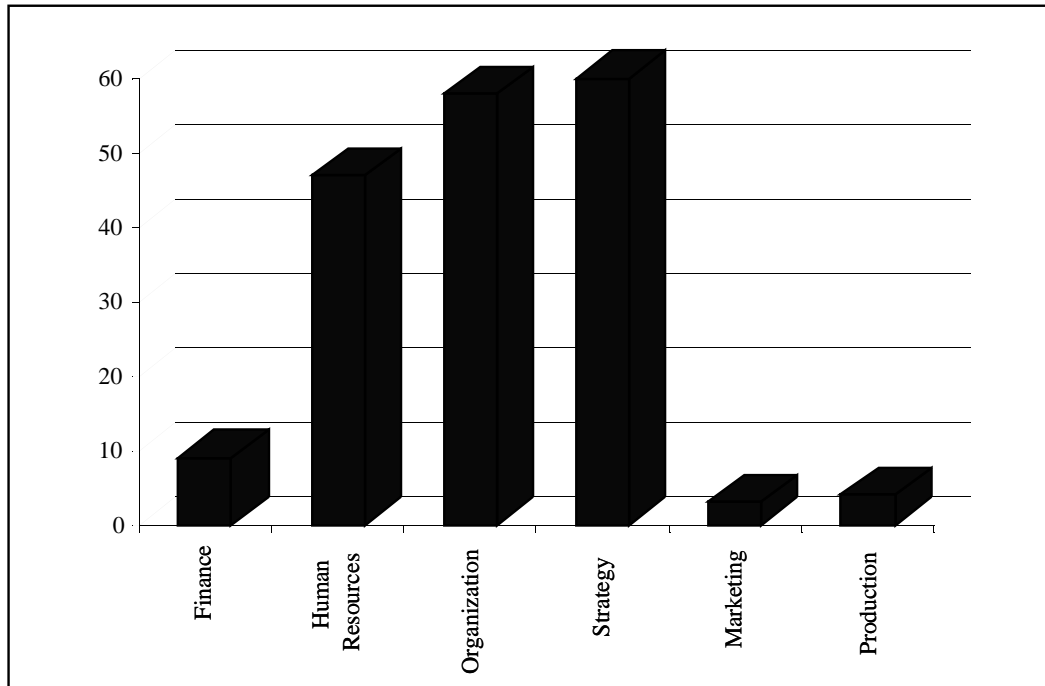
It emerged that in Italy the category "Strategy" embodies what in other countries is called "Management". This is attributable to the specific Italian tradition of business policy as a systemic view of the firm as a whole.

In terms of language, all the books were in Italian. Only two were translations from other languages (English).

The "university presses" accounted for 35% of the books published in 1996, while the rest were distributed by general publishers or by specialist presses outside the universities. Among university presses we included both publishers institutionally linked with university departments and those that primarily published academic books. The total population of publishers was 32; only five publishers published more than 10 books on management in 1996.

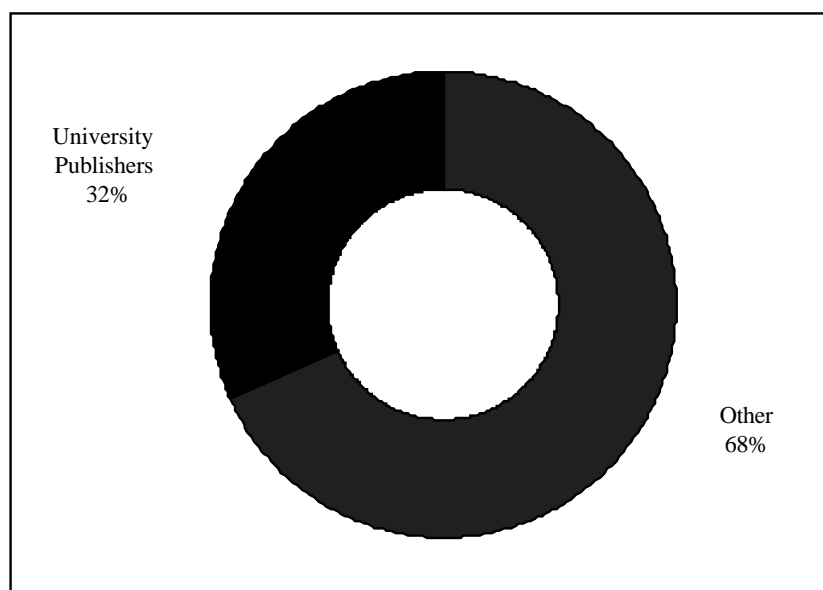
The following Tables and Figures summarize these findings.

Figure 3.11. Number of books by theme



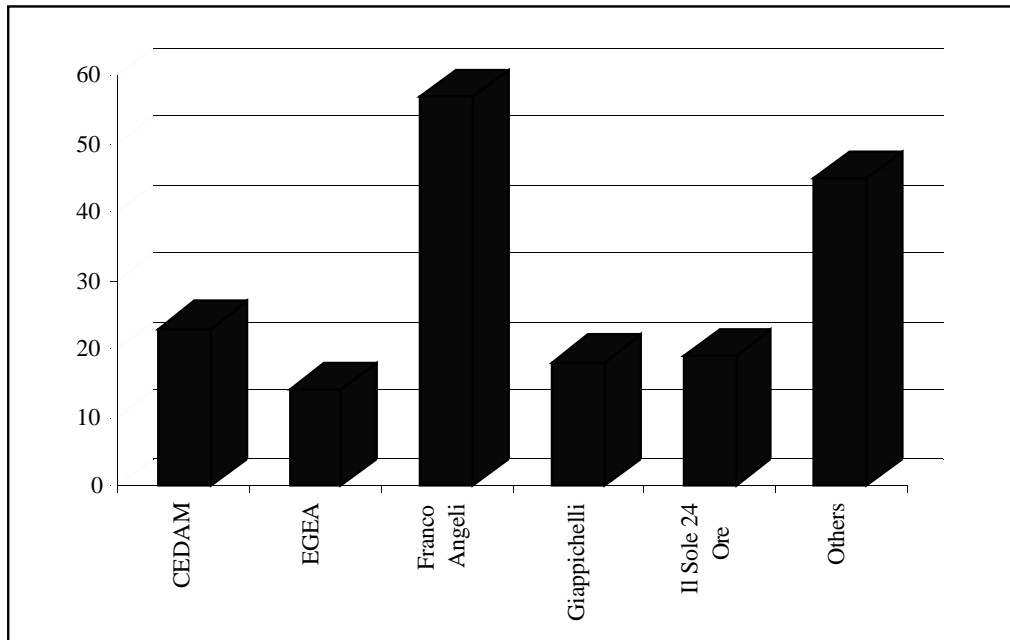
Source: Italian ISBN Agency.

Figure 3.12. Distribution of books by type of publisher



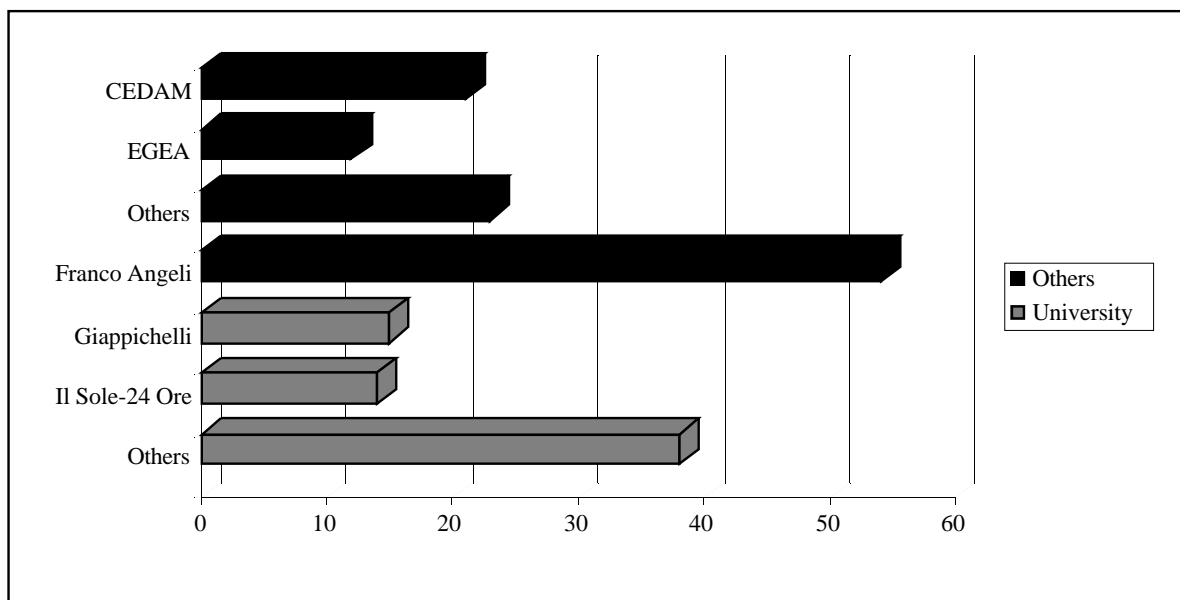
Source: Italian ISBN Agency.

Figure 3.13. Number of books by publisher



Source: Italian ISBN Agency.

Figure 3.14. Number of books by type of publisher



Source: Italian ISBN Agency.

3.2.3.2 *Management journals*

Data collection

We collected data on management journals published in 1996 to map this type of publications, which is particularly popular among managers and professionals. However, it is particularly difficult to draw a complete map of management journals, as many publications are distributed by mail on a personal or subscription basis. Many are also distributed for free by professional organizations.

Given the peculiarity of this kind of publication, we avoided using a narrow definition of management journals. We selected the journals classified under the "Management" heading in the ALICE database and then added the popular magazines that have detailed sections devoted to economic and business matters.

Organization of data

- The data were organized in a spreadsheet taking the following dimensions into account:
- Title
- Publisher
- Themes
- Type of journal (academic, practitioner-oriented, professional, magazine)
- Additional notes.

Many organizations publish management journals. Along with the same publishers as we found in the management books sub-field, management journals are also issued by professional associations, local organizations, and government bodies. Given the high fragmentation of publishers, the identity of the publisher is not very significant for our purpose.

As to the thematic areas, we decided to include the category "Management" in addition to those used for books. In this case, "Management" covers all the mainly professional, practitioner-oriented journals that deal with a wide range of generic topics from HR to strategy in the strict sense.

For our typology of journals, we defined four categories that we consider relevant to the Italian context: academic, practitioner-oriented, professional, and magazines. The importance of the "practitioner-oriented" and "professional" categories is given by the link they have with professional associations and government. The journals in these two categories are often mailed directly to top and middle managers and executives, not necessarily on a subscription basis. Interestingly enough, both national and local professional associations are active in this sub-field. Despite a modest circulation, these journals are often on managers' desks, so they play a role in updating the management knowledge available to decision-makers.

We have also included popular magazines in these categories. Popular magazines include both weekly supplements of general newspapers and weekly magazines that regularly deal with management topics. In the section on the newspapers sub-field we will give details on these magazines.

The findings and some final remarks on the Italian data collection

The main conclusions we can derive from the data we collected are reported, summarized and discussed below:

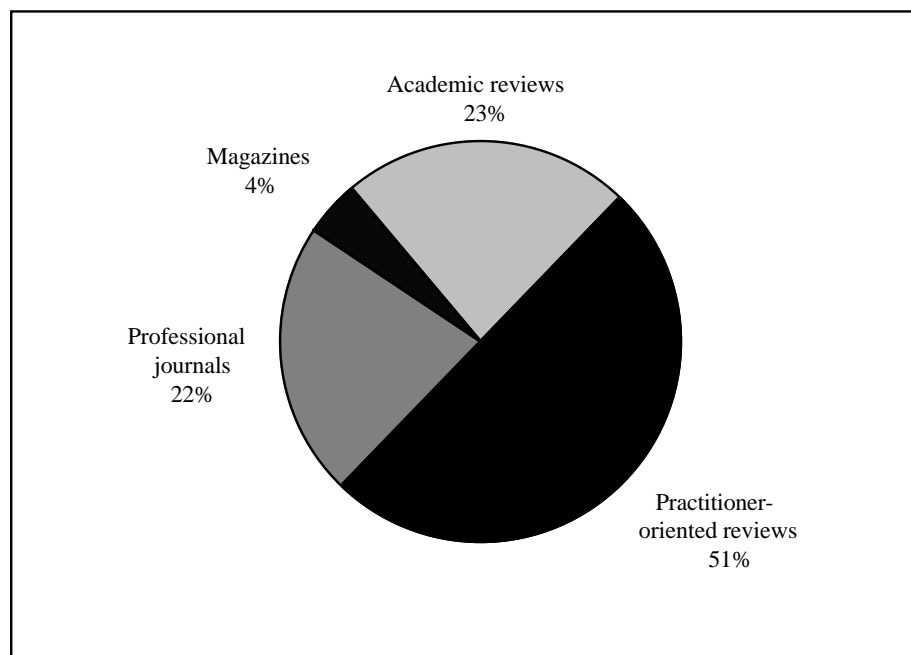
In 1996, 62 journals on management topics were published in Italy.

The main thematic areas were "Strategy" (35%), "Management" (23%), "Marketing" (15%), "Organization" (13%), "Finance" (7%), "Human Relations" (5%), and "Production" (2%).

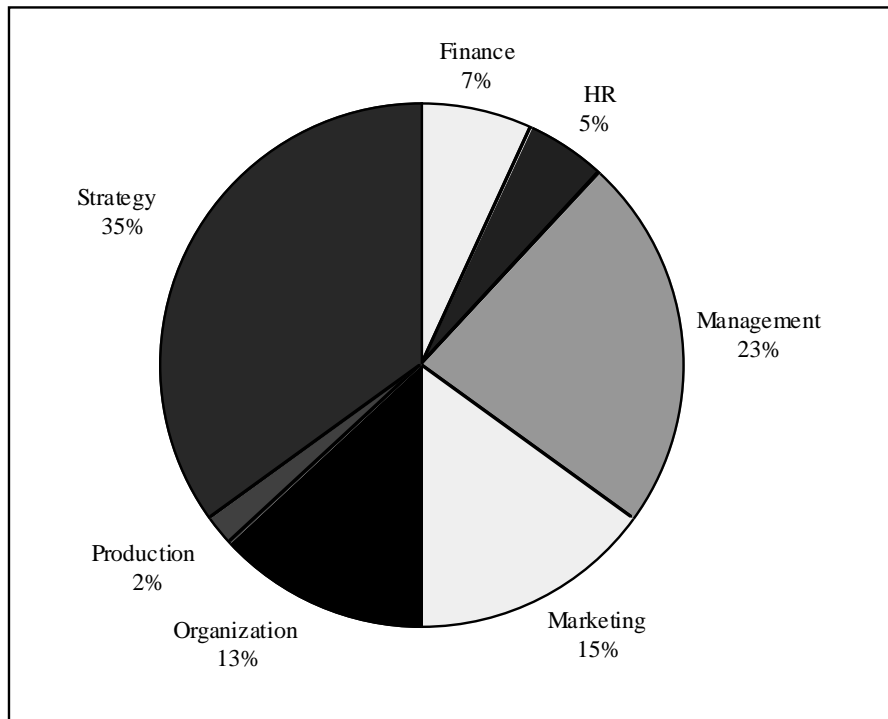
Academic journals represented 26% of the total, practitioner-oriented journals 39%, professional journals 29%, and magazines 9%.

The following Tables and Figures summarize these findings.

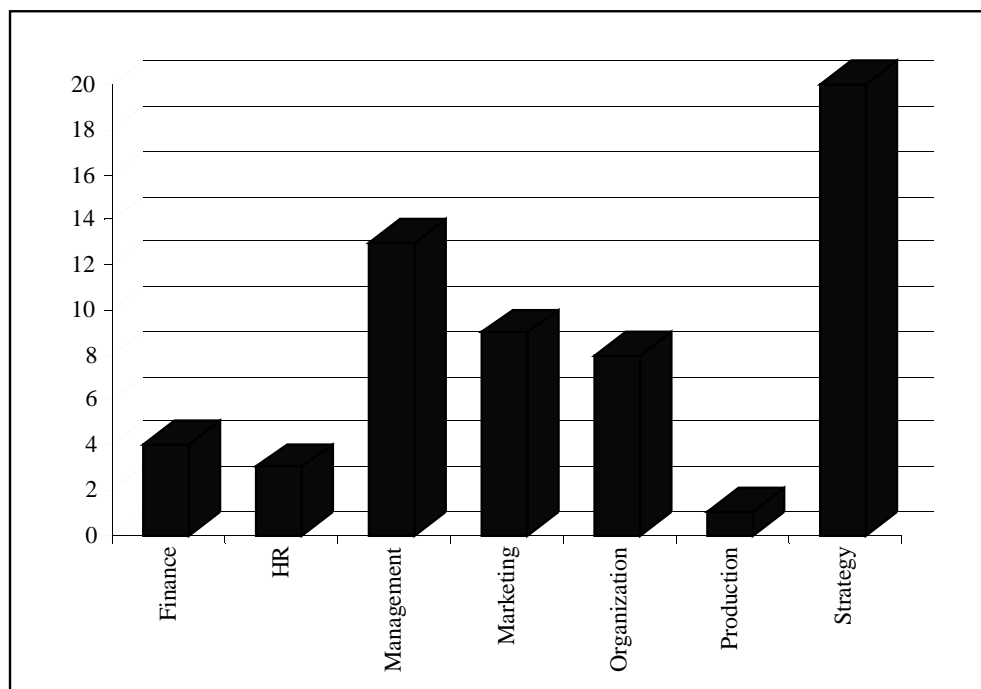
Figure 3.15. Distribution of management journals by type



Source: ALICE Database.

Figure 3.16. Distribution of management journals by theme

Source: ALICE Database.

Figure 3.17. Number of management journals by theme

Source: ALICE Database.

3.2.3.3 Newspapers

Analyzing the newspaper field is quite a complex task as newspapers are an influential part of the institutional environment. In order to provide a context for our analysis, we propose to focus on three questions.

1) What is the circulation of the management press?

The first question concerns the basic statistics of the field: number of newspapers, number of copies sold, number of publishers, circulation along certain demographic dimensions such as gender, age, location, etc. Even though these are basic descriptive elements, they may map the social and historical changes that underpin the dynamics within the field. To a certain extent, they are raw materials for the following interpretations, which focus more on the social side of the coin.

2) How did newspapers come to include more economic/management information?

This question addresses the first issue of the spread of management information and knowledge within the business and general press. The diffusion of management discourse has strongly influenced the way newspapers are written, edited and structured, and how newspapers select their potential audience through their choice of topics and news emphasis.

3) How has the ownership structure of newspapers changed over the last two decades?

This last research question addresses the central issue of the interrelation between the diffusion of management knowledge and the changes in ownership structure within the industry. This issue is especially relevant for Italy, as large private and state-owned firms play a major role as newspaper proprietors. By indirectly influencing newspapers' editorial decisions, large firms put newspapers within the field of management communication. Moreover, changes in ownership structure underpin the process of integration of the mass media, entertainment and telecommunication industries. The merging of these big industries is one of the interesting features of the current institutional dynamics in the field.

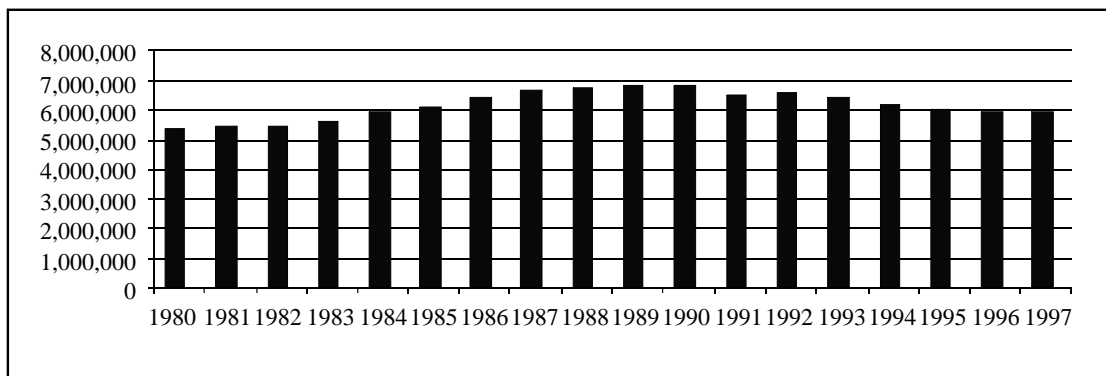
The data we use to describe the field are basically secondary data and data prepared by the bodies that monitor the press in Italy. Owing to the traditional importance of the press for political institutions, and the need for control and legal regulation to guarantee the freedom of press, the Italian Parliament is informed yearly on the basic features of the field. These data are usually used for economic analysis, but in this paper they serve as raw material for a more sociological interpretation of the field, the actors, and the legitimized actions.

Basic features

The definition of "newspaper" acknowledged by the Italian institutions includes periodicals published at least five days a week and distributed through authorized channels. This definition excludes all the newspapers handed out locally for free or distributed by mail. The total number of newspaper titles in Italy in 1997 was 122, including two foreign newspapers published in Italy and one Italian newspaper published abroad by an Italian publishing company. There are 99 organizations that publish newspapers and nine of them publish more than one newspaper (Osservatorio Tecnico per i Quotidiani e le Agenzie d'Informazione, 1998).

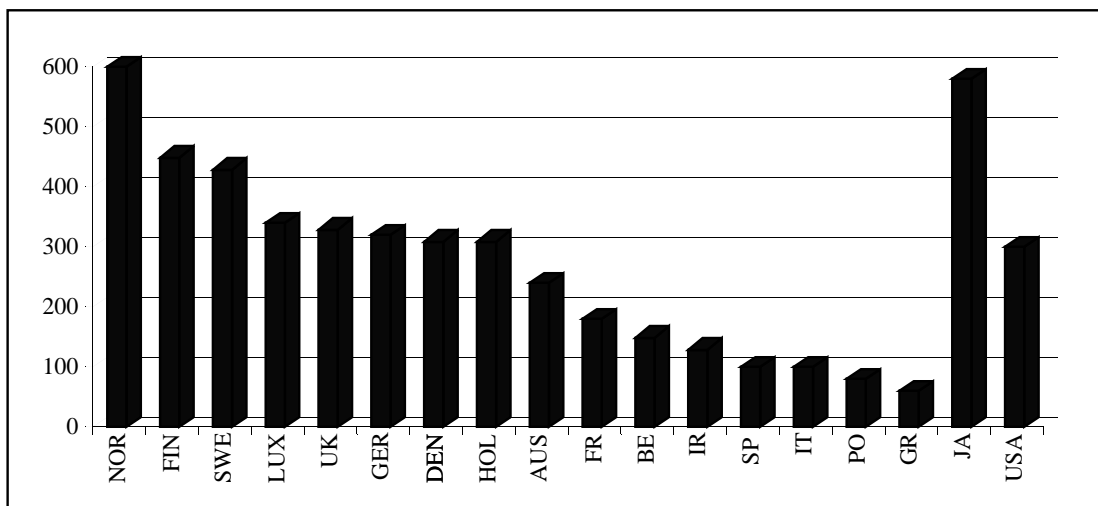
Figure 3.18 shows the data on total newspaper sales in Italy. We can see an upward trend in the '80s and a downward trend in the '90s, with sales returning to their mid-'80s level. Figure 3.19 shows the consumption of newspapers per 1,000 inhabitants for the EU and other countries. The consumption of newspapers in Italy is clearly much lower than in many other EU countries. This gap was reduced slightly during the '80s, but is now widening and may continue to do so through the year 2000.

Figure 3.18. Newspaper market in Italy, 1980-1997



Source: Mosconi, 1998.

Figure 3.19. Copies sold per 1,000 inhabitants



Source: Mosconi, 1998.

The way the newspaper field has changed is also defined by the audience and its composition. Table 3.1 shows the basic data on readership that define the current newspaper audience. Some interesting features emerge. First of all, the audience is still predominantly male, university educated, and living in the large cities of northern Italy. This reflects one of the basic aspects of Italian society, where newspapers are read by people with a direct interest in the labor market, mainly professionals from an educated background. The leading newspapers—excluding the sports journals—traditionally use serious and refined language

which may not appeal to less highly educated people. The other newspapers are diffused more locally, but their total consumption is much lower than that of the quality papers. Geographically, the audience profile reflects the country's economic structure. Higher income areas are associated with higher numbers of readers; this link is also enhanced by the diffusion of management information, which is clearly of more interest to readers in areas where organizations, firms, and employees are located.

Table 3.1: Readership Indexes

AVERAGE		42.4%	
Men	53.3%	sec. school	57.1%
Women	32.5%	primary sch	29.0%
14-17 years	38.4%	no school	10.1%
17-24 years	46.1%	north-west	48.1%
25-34 years	46.5%	north-east	49.7%
35-44 years	48.1%	centre	48.1%
45-54 years	48.1%	south	29.1%
55-64 years	38.8%	isles	34.5%
over 65 years	30.2%	<100000 inh	38.5%
graduated	72.1%	>100000 inh	54.5%

Source: Audipress, 1998.

From this perspective, the small number of copies sold is a reflection of the structure of the Italian readership. In Italy, 42.4% of the population reads or looks at a newspaper every day (Audipress, 1998, as reported by Osservatorio Tecnico). The equivalent figure in Germany is 80.7%, in the UK 76%, and in Sweden 85%. Interestingly enough, most of the non-readers in Italy are above 55 years of age, while in Germany and the UK it is in this same age group that we find the most loyal newspaper readers.

In the 1980s the production and consumption of newspapers was greatly affected by two developments. The first of these was technological change and the introduction of computerized techniques of editing and printing. In the second half of the '80s, many newspapers adopted these techniques and seized the opportunity to reduce editorial costs, introduce color and expand the use of photographs (particularly for advertising purposes), and increase the overall number of pages in each issue.

The second development was the dramatic change in newspaper publishers' marketing strategy. Gimmicks such as videocassettes, encyclopaedias, dictionaries and, later, CD-ROMs and floppy disks were introduced. Publishers also introduced what was known as "settimanalizzazione", i.e. the adoption of weekly supplements to integrate daily newspapers. The first weekly supplements appeared in the late '80s, and were focused on finance and management topics, in response to the interest in the stock market and the success of Treasury bonds in financing the huge Italian public debt. The economic depression of the early '90s and the "mani pulite" investigations (dealing with scandals and political corruption in Italy), which to some extent threatened the legitimacy of management and politics, led

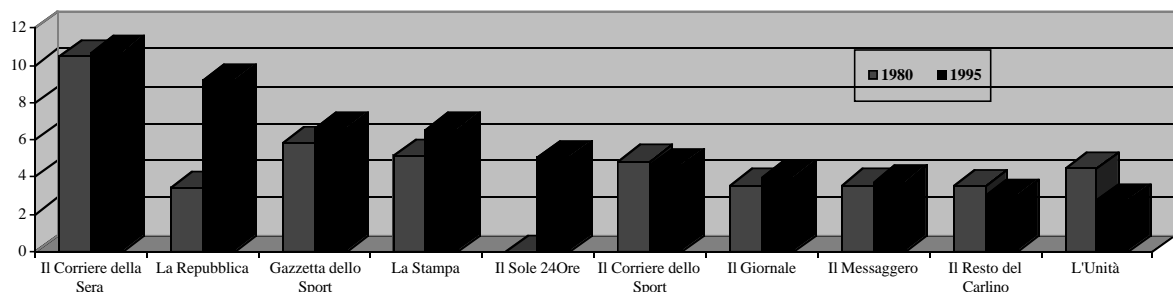
audience interest in these supplements to decline. Publishers therefore redefined the supplements, providing more information on the labor market and job opportunities. In the '90s, supplements on finance and management have been accompanied by supplements on fashion and entertainment. Recently, some newspapers have started to be sold along with established weekly popular magazines, not always produced by the same publisher.

Along with the adoption of weekly business supplements by the largest general newspapers, the leading business newspaper in Italy, *Il Sole 24 Ore* (produced by Confindustria—The Entrepreneurs League), has grown steadily in circulation, from 168,000 copies per day in 1980 to 368,000 copies in 1997 (Murialdi, 1998). In addition to the weekly supplements, the "quality" newspapers (i.e. the leading newspapers which deal with mainstream social and political issues) devoted a growing number of pages in their daily issues to economic and management news. They started including from 4 to 10 pages on management and economics each day (in addition to the stock market pages), just as they did for sport and entertainment.

At the same time, two new newspapers on economic issues were founded (*Milano Finanza* and *Italia Oggi*) and are still being published. The success of economic newspapers in general and the increase in the number of newspapers sold in Italy can be seen as related to the legitimization of management discourse during this period. However, the success of the management and economic press may also be due in part to a crisis in the political press. Several newspapers owned and published by Italian political parties almost collapsed as a result of the "mani pulite" investigations and the legitimacy crisis of the '90s due to the discovery of extensive political corruption. The largest of these, *L'Unità*, owned by the post-communist party and founded by Antonio Gramsci, saw its circulation plummet, and was facing strong internal conflicts to maintain employment. In the same period, *Il Popolo* (owned by the Popular Party and earlier by the Christian Democratic Party) faced a similar crisis, and *L'Avanti* (owned by the Socialist Party and one of the oldest Italian newspapers) suspended publication.

To account for the changes we have just described, Figure 3.20 provides data quoted by Mosconi (1998) that summarize most of these dynamics.

Figure 3.20. Market share of the leading newspapers



Source: Mosconi, 1998.

The structure of the newspaper field

Two elements are needed to interpret the structure of the newspaper field from an organizational field perspective: 1) the newspapers, and 2) the institutional actors. To analyze the first of these two, this report focuses on the main newspapers in the field, providing details of the changes in: a) the quality newspapers, and b) the business newspapers linked with the diffusion of management discourse.

To address the issue of the institutional actors, we shall focus on the changes in the ownership structure of newspapers. We shall describe the role of the organizations that own newspapers ("pure publishers", i.e. firms which publish only newspapers and magazines; large industrial firms; and the State). Also, we shall address the role of other institutional actors in the field by looking at the elements that link newspapers with other organizational fields. In particular, we shall look at data on advertising, publishers, and TV and entertainment in order to see how the boundaries of the newspaper field are changing.

Nationwide newspapers may be classified along several dimensions: copies sold, distribution channels, and main topics covered. In Italy, topics provide a useful clue in understanding differences and nuances of strategy within the field. Traditionally, a distinction was made among: 1) quality newspapers, 2) sports newspapers, 3) local newspapers, 4) business newspapers, and 5) evening newspapers (Murialdi, 1998). In Italy, the quality newspapers have adopted what is known as the "omnibus formula", i.e. they deal with all aspects of daily life from politics and foreign affairs to sport, fashion and culture. The idea is to produce a newspaper for professionals and homemakers at the same time. These newspapers are usually staffed by opinion makers and prestigious journalists. They provide high reputation comments and have a major role influence on political and social debate. A particular subset among quality newspapers consists of newspapers founded and owned by political parties. Italian political parties, even the smallest ones, have always considered it necessary to have their own press to diffuse their ideology and support their political views.

Sports newspapers deal with sport and leisure and have a very wide circulation. When important sporting events such as the soccer league finals, the Giro d'Italia cycle race, or the Formula 1 Grand Prix in Italy and Montecarlo are in progress, they may match the circulation of the quality newspapers such as *La Repubblica* and *Il Corriere della Sera*. Local newspapers focus on specific geographic areas, although they also provide information on the big national issues. Local newspapers are sold more in northern Italy. Business newspapers cover economic, managerial, legal and professional news and provide updated quantitative information on various subjects affecting economic life. Evening newspapers emerged in response to the need for updated information during the day. However, quality newspapers and the spread of TV news reports by both state and commercial broadcasting corporations contributed to the demise of evening newspapers during the '80s. TV and quality newspapers have the prestige and reputation to provide qualified opinion and comment, and have taken over the role of giving updated information.

For the purpose of this study, we shall focus on quality newspapers and business newspapers, as these are the main carriers of management information in the popular press. We shall analyze the evolution of management discourse in the newspaper field in the context of the reshaping of the appearance and content of the printed news media.

Quality newspapers

The quality newspapers and their "omnibus formula" have undergone major changes in the last 20 years. First, they absorbed part of the local newspapers by publishing local editions in different cities. Technological advances made it possible for these nationwide papers to publish part of each issue in different cities with different content. Apart from these ad hoc editions, some quality newspapers have tried to develop self-contained local newspapers in some cities, though with mixed results.

The growth in the relative importance of nationwide quality newspapers is shown by the success of *La Repubblica* and *Il Giornale*, founded in the '70s, which reached the top 10 ranking. As a consequence, during the '90s more quality newspapers were started, in spite of the decline in the total number of copies sold. Examples are *Il Foglio*, *L'Indipendente* and *La Voce*, though the last two are no longer published. In terms of number of copies sold (see Table 3.2 for a summary of the ten largest newspapers), the leading quality newspapers are *Il Corriere della Sera* (published in Milan), *La Repubblica* (published in Rome) and *La Stampa* (published in Turin).

Table 3.2. Number of copies sold in 1997

Newspaper	No.
Corriere della Sera	687,000
Repubblica	653,049
Gazzetta dello Sport	401,000
La Stampa	376,493
Il Sole 24 Ore	368,652
Il Messaggero	256,400
Il Giornale	218,741
Il Gazzettino	136,092
Il Secolo XIX	127,825
Avvenire	94,700
L'Unità	82,078

Il Corriere della Sera was founded in Milan in 1876. It has traditionally been the moderate and conservative newspaper for the middle and upper classes of the industrialized North. Since the beginning of the century, *Il Corriere della Sera* has provided well-respected and influential comment on political and social life. *Il Corriere della Sera* was founded mainly for political reasons to counter the influence of democratic newspapers (Castronovo and Tranfaglia, 1994; Murialdi, 1998). Its conservative orientation made it the object of strong criticism during the '60s and '70s as a symbol of both the moderate political positions and the serious and pro-government attitude of the Italian press at that time.

After a scandal in the early '80s involving its owner, Angelo Rizzoli (a "pure publisher" leading the largest publishing company in Italy and President of A.C. Milan football club), *Il Corriere della Sera* lost much of its leadership in the field. It was subsequently rescued,

and is now owned by the RCS (Rizzoli-Corriere della Sera) company, made up of leading industrial companies such as FIAT. The earlier scandal led to the passing of an Act on the permissible level of concentration in the newspaper field. In the '90s, thanks to a more progressive orientation, *Il Corriere della Sera* has regained its leadership role. It should be noted that in 1974 *Il Corriere della Sera* lost some of its famous journalists, who, critical of the paper's moderate position on political terrorism, founded *Il Giornale*.

Currently, *Il Corriere della Sera* is published in Milan, has a special Rome edition and is linked to small local papers in the areas of Naples and Como. *Il Corriere della Sera* also started to produce large weekly supplements on entertainment, fashion and culture, and has two weekly supplements on economic issues (*Corriere-Lavoro* and *Corriere-Soldi*). Moreover, it is often associated with other special editions during special events such as the Haute Couture and Prêt-à-Porter fashion parades in Milan (in 1997 this supplement reached 544 pages).

La Repubblica (founded in Rome) is an important and unique phenomenon in the Italian newspaper field. It was founded in 1976 by a group of well-known journalists who had already founded the news magazine *L'espresso*, coordinated by the "pure publisher" Angelo Caracciolo. It brought innovation to the field by adopting a smaller size (tabloid format) and significantly increasing the number of pages in each issue. *La Repubblica* also pursued an aggressive marketing policy using gimmicks and supplements, and also successfully ran a lottery to increase sales in 1989. Interestingly enough, *La Repubblica* started without a Monday issue and with no sports pages. Nowadays, it has a weekly supplement on economic and management issues (*Affari e Finanza*, since 1986), and on entertainment and culture, and has local editions in seven cities.

La Repubblica has always maintained progressive views on social and political issues and has helped to rewrite and modernize the political agenda and the relationship between the press and the world of politics. In this sense, it has counterbalanced the prestige of the moderate *Il Corriere della Sera*. Moreover, as we will see below in detail, *La Repubblica* is unique in the newspaper field in Italy in being owned by a "pure publisher".

La Stampa was founded at the end of the 19th century in Turin, and was soon an influential newspaper for the rising industrial middle-upper class. It is directly owned by FIAT and has historically propounded a moderate and conservative approach to political themes. Although its journalists retain a considerable degree of independence in commenting on political and social issues, *La Stampa* is a living example of the control that industry may exercise over the press. This was the reason for most of the criticism it received during the '70s, which unfortunately led to terrorist attacks on the newspaper and its journalists.

Nowadays, *La Stampa* is still a well-respected quality newspaper, published in Turin and linked to minor local dailies in Rome (this latter experiment failed, however, and the local dailies folded) and Bolzano. *La Stampa* was the first newspaper to completely computerize its composition, editing, and printing processes. It adopted a new layout and size in the mid-'80s but reverted to the traditional format when the impact on sales proved disappointing. *La Stampa* is sold mainly in the north of Italy (above all Turin and Milan) and is different from *La Repubblica* and *Il Corriere della Sera* in that its sales are much more concentrated in a single geographic area. Currently, *La Stampa* does not appear to have an aggressive policy with regard to supplements and gimmicks, and its sales figures have been slowly declining over the last few years.

Business newspapers

There is a long tradition of business newspapers and magazines in Italy. The first business newspapers were published in the 19th century in cities with strong trading economies such as Genoa and Milan, although their circulation was limited to merchants and entrepreneurs. This situation lasted till the 1960s when, following the example of *Il Giorno* (owned by the State oil company), *Il Corriere della Sera* and *La Stampa* started providing basic news on economic issues. Until the early '80s, however, business information was a minor concern of the Italian press. *Il Sole 24 Ore* (the only survivor among the business newspapers of the previous century) was the only business newspaper, selling about 150,000 copies, mainly to professionals and managers.

During the '80s, the growing interest in the stock market due to the importance of finance in the economy and the opportunity for small savers to access the stock exchange led to an increase in demand for economic and management discourse, marking the start of the spectacular development of the business press in Italy. Two economic newspapers started in those years (*Milano Finanza* and *Italia Oggi*) and all the quality mainstream newspapers devoted an increasing number of pages to business issues. In 1986, *L'Unità*, owned by the Communist party, published pages on the stock market for the first time. Business magazines were published and, as the yuppie generation imposed its fashions and cultural codes, became quite popular.

During this decade, business newspapers dealt mainly with stock market dynamics and macroeconomic analysis. Economic development also provided an opportunity to deal with management issues such as management fashions, success stories, and new managerial waves, mostly coming from Japan (Alvarez and Mazza, 1997). The economic crisis of the '90s in Italy led business information to expand into the field of politics. Management, efficiency and flexibility were keywords for all journalists addressing the issues of political reform and social analysis after the turmoil following the "mani pulite" investigation. This forced journalists to adopt a business language, and so contributed to the diffusion of business newspapers and magazines. In the following paragraphs, we briefly describe the three leading business newspapers which played this role in the '90s.

Il Sole 24 Ore was the result of the merger of *Il Sole* and *24 Ore*. These two papers covered economic and trade issues, and *Il Sole 24 Ore* has retained this orientation. Since the '60s, it has been the most influential and legitimized source of economic information both for firms and for professionals (lawyers, managers, consultants), and of legal knowledge for civil servants.

Until the early '80s, *Il Sole 24 Ore* sold about 100,000-120,000 copies, and its distribution was very limited, even among managers. As the Pirelli Report (Murialdi, 1998) pointed out in 1969, there was a lack of information and knowledge about management and finance in Italy. Confindustria (The Entrepreneurs League) wanted to see a different approach to management and called for greater transparency to face the ideological crisis of those years. At the same time, other critical newspapers and magazines enquired into bankruptcies and management practices among large firms, and demanded more openness and clarity. *Il Sole 24 Ore* was the first publication to provide reports on takeovers and the strategies of particular companies, opening the doors to this type of information.

At the same time, *Il Sole 24 Ore* became the most influential source of information on new organizational practices for managers, printing articles by academics, consultants, and managers. During the '80s its sales started to increase, and in 1998 it equalled the

circulation of the *Financial Times*, which is distributed in about 100 countries. Approximately 1,500,000 people read *Il Sole 24 Ore* every day. This success has been achieved by integrating economic information with moderate, non-ideological information on politics, by providing indirect consulting services to civil servants and lawyers, and by promoting and reporting the reforms which have reshaped (and are still reshaping) the public sector and the stock market.

Il Sole 24 Ore is characterized by moderate language and a rejection of spectacular headings. The first page contains no photos, except for very important events, and there is no weekly supplement. The Monday edition has a different layout, with color photos and graphics on the first page, and carries information and reports aimed at a more popular audience. This is one of a few initiatives that have been undertaken to extend knowledge about financial investments and products to non-professionals.

Italia Oggi and *Milano Finanza* were founded in the second half of the '80s. Focusing mainly on stock market issues, they were the most serious attempt to challenge the leadership of Confindustria's *Il Sole 24 Ore*. Both provide analysis for stock market investors, information on the strategies and profits of the main companies, and discussions on the effectiveness of implemented managerial solutions. *Italia Oggi* and *Milano Finanza*, both published in Milan, have the same editor (Paolo Panerai, a former economics writer for *Il Sole 24 Ore*). Their circulation is still limited, though no official figures are available.

Newspapers as for-profit organizations: revenues, employment rates and ownership structure

From a business viewpoint, newspapers are for-profit organizations. Accordingly, revenue and cost dynamics may provide some useful clues to help understand the transformation of the field. This section deals primarily with revenues and employment rates in the newspaper field, and reports the most recent data on these variables. These data provide additional raw material for the following section, which describes the transformation of the newspaper field and analyzes the changes in ownership structure over the last decade.

The data on revenue growth during the last three years (Osservatorio, 1998) reveal a dynamic which started in the early '90s. Total revenues have risen consistently, but at a decreasing rate (see Table 3.3). More interesting is the difference in growth rates between sales and advertising revenue, reflecting a change in the composition of newspaper revenue. Revenues from advertising have risen to 45% of the overall figure (Osservatorio, 1998), bringing Italy closer to France (63.4%), Germany (62.3%) and Spain (52.1%), though the US is still way ahead, with 86%. This trend was reversed after a crisis in the advertising market during the late '80s. National commercial advertising provides 50% of advertising revenue, but local commercial advertising occupies 63% of newspaper advertising space.

Table 3.3. Increase in newspaper revenues, 1995-1997

	1995	1996	1997
Revenues from sales	13%	4.59%	1.18%
Revenues from ads	8.84%	8.85%	7.63%
Global revenues	11.18%	6.42%	4.01%

Employment levels have fallen substantially over the last 15 years. This trend has been accompanied by a reduction in costs, related to the technological transformation of the newspaper production process. Nowadays the cost structure of newspapers is made up basically of three elements: paper, printing, and technology. The impact of labor costs is limited to workers in the printing process, where the reduction in employment has been higher than in other areas of newspaper production. Printing workers have gone from 54% to 33% of the total employed in the newspaper industry as a whole.

Italian newspapers have historically been in the hands of manufacturing firms. Financial markets and pure publishers play a minor role in the management of newspapers. Ortoleva (1997) provides a conceptual map for the ownership structures of newspapers: individual firms, firms linked with large groups, state- or political party-owned firms, and private firms. Firms linked with large groups are by far the most important category, linking the largest newspapers with big industrial groups. These industrial groups belong to both manufacturing (e.g. FIAT) and services (e.g. CIR-De Benedetti).

Recently, the interest of large industrial groups in newspapers has been accompanied by a growing interest in other media fields. As a consequence, in Italy there is a small set of industrial groups which own media companies with a presence in the newspaper, TV, radio, and periodical fields. As long as the state- and political party-owned newspapers remain in crisis, the centrality of the industrial groups in the media field will only get stronger.

Another factor shaping ownership structure is sales concentration and the growth of advertising revenue. Subscriptions account for a small proportion of sales revenue, and the distribution channel for publications is still specific (in the sense that publications are sold by specific shops and few supermarkets and megastores). As advertising expenditure is oriented towards TV, groups working in the newspaper industry are keen to enter the other fields. This is why political parties, which were primary institutional actors until the early '80s, were replaced by TV corporations in the late '80s. Owing to the peculiarity of Italian capitalism (still based on a few families and a few banks which co-ordinate the ownership structure of large firms), the cross-participation of large groups in the newspaper and TV fields is guided by the overall interrelations of large industrial groups and the families which govern them.

The spread of management discourse and the rise and diffusion of the business press

The whole newspaper field in Italy experienced a remarkable change in the post-World War II period. An important part of this change is embodied by the transformation of newspapers' language. Changes in language reflect changes in the target audience and can be traced to changes in society at large. In order to view these changes clearly, we examine three distinct time periods, spanning the last 50 years.

Phase 1: Newspapers, politics, and political amplification (1950-1966)

During this period, newspapers could be divided into two main categories: nationwide papers and local papers, each distinguished by the role it played in Italian society. Owing to the strong link between newspapers and political parties, the press reflected and reproduced political rhetoric. Prestigious newspapers provided interpretations of political struggles and were very much in touch with the political world. They targeted the social classes that were able to follow the ideological debate at the time, i.e. the social and economic elite of the nation. Local newspapers addressed local issues and were poorly connected with the highbrow political debate. They therefore used less complicated language that would reach a wider audience, especially in medium-sized and small towns.

The structure of the press field had not changed to any significant extent since before World War II. The dominance of conservative political views, counterbalanced by the newspapers of the leftwing parties, fostered a peculiar newspaper style of serious reports and sophisticated language that ignored the emergence of new sub-cultures and social norms. The fledgling television news reports (TV broadcasting started in 1954) adopted the same style and political discourse, showing a high level of conformity due to the strong control exercised by the governing parties on the state-owned TV company. Conformity and homogenization were the main features of the field, which remained tightly coupled with the political world and government needs.

The continuity between this situation and the pre-war situation was reflected in the fact that the institutional actors were the same. In the 1950s, as in the 1920s, most large newspapers were owned by industrial (manufacturing) companies. Politics and political orientation were the drivers of any and every actor and action in the field, so no space existed to introduce new discourses at the field level. However, due to generational change, the rise of a popular youth culture (rock & roll, pop music, beat generation literature), and improved economic and social conditions, many subcultures and discourses were pushing the established newspapers. The changes at the end of the '60s were so strong as to threaten the legitimacy of the entire field.

Phase 2: The ideologization of the field: from elitist tools to genuine mass media (1967-1980)

Two events can be considered as turning points in the transition to this new phase. The first was the bankruptcy of many newspapers due to a rise in printing costs, and the second was the publication in 1968 of the Pirelli Report on the relation between the business world and the press. These two events occurred in a fast-changing social context where many institutions and norms were being dramatically disrupted. The generation clash of the '60s was in fact leading towards an open dichotomy of generations and ideologies. This movement, which characterized almost all of Western society, was linked, in Italy, with the consequences of the great economic transformation of the '50s and '60s. The great migration from the south to the north of the country in those decades had increased the number of workers, who were rapidly ideologized by the rising Communist party. Universities were completing the shift from elite institutions to providers of mass education. The whole country was becoming literate, and small villages were being integrated in urban culture through the spread of TV sets. At the same time, consumerism was spreading out from the great cities through the increase in the use of advertising. On top of all this, the economic crisis following the first oil shock of the '70s suddenly cancelled the safe assumptions which until then had ruled the political economy.

All these transformations propelled the newspaper field into a phase of rapid and turbulent change. The ideologization of Italian society, polarized between conservative and communist socio-political views, was reflected in the dynamics of the newspapers. The interest in macro socio-political debate reduced the importance—and the sales—of local newspapers, while many conservative newspapers were "homogenized" to combat the rise of the communist ideology. At the same time, newspaper production costs increased so much that many small publishers faced an economic crisis. In these years the losses of the newspaper field rose from 120 billion (1977) to 153 billion Lire (1979) (Murialdi, 1992). Newspapers linked to industrial firms found it easy to grow by absorbing the market share of small or local publications. These takeovers sparked attacks by supporters of leftist political parties and led to the establishment of a limit on the market share that could be held by any one publisher. Unfortunately, these attacks had a terrorist dimension, with many newspaper buildings being bombed, journalists injured, and a few people murdered. The terrorism was focused on *Il Corriere della Sera* and *La Stampa* as prime examples of newspapers controlled by large industrial firms.

During this decade, the State tried to keep the whole dynamic under control as the political parties strengthened their influence over the newspaper field. Dailies owned by the leading parties increased their sales, and small newspapers linked to small political movements entered the field. Interestingly, the concentration within the field and the influence of large industrial firms prompted attempts to find "pure publishers" who could publish free from any kind of implicit or explicit intervention from stockholders. This led to the appearance of many new newspapers in the late '70s, many of them founded by famous journalists disappointed by the existing newspapers. Two examples are *Il Giornale*, founded by a former journalist of *Il Corriere della Sera*, and *La Repubblica*, founded by a group of journalists coming from weekly magazines. These two are quite interesting as they are currently among the 10 largest newspapers in Italy.

Economic crisis and ideologization also forced newspapers to abandon their traditionally detached approach towards social problems and enter the social field with more direct reports and opinions. During the '70s, newspapers adopted a more dramatized language, very often choosing military metaphors to describe the social protests of those years. Although the so called "*anni di piombo*" were dramatic in many senses, newspapers narrated them with a new style, using reports and investigations and following, instead of smoothing, people's rage and complaints. This style was named "*giornalismo d'assalto*" ("assault journalism") and was successful in affecting both newspapers and TV information.

The Pirelli Report anticipated this scenario by addressing the issue of the relationship between business organizations and the press. The report looked forward to a time when better use would be made of the press to reinforce the role of large firms in society, and also encouraged firms to seek direct influence over newspapers. Despite ideologization, the role of large firms in the control of newspapers increased over the decade. Large firms had traditionally owned the largest newspapers: during the '70s they tried to use the press to meet the ideological challenges posed by the unions and the Communist party. Along with *Il Sole 24 Ore*, which maintained its technical style, targeting a limited audience, many large newspapers with moderate views gradually started to introduce topics related to large firms, addressing, for instance, the problems deriving from general strikes, or the impact of political instability on the economy. Inflation rates, annual GNP, and currency exchange rates entered the lexicon of general newspapers. Many political alternatives were also presented in terms of their impact on these variables, thus linking the institutionalized field of politics with the rising management discourse.

The growing complexity of the (political, social and economic) perspectives covered by newspapers transformed them into real mass media, targeting the whole of society with the aim of providing a clear interpretation of reality. Newspapers shed their elitist image and adopted a more popular style to address all the relevant issues at hand. In becoming mass media, they had to face tough competition from television, which, with the end of the State monopoly, was also undergoing a transformation.

Phase 3: From the newspapers field to the mass media field (1980-1997)

The '80s and '90s saw the biggest transformation in the newspaper field since the 19th century. A long series of events, both local and global, profoundly affected the field, reshaping the network of actors and the set of legitimized actions. These events ranged from the development of computer-aided page-making and printing systems to the widespread adoption of weekly supplements ("*settimanalizzazione*") and promotion initiatives. Above all, the '80s were characterized by a new ownership structure within the mass media field as a whole.

During the '70s the economic crisis had led to increased losses and the closure of many publications. The crisis had also affected *Il Corriere della Sera*, along with a major scandal which prompted the resignation of the newspaper's top management. The recovery of *Il Corriere della Sera* from 1981 to 1984 was the first event that marked a break with the previous phases. After lengthy negotiations between the government and the business associations, a holding controlled by FIAT acquired a majority equity stake in *Il Corriere della Sera* and its publishing company Rizzoli. This was the first time that an important newspaper had changed hands from a "pure publisher" to a large industrial firm, with the political consent of the government.

Concern about market share concentration was overcome by the interest in maintaining the conservative approach of the leading Italian newspaper. So, as the Parliament passed a bill defining a 5-year plan of State financial aid to newspapers (1,000 billion Lire overall), while setting a limit of 20% on the market share held by any one publisher, large firms were permitted to enter the newspaper field to rescue important dailies and preserve their editorial line. The Pirelli Report's recommendation was thus given implicit legitimization by the State, taking advantage of the gradual ebbing of interest in political and ideological dispute (a trend known as "*il riflusso*"). During the period under consideration the direct and indirect control of large firms over leading newspapers (Montedison over *Il Messaggero*, CIR over *La Repubblica*, Mediaset over *Il Giornale*, and Confindustria over *Il Sole 24 Ore*) was extended and became a legitimized and familiar part of the dynamics of the field rather than an exception due to particular circumstances as in the case of *Il Corriere della Sera*.

Whenever a large firm bought a newspaper, many political forces would warn of a threat to the freedom of the press. And yet, during this period the takeover process met with less and less opposition within the country. This can be explained if we look at the transformation of the field itself during those years. The introduction of computerized page-making and printing systems between 1985 and 1990 had changed the image of newspapers. Photographs, color pictures and drawings were now easy to reproduce in traditional papers, and it was possible to increase the number of pages of any issue. Large firms gradually introduced a profit-making logic into newspaper management by taking advantage of state financial aid to cut jobs and salaries. Newspapers pursued more aggressive strategies to boost their market share. At the same time, the end of the ideologization of the country and of social debate encouraged people to buy different newspapers, weakening traditional loyalties.

Newspapers assisted these trends by hosting discussions on sport and entertainment. Politics was narrated by personalizing issues, and news reports on the main events were dramatized to catch readers' attention. The serious newspapers described in Phase 1 began to be replaced by fancy and fashionable papers, which were to some extent more like the old popular magazines.

The change in the language of newspapers led to the adoption of a common rhetoric for different news and topics. Traditionally, economics, business, and politics had each had its own elitist technical language, but this has changed significantly over the last 15 years. Economic and business reports have adopted a more popular language, and business arguments have been used to explain and interpret political and social issues. Even sport has adopted a management rhetoric to describe the relationship between trainers and players. The growing interest in leadership has provided a common rhetoric for representations of success in politics, sport, management, and social life. The increasing length of the newspapers devoted to business and management has at the same time favored the emergence and diffusion of a new rhetoric that unifies business and other fields. In this sense, business and management have been dramatized in a way that makes them suitable topics for popular news reports.

Commercial television played a major role in shaping these changes. The State monopoly was broken during the early '80s by a set of local TV stations (at that time called "free TV" to emphasize their independence from the State and the large industrial firms). In the mid-'80s this structure was replaced by an oligopoly, with a commercial network and a state-owned network. The commercial network had no live news reports until 1991 (live news reports were introduced during the Gulf War), but its communication style, with extensive advertising, provided a new rhetoric for the dramatization and spectacularization of news reports.

Commercial television has shown a strategic interest in magazines and newspapers. Although it did not start to broadcast live news reports until 1991, TV magazines and reporting on major events started in the late '70s. Many journalists worked in newspapers and commercial television simultaneously. Moreover, the State-owned channels relied on prestigious journalists to maintain their leadership in the news. So commercial TV was indirectly playing in the newspaper field when it hired journalists who worked under the different rules and timing of broadcast news.

Table 3.4. Market shares in the advertising market, 1997

Country	Press	Television
Italy	36%	58%
France	47%	33%
Germany	71%	21%
UK	60%	32%
US	50%	38%

Furthermore, in the early '80s, many magazine publishing houses tried to build small commercial TV stations (e.g. Rusconi). Ten years later, Mediaset (the corporation which owns the largest commercial TV channels) tried to acquire an old publishing house

(Mondadori) which controlled the company that published *La Repubblica*, the second largest newspaper. Mediaset was already linked to another newspaper, *Il Giornale*, and the attempt to acquire *La Repubblica* consolidated the perception of an overlap between the commercial television field and the newspaper field. After a long legal dispute, Mediaset failed to gain control of *La Repubblica*, but the general perception was that the commercial TV channels were in the same field as newspapers, with the same rules and the same network of actors and legitimized actions.

The idea that the newspaper field is now linked with the wider media field is further supported by the data on advertising revenues. Competition for advertising revenues between newspapers and commercial TV channels is stronger in Italy than in other EU countries. State financial aid has decreased and is now focused on rescuing a few important newspapers (e.g., *Il Manifesto*, a twenty-year-old communist paper). Newspapers and commercial channels are therefore undertaking new actions to gain access to funds and boost their revenues. Recent innovations, ranging from the use of gimmicks to stimulate newspaper sales to the more interesting idea of publishing Internet pages, can be seen as products of this increased overlapping of media markets, and the competition that comes with it.

To be on-line has become a must for newspapers and magazines in the last three years. Of 122 newspapers, 49 have on-line pages (Mondomedia web page, Oct. 1998). Interestingly, the ranking of the most widely read web pages is different from the ranking of printed newspapers by circulation (see Table 3.5). Some small circulation newspapers have made a notable effort to create effective and appealing web pages. Moreover, it is interesting to note that most of these web sites do not simply reproduce the news published in the printed edition. Many of them amount to a separate electronic newspaper, linked to press agencies for the latest news reports, and to other sites to offer a wider range of services (stock market news, radio channels, etc.).

Table 3.5. Ranking of newspaper web pages by number of visitors (Oct. 1998)

Ranking	Newspaper
1	Corriere della Sera
2	Repubblica
3	Il Sole 24 Ore
4	La Stampa
5	Il Messaggero
6	Gazzetta dello Sport
7	Il Manifesto
8	Corriere Canadese
9	Padania
10	Tirreno
11	Osservatore Romano
12	Italia Oggi
13	Il Foglio
14	Milano Finanza
15	Resto del Carlino

Source: Mondomedia web page, Oct. 1998.

The development of Internet pages by newspapers has created the need for ad hoc companies to offer Internet services and e-commerce. Such companies are established by newspapers and their publishing groups in order to integrate newspapers, magazines, and other media (e.g. the company set up by *La Repubblica*). One of the driving forces behind this development is the search for synergies between the different media and electronic commerce, once reliable payment systems have been established. The same process has to a certain extent been anticipated by the business newspapers, which offer special legal, business consulting and stock market database services on subscription through their web pages.

3.2.4. Data from Spain

3.2.4.1 Management books in Spain

The purpose of our study of management books was to generate data for a comparative study on the spread of management ideas through various types of publications. Our data collection is aimed at answering the following questions: How many books on management were published in Spain in 1996? How are these books distributed across the main thematic areas? Do they belong to collections? Are they translations?

Data collection

The MEC (Spanish Science and Education Ministry) registers all publications issued in Spain through its National ISBN Agency. This is the only register that covers the area under study. In the National Bibliography, each book is categorized as precisely as possible, among other things according to topic. The categorization is based on the voluntary submission of new titles, volumes, editions and issues by publishers. All the books that are registered have an ISBN number.

We started our collection of data from the "65" and "658" codes in the Spanish library classification system. These codes cover "Organization and Management of Industry, Trade and Communications" and "Company Management" respectively. After that, we rejected the titles that did not match our chosen topics. The following areas of interest were chosen: Finance, Marketing, Organization of Production, and Organization and Strategy. Accounting was not included because of the large number of titles and because of its ambiguity. Publishing houses were classified according to ownership: General publishers, privately owned; Institutional publishers, owned by public bodies; and Academic publishers, owned by any kind of university or school.

In the coding procedure, each book was classified in one thematic area only. The basis for coding was library classification code and title. When in doubt, the category suggested by library classification was preferred, otherwise we applied our own criteria.

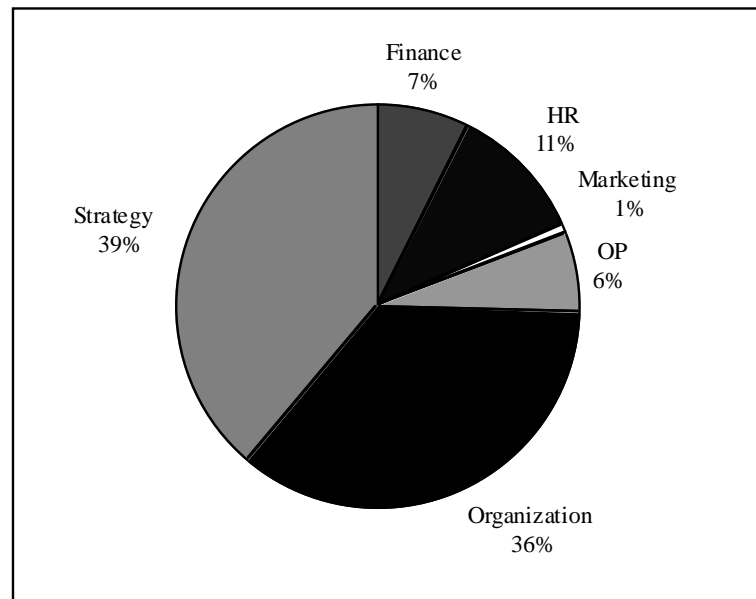
The findings and some final remarks on the Spanish data collection

The main conclusions that we can derive from the data we collected are reported, summarized and discussed below.

Table 3.6. Number of titles by type of publisher

Type of publisher	Number of publishers	Themes	Total titles
General	90	18 Finance 27 HR 1 Marketing 6 OP 80 Organization 82 Strategy	214
Institutional	21	1 Finance 1 OP 11 Organization 15 Strategy	28
Academic	28	4 Finance 7 HR 1 Marketing 13 OP 19 Organization 23 Strategy	67
Total	139	23 Finance 34 HR 2 Marketing 20 OP 110 Organization 120 Strategy	309

Source: Spanish ISBN Agency.

Figure 3.21. Distribution of books by theme

Source: Spanish ISBN Agency.

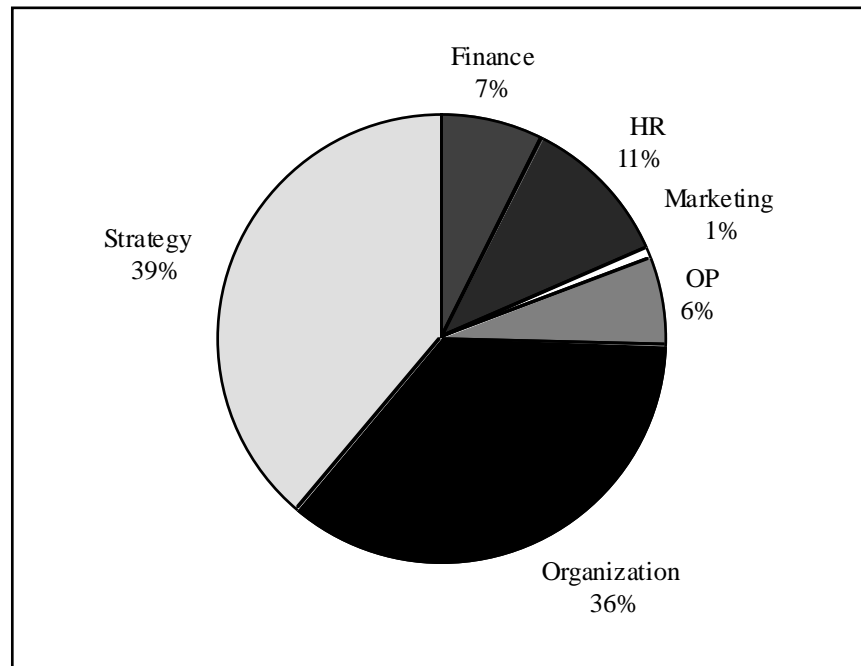
Table 3.7. Original language of the translations

Language	Number of publishers	Themes	Total translations
General	3	1 HR 1 Organization 1 Strategy	3
French	4	2 HR 1 Organization 2 Strategy	5
English	23	3 Finance 5 HR 1 OP 27 Organization 26 Strategy	62
Italian	1	1 Strategy	1
Total	31	3 Finance 8 HR 1 OP 29 Organization 30 Strategy	71

Source: Spanish ISBN Agency.

We found 31 publishers that translated titles from a foreign language, the total number of books being 71. A total of 5 publishing houses launched more than three translated books in 1996; the only academic publisher among them was the one that published most titles, with a total of 9.

Figure 3.22. Distribution of translations by theme



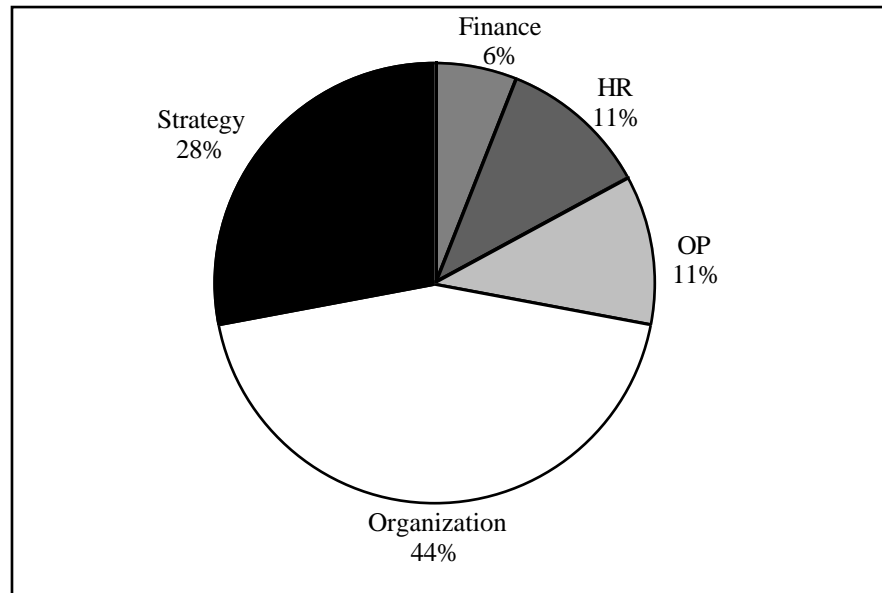
Source: Spanish ISBN Agency.

Table 3.8. Collections by type of publisher

Type of publisher	Number of publishers	Themes	Total titles
General	27	4 Finance 9 HR 1 Marketing 1 OP 38 Organization 19 Strategy	71
Institutional	4	1 Finance 1 Organization 2 Strategy	4
Academic	7	1 Finance 1 HR 1 Marketing 9 OP 3 Organization 6 Strategy	20
Total	38	6 Finance 10 HR 10 OP 42 Organization 27 Strategy	95

Source: Spanish ISBN Agency.

A total of 34 companies published collections on related topics. Of these, 10 launched more than one collection; two launched 3 collections. The company with the most collections (4) was an academic publisher.

Figure 3.23. Distribution of collections by theme

Source: Spanish ISBN Agency.

Authors with more than one book

Fourteen authors published more than one book on management in 1996. Ten of them belonged to general publishers, 4 to academic publishers, and only 1 to an institutional publisher. Only two authors published more than two books, in one case 4 and in the other 6. In this latter case, the six books were published in two collections belonging to the same publishing house. In all cases but one, the books were first editions, and only 4 books were translations, all 4 from English, by general publishers.

The following remarks are based on some of the problems encountered in the process of data collection, and should be considered when evaluating and interpreting the Spanish data.

There are no data available on effective readership rates or sales, so the publisher that published the most books did not necessarily reach the largest number of readers. Finally, this study does not necessarily give a very accurate indication of the management literature that is actually read in Spain, since much of the course literature at Spanish institutions of higher education is produced by the institutions themselves. Furthermore, we do not have any systematic data on imports of books on management.

3.2.4.2 Business press

The Spanish business press market is centered in Madrid and dominated by large publishing groups. The market-leading business dailies *Expansión* and *Actualidad Económica* are published by Recoletos Compañía Editorial SA, which is majority owned by the *Financial Times* Group in the UK. Meanwhile, *Expansión's* main rival, *Cinco Días*, is

published by Estructura, owned by the Spanish media giant Prisa, The third placed business and financial daily, *La Gaceta de los Negocios*, is published by *Grupo Zeta*, which also owns the new business weekly *Dinero*.

Despite the severity of the recession in Spain and the fact that the country already supports three financial dailies, there have surprisingly been no casualties in the sector in the last two years. On the other hand, neither have there been any new launches. Pink-paper *Expansión* has increased its circulation by nearly 15% to 39,047 copies (OJD 1994) and is now some way ahead of its two rivals *Cinco Días* (21,623) and *La Gaceta de los Negocios* (17,736). *Expansión* has increased its advertising income particularly in executive services such as business travel, cars and mobile phones, which has gone some way to offsetting the fall in statutory financial advertising. Of the three titles, *Expansión* gains most revenue from newsstand sales, while *La Gaceta de los Negocios* has a larger proportion of subscription income.

Expansión's stablemate *Actualidad Económica* likewise has increased its leadership of the business magazine sector, with a circulation of 33,299 (OJD 1994). The other weeklies with significant business readership in Spain are news-based *Tiempo*, *Cambio 16*, *Epoca* and *Dinero*. Of these, *Dinero* has had the most success in the last two years, with a threefold increase in circulation to 22,794 by the end of 1994, thanks to promotional gimmicks such as a free CD with every issue. Appendix 1 includes more data on Spanish newspapers.

Broadcast media

Business programming is not a prominent feature of Spanish public and private television channels. *Canal Plus España* has been broadcasting ABC news in English with Spanish subtitles every morning in one of its encrypted windows, which can carry advertising, and this has proved fairly popular with a business audience. This, however, is the exception. The other private channels, especially *Tele 5* and *Antena 3*, the latter part-owned by *Grupo Zeta*, focus on populist programming rather than targeting business people. *Antena 3*, however, has increased its news audience thanks to outspoken conservative presenter *José María Carrascal*. Public broadcaster RTVE does not produce any programs specifically aimed at a business audience either, although *Euronews* is now terrestrially rebroadcast on its second channel La 2, with a potential audience of 11.3 million. NBC's *Super Channel* claims a reach of 858,000 in Spain, while CNNI claims 720,000 viewers.

Table 3.9. Key business reading

Circulation ('000s)	1994
<i>Dailies</i>	
El País	408
ABC	322
El Mundo	269
La Vanguardia	207
El Periódico de Cataluña	194
El Correo Español	138
Diario 16 (all editions)	86
Expansión	39
Cinco Días	21
La Gaceta de los Negocios	18
<i>Weeklies</i>	
Tiempo de Hoy	141
Cambio 16	94*
Epoca (Spain)	67
Tribuna de Actualidad	43*
Dinero	43
Actualidad Económica	34

Source: OJD; * = publisher's figures.

Main online service providers

Dow Jones
Reuters
Knight-Ridder
Medussa

Table 3.10. Business/news channels

Channel	Distribution	Format	Reach 1995 (000's homes)
Euronews	satellite	Free to air	619
CNNI	satellite/RTVE/A3	Free to air	720
Sky News	satellite	Free to air	770
NBC Super Channel	satellite	Free to air	858
BBC World	satellite	Free to air	NA

Source: OJD.

Spain has a relatively low level of newspaper readership and the country is highly regional, giving strength to regional publications. The leading paper is the left-wing *El País*, with four local editions, while its major competitor *ABC* takes a more conservative stance. One of the fastest growing titles is *El Mundo*, aimed at young professionals. *La Vanguardia* and *El Periódico de Cataluña* are very strong, both published in Barcelona.

The UK's *Financial Times* runs *Expansión*, one of three financial dailies, the others being *Cinco Días* and *La Gaceta de los Negocios*. *Expansión*'s stablemate is leading a weekly business magazine, *Actualidad Económica*. The other major weeklies are *Mercado*, *Dinero* and *Inversión*. There is a glossy monthly, *Futuro*, which is similar to Italy's *Capital*, and *España Económica* with the news magazine *Cambio 16* (one of four news magazines, alongside *Tiempo*, *Epoca* and *Tribuna*).

Market Value	The Spanish newspaper market grew by 4.2% in 1996, to reach the value of Pta 299 billion.
Market Volume	The Spanish newspaper market grew by 4.2% in 1996, to reach a circulation volume of 4,453,000.
Market Sectors	Advertising is the largest revenue sector of the Spanish newspaper market, contributing 48.1% of revenues in the market.
Market Shares	The top three competitors are Grupo Correo, Prisa and Recoletos, which together account for 32% of the market.
Market Forecasts	By 2002 the Spanish newspaper market is forecasted to reach a value of Pta 355 billion, an increase of 15.6% since 1997.

Table 3.11. Spanish newspaper market value: Pta bn, 1992-1996

Market Value	Pta Bn	USDollar Mn	% Growth
1992	262	2.0	--
1993	273	2.1	4.2%
1994	283	2.2	3.7%
1995	287	2.2	1.4%
1996	299	2.3	4.2%
1997e	307	2.4	2.7%

Source: MarketLine/Fundesco.

Table 3.12. Spanish newspaper market volume: Circulation (000s), 1992-1996

Market Volume	Circulation (000s)	% Growth
1992	3,895	
1993	4,030	3.5%
1994	4,165	3.3%
1995	4,307	3.4%
1996	4,453	3.4%
1997e	4,604	3.4%

Source: MarketLine.

Table 3.13. Spanish newspaper market segmentation by revenue: % share, 1996

Sector	% Share
Advertising	48.1%
Copy Sales	47.5%
Other	4.4%
Total	100%

Source: MarketLine/Fundesco.

Table 3.14. Spanish newspaper publisher market shares: % by volume, 1996

Sector	% Share
Grupo Correo	12.3%
Prisa	10.5%
Recoletos	9.2%
Grupo Z	8.6%
Prensa Española	8.3%
Prensa Ibérica	6.7%
Others	44.4%
Total	100%

Source: MarketLine.

Table 3.15. Spanish market value forecasts: Pta bn (1996 prices), 1997-2002

Market Value	Pta Bn (1996 prices)	% Growth	US Dollar Mn
1997	307	2.7%	2.4
1998	317	3.3%	2.5
1999	325	2.5%	2.5
2000	335	3.1%	2.6
2001	345	3.0%	2.7
2002	355	2.9%	2.8

Source: MarketLine.

Readership survey

1: Estudio General de Medios, Fourth quarter 1991

Target Groups: Business people in companies of 250 + employees
 Universe: 2,099,965

2: European Business Readership Survey, 1991

Target Groups: All informants
 Universe: 16,523

Data in Page b/w and Page 4/c in PTA.

ABC

National right-wing daily newspaper with comprehensive reports on business and politics

Publisher:	Prensa Española	Frequency:	Daily	Format:	Tabloid
Circulation:	*25,845	Distribution:	Subscription/news stand	Established:	1905
Page b/w:	1,063,000	1AIR '000:	NA	2AIR '000:	0.9
		1 AIR %:	NA	2 AIR %:	35.2

Cinco Días

Financial daily aimed at senior executives with national distribution

Publisher:	Estructura	Frequency:	Daily	Format:	Tabloid
Circulation:	25,845	Distribution:	Subscription/news stand	Established:	1978
Page b/w:	546,000	1AIR '000:	20	2AIR '000:	6.0
		1 AIR %:	0.9	2 AIR %:	36.6

El Correo Español/El Pueblo Vasco

Leading regional daily covering the Basque region

Publisher:	Bilbao Editorial	Frequency:	Daily	Format:	Tabloid
Circulation:	130,032	Distribution:	Subscription/news stand	Established:	1910
Page b/w:	378,000	1AIR '000:	95	2AIR '000:	1.4
		1 AIR %:	4.5	2 AIR %:	8.5

Diario 16

Liberal daily newspaper with national distribution

Publisher:	Información y prensa	Frequency:	Daily	Format:	Tabloid
Circulation:	145,073	Distribution:	Subscription/news stand	Established:	1976
Page b/w:	1,200,000	1AIR '000:	96	2AIR '000:	3.3
		1 AIR %:	4.6	2 AIR %:	20.0

Expansión

Leading financial daily for the business sector

Publisher:	Area editorial	Frequency:	Daily	Format:	Tabloid
Circulation:	31,863	Distribution:	Subscription/news stand	Established:	1986
Page b/w:	545,000	1AIR '000:	30	2AIR '000:	6.2
		1 AIR %:	1.4	2 AIR %:	37.8

Appendix 1 (continued)

El Mundo

Liberal daily newspaper with a high penetration among graduates

Publisher:	Unidad Editorial	Frequency:	Daily	Format:	Tabloid
Circulation:	104,000	Distribution:	Subscription/news stand	Established:	1989
Page b/w:	985,000	1 AIR '000:	108	2 AIR '000:	2.7
		1 AIR %:	5.2	2 AIR %:	16.3

El País

Spain's leading national newspaper

Publisher:	Diario El País	Frequency:	Daily	Format:	Tabloid
Circulation:	394,686	Distribution:	Subscription/news stand	Established:	1976
Page b/w:	1,375,000	1 AIR '000:	401	2 AIR '000:	10.8
		1 AIR %:	19.1	2 AIR %:	65.3

El Periódico

Liberal daily covering the Catalan region

Publisher:	Ediciones el Periódico	Frequency:	Daily	Format:	Tabloid
Circulation:	171,439	Distribution:	Subscription/news stand	Established:	1978
Page b/w:	588,000	1 AIR '000:	92	2 AIR '000:	2.2
		1 AIR %:	4.4	2 AIR %:	13.5

Gaceta de los Negocios

Financial daily published six times a week containing comprehensive reports on investments and financial news

Publisher:	Servicio de Pub. Económicas	Frequency:	Daily	Format:	Tabloid
Circulation:	14,140	Distribution:	Subscription/news stand	Established:	1989
Page b/w:	525,000	1 AIR '000:	NA	2 AIR '000:	NA
		1 AIR %:	NA	2 AIR %:	NA

La Vanguardia

Leading regional newspaper for Catalonia distributed mainly in Barcelona

Publisher:	TISA	Frequency:	Daily	Format:	Tabloid
Circulation:	*210,524	Distribution:	Subscription/news stand	Established:	1981
Page b/w:	633,000	1 AIR '000:	790,000	2 AIR '000:	4.7
		1 AIR %:	6.9	2 AIR %:	28.4

Appendix 1 (continued)

Ya

National daily newspaper recently acquired by Antena 3, mainstream

Publisher: Edica	Frequency: Daily	Format: Tabloid
Circulation: *59,868	Distribution: Subscription/news stand	Established: 1935
Page b/w: 550,000	Page 4/c: 660,000	1 AIR %: 0.7
	2 AIR %: 0.6	3 AIR %: 3.4

Actualidad Económica

Leading Spanish business magazine aimed at senior executives

Publisher: Punto Editorial	Frequency: Weekly	Format: A4
Circulation: 34,652	Distribution: Subscription/news stand	Established: 1958
Page b/w: 460,000	Page 4/c: 650,000	1 AIR %: 1.7
	2 AIR %: 8.7	3 AIR %: 52.5

Cambio 16

Liberal news magazine with an emphasis on politics

Publisher: Información y Revistas	Frequency: Weekly	Format: A4
Circulation: *140,000	Distribution: Subscription/news stand	Established: 1971
Page b/w: 860,000	Page 4/c: 1,100,000	1 AIR %: 5.0
	2 AIR %: 5.9	3 AIR %: 35.5

El Economista

Business weekly containing technical articles

Publisher: Defide	Frequency: Weekly	Format: A4
Circulation: *8,000	Distribution: Subscription/news stand	Established: 1886
Page b/w: 275,000	Page 4/c: 400,000	1 AIR %: NA
	2 AIR %: 1.7	3 AIR %: 10.5

El Nuevo Lunes

Weekly financial newspaper with comprehensive articles on economic activity

Publisher: Nuevo Lunes	Frequency: Weekly	Format: A4
Circulation: 22,903	Distribution: Subscription/news stand	Established: 1981
Page b/w: 525,000	Page 4/c: NA	1 AIR %: NA
	2 AIR %: 1.6	3 AIR %: 9.6

Época

Right-wing general news magazine

Publisher:	Difusora Información Periódica	Frequency:	Weekly	Format:	A4
Circulation:	94,958	Distribution:	Subscription/news stand	Established:	1985
Page b/w:	675,000	1 AIR '000:	65	2 AIR '000:	3.6
		1 AIR %:	3.1	2 AIR %:	21.6

Inversión

Financial magazine with comprehensive reports on investment and financial news, both nationally and internationally

Publisher:	Información Fin y Economics	Frequency:	Weekly	Format:	A4
Circulation:	*25,000	Distribution:	Subscription/news stand	Established:	1987
Page b/w:	25,000	1 AIR '000:	NA	2 AIR '000:	NA
		1 AIR %:	NA	2 AIR %:	NA

Mercado

Financial magazine aimed at decision makers in banks and financial institutions

Publisher:	Grupo Editorial Mercado	Frequency:	Weekly	Format:	A4
Circulation:	*15,000	Distribution:	Subscription/news stand	Established:	1980
Page b/w:	400,000	1 AIR '000:	NA	2 AIR '000:	2.6
		1 AIR %:	NA	2 AIR %:	15.7

Ranking Tribuna

General business magazine with comprehensive reports on economics, finance and technology

Publisher:	MAJ Comunicación	Frequency:	Weekly	Format:	A4
Circulation:	*26,000	Distribution:	Subscription/news stand	Established:	1988
Page b/w:	500,000	1 AIR '000:	NA	2 AIR '000:	NA
		1 AIR %:	NA	2 AIR %:	NA

Tiempo

Leading Spanish news magazine covering a wide range of topics

Publisher:	Ediciones Tiempo	Frequency:	Weekly	Format:	A4
Circulation:	145,415	Distribution:	Subscription/news stand	Established:	1982
Page b/w:	980,000	1 AIR '000:	122	2 AIR '000:	6.1
		1 AIR %:	5.8	2 AIR %:	36.9

Tribuna de Actualidad

Liberal news magazine covering a wide range of topics

Publisher: Tribuna Ediciones de medios inf	Frequency: Weekly	Format: A4
Circulation: 91,684	Distribution: Subscription/news stand	Established: 1982
Page b/w: 770,000 Page 4/c: 895,000	1 AIR %: 57 2 AIR %: 2.7	2 AIR %: 1.9 2 AIR %: 11.2

Nueva Empresa

Business magazine aimed at company directors of small to medium-size companies

Publisher: Comunicar	Frequency: Fortnightly	Format: A4
Circulation: *10,000	Distribution: Subscription/news stand	Established: 1978
Page b/w: 377,000 Page 4/c: 495,000	1 AIR %: NA 2 AIR %: 1.9	2 AIR %: 11.3

Dirigentes

Business magazine aimed at senior executives and covering a wide range of topics including business, travel and culture

Publisher: Editorial Técnica Española	Frequency: Monthly	Format: A4
Circulation: 19,276	Distribution: Subscription/news stand	Established: 1986
Page b/w: 460,000 Page 4/c: 460,000	1 AIR %: NA 2 AIR %: NA	2 AIR %: NA

Futuro

Monthly business magazine containing light articles on business, art, culture and entertainment

Publisher: Ediciones Futuro SA	Frequency: Monthly	Format: A4
Circulation: 21,248	Distribution: Subscription/news stand	Established: 1989
Page b/w: 600,000 Page 4/c: 750,000	1 AIR %: NA 2 AIR %: NA	2 AIR %: NA

Alta Dirección

Financial and economic magazine aimed at senior executives and company directors

Publisher: Alta Dirección	Frequency: Bi-monthly	Format: A4
Circulation: 2,736	Distribution: Subscription	Established: 1965
Page b/w: 150,000 Page 4/c: 260,000	1 AIR %: NA 2 AIR %: 3.6	2 AIR %: 21.8

Dirección y Progreso

Business magazine targeted at senior corporate directors of financial institutions

Publisher: Asociación para el progreso	Frequency: Bi-monthly	Format: A4
Circulation: 4,716	Distribution: Subscription	Established: 1971
Page b/w: 175,000 Page 4/c: 260,000	1 AIR %: NA 2 AIR %: 4.2	2 AIR %: 25.3

3.2.5 Data from France

3.2.5.1 Management books in France

Data collection

In the case of France, data on management books were provided by Mylene Lagarde (ESSEC), a member of the research team of Marie-Laure Djelic.

The findings on French management books

Table 3.16. Number and percentage of titles by subject

Subject	Number	Percentage
Human resources, organizational behavior	17	10.7%
Entrepreneurship, job search	2	1.3%
Social sciences in management	9	5.7%
Economy, history	4	2.5%
Finance, taxation	8	5.0%
Dictionaries	8	5.0%
Management, cross-disciplinary	15	9.4%
Marketing	35	22.0%
Quality	10	6.3%
Organization, structures, change	16	10.1%
Strategy, project management	16	10.1%
Control	5	3.1%
Communication	7	4.4%
Production, technologies, logistics	7	4.4%

3.2.5.2 Business Press

The business press in France has had a lively couple of years. The newspaper market has seen a rather one-sided battle between two financial and economic titles, *Les Echos* and *La Tribune Desfosses*. Their prominence is a reflection on the lack of a truly national daily press in the country, although both are facing competition from burgeoning news weeklies in the battle for business advertising. *Les Echos* is the clear leader, with a circulation of 99,292, which represents an increase of 50% in the last few years. Advertising revenues are also on the increase (up 7% in 1994) and considerable investment by parent Pearson in new sections and more press efficiency should reap long-term benefits, although this has temporarily depressed profits. Two-thirds of *Les Echos*' sales are through subscription. According to the latest France des Cadres Actifs (FCA) readership survey issued in June 1995, *Les Echos* (10.4%) was the second most widely read daily newspaper after *Le Monde* (11.7%) among top executives. *La Tribune Desfosses* has responded with a heavy revamp, adjusting its focus to be more economics-based and less of a direct competitor to its more financial-centered rival, but without resounding success. Circulation in 1994 was just under 70,000.

The business magazine sector is vigorous and closely segmented but again with an unquestioned market leader. The launch and meteoric success of *Capital* by Gruner+Jahr subsidiary Prisma Presse gave the market a severe jolt by going for newsstand sales and a populist, colorful approach more akin to a consumer magazine than its rather staid and somber competitors. By 1994, *Capital* had a circulation of 339,771, of which less than 25% came from subscriptions. Its rivals have all now responded. The nearest direct competitor is *l'Expansion*, which relaunched in 1994 and took advantage of the end of the uncertainty surrounding its parent company when Havas subsidiary CEP Communications acquired a controlling stake in Groupe Expansion. This also brought with it *L'Entreprise* and *La Vie Française*, an investment title. Fortnightly *l'Expansion* saw an initial doubling of newsstand sales from its relaunch and is now concentrating on boosting subscriptions. It currently sells about 150,000 copies, although it declined to give 1994 figures. Stablemate monthly *L'Entreprise* is aimed at small to medium-sized companies. Prisma Presse has not been idle during the period and in February 1995 launched *L'Essentiel du Management* as a direct competitor to *L'Entreprise*.

One title which has clearly benefited from the relaunch is Capital Media's *Le Nouvel Economiste*. Acquired from former owner Hachette at the end of 1992 while on the brink of closure, the title was immediately restyled and focused more clearly on senior business managers, taking the UK's *The Economist* as its model. By 1994 sales had climbed again to 100,000 copies and advertising flooded in, albeit largely as a result of low rates. Appendix 2 details more data on French newspapers.

Broadcast media

France has no specialist TV channel devoted to business programming. The main terrestrial offerings include the weekly *Le Rendezvous de l'Entreprise* from TF1, which also produces the monthly *Comment ça Compte?* and *Tout est possible* aimed at a business audience. Until recently Euronews was the sole information-only channel available to the French, but in 1994 came opposition from TF1's *La Chaîne Info* (LCI), a 24-hour French language cable news channel, and new education channel *La Cinquième*, which broadcasts on the daytime frequencies of Arte. CNN and BBC World are also now available on selected cable networks.

Table 3.17. Key business reading

Circulation ('000s)	1994
Dailies	
Le Figaro	377
Le Monde	345
Libération	166
Les Echos	99
La Tribune Desfosses	69
L'Agefi	6*
Weeklies	
Le Nouvel Observateur	419
L'Express	410*
Le Point	301
L'Evènement du Jeudi	202
Investir	108
Valeurs Actuelles	100*
La Vie Française	93*
Le Nouvel Economiste	92*
L'Usine Nouvelle	51*
Le Monde Informatique	30*
Le MOCI	15*
Option Finance	11*
Fortnightlies	
Revenu Français (33 issues in 94)	193
L'Expansion	160*
Monthlies	
Capital (France)	340
Le Nouveau Courier	266
L'Entreprise/A pour affaires	110*
L'Essentiel du Management	80*
Enjeux Les Echos	99
Entreprendre	65

Source: OJD; * = publisher's figures.

Main online service providers

Reuters

Dow Jones

Teletel (France Telecom/Transpac), an interactive videotex service over Minitel terminals with nearly 23,000 different services, the most heavily used of which is the electronic telephone directory.

Questel, online databases available over PC or Minitel, including newspapers, company searches, patents and trade marks.

OR Telematique, online databases concentrating on financial and share ownership information about French companies.

The daily press in France is fragmented, having national titles, a strong regional press, and four financial dailies. The highest selling papers are the big regional dailies; in Bordeaux, for instance, many of the population will read *Sud-Oest* before a national daily.

There are three national quality papers; Hersant's popular conservative broadsheet *Le Figaro* is followed by the centre-left tabloid, the authoritative *Le Monde*, and then *Libération*, the more radical paper founded in 1972. All three national newspapers suffered from a decline in advertising.

The *Financial Times*-owned *Les Echos* dominates the daily financial press. In second place is *La Tribune de l'Expansion*, part of the Groupe l'Expansion stable. There are two more specialist financial dailies, *Le Cote Desfosses*, a stock exchange and financial community paper, and *L'Agefi*, a much more specialist stock market and banking paper, which *La Cote Desfosses* bought from Groupe l'Expansion.

Market Value	The French newspaper market grew by 1% in 1996, to reach a value of FF 20 billion.
Market Volume	The French newspaper market shrank by 0.2% in 1996, to reach a circulation volume of FF 9,152,000.
Market Shares	The top three competitors are <i>Ouest France</i> , <i>Le Parisien</i> and <i>Le Figaro</i> , which together account for 17.4% of the market.
Market Forecasts	By 2002 the market is forecast to reach FF 23 billion, an increase of 15.5% since 1997.

Table 3.18. French newspaper market value: FF bn, 1992-1996

Market Value	FF Bn	USDollar Bn	% Growth
1992	19.5	3.7	—
1993	19.1	3.6	-2.1%
1994	19.6	3.7	2.6%
1995	19.8	3.8	1.0%
1996	20.0	3.8	1.0%
1997e	20.0	3.8	0.0%

Source: MarketLine/SJTI.

Table 3.19. French newspaper market volume: Circulation (000s), 1992-1996

Market Volume	Circulation (000s)	% Growth
1992	2,204	—
1993	9,168	-0.4%
1994	9,189	0.2%
1995	9,171	-0.2%
1996	9,152	-0.2%
1997e	9,134	-0.2%

Source: MarketLine.

Table 3.20. French newspaper publisher market shares: % by volume, 1996

Company	% Share
Ouest France	8.6%
Le Parisien	4.6%
Le Figaro	4.2%
Voix du Nord	4.1%
Sud-Ouest	3.9%
Le Monde	3.6%
Others	71.0%
Total	100%

Source: MarketLine.

Table 3.21. French market value forecasts: FF bn (1996 prices), 1997-2002

Market Value	Pta Bn (1996 prices)	% Growth	US Dollar Bn
1997	20.0	--	3.8
1998	21.0	5.0%	4.0
1999	21.0	0.0%	4.0
2000	22.0	4.8%	4.2
2001	22.5	2.3%	4.3
2002	23.1	2.7%	4.4

Source: MarketLine.

Readership survey

1: IPSOS, 1992

Target Groups: Business people in companies with 250+ employees
Universe: 771,000

2: European Business Readership Survey, 1991

Target Groups: All informants
Universe: 44,954

Data in Page b/w and Page 4/c is provided in FF.

L'Agefi

Specialised financial and economic newspaper with in-depth analysis of financial markets

Publisher: Agefi SA	Frequency: Daily	Format: Broadsheet
Circulation: **7,000	Distribution: Subscription	Established: 1911
Page b/w: 128,000	Page 4/c: 173,000	NA
	1 AIR %: NA	2 AIR '000: 1.5
	1 AIR %: NA	2 AIR %: 3.2

La Cote Desfosses

Editorial covers the stock exchange and financial information

Publisher: La Cote Desfosses	Frequency: Daily	Format: Broadsheet
Circulation: **27,777	Distribution: Subscription/news stand	Established: 1825
Page b/w: 99,000	Page 4/c: NA	NA
	1 AIR %: NA	2 AIR '000: 2.5
	1 AIR %: NA	2 AIR %: 5.5

Les Echos

National business newspaper covers finance, economy, stock exchange and politics

Publisher: Les Echos	Frequency: Daily	Format: Tabloid
Circulation: 90,489	Distribution: Subscription/news stand	Established: 1908
Page b/w: 133,500	Page 4/c: 164,000	153
	1 AIR %: 19.8	2 AIR '000: 27.6
	1 AIR %: 19.8	2 AIR %: 61.4

Le Figaro

Central quality daily newspaper, covers economics, politics and general news

Publisher: Le Figaro	Frequency: Daily	Format: Broadsheet
Circulation: 407,427	Distribution: News stand/subscription	Established: 1826
Page b/w: 410,000	Page 4/c: 445,000	77
	1 AIR %: 10.0	2 AIR '000: 19.4
	1 AIR %: 10.0	2 AIR %: 43.1

Libération

Daily newspaper covers news and culture

Publisher: SNPC	Frequency: Daily	Format: Tabloid
Circulation: 179,612	Distribution: News stand	Established: 1973
Page b/w: 129,400	Page 4/c: 224,400	34
	1 AIR %: 4.4	2 AIR '000: 7.5
	1 AIR %: 4.4	2 AIR %: 16.7

Appendix 2 (continued)

Le Monde

..... Daily newspaper covering politics and national and international events with in-depth articles

Publisher:	Le Monde, A.R.L.	Frequency:	Daily	Format:	Tabloid
Circulation:	368,969	Distribution:	Subscription/news stand	Established:	1944
Page b/w:	317,000	1 AIR '000:	89	2 AIR '000:	16.7
Page 4/c:	356,000	1 AIR %:	11.5	2 AIR %:	37.1

La Tribune de L'Expansion

..... Daily newspaper includes economic, financial and stock exchange information

Publisher:	Groupe Expansion	Frequency:	Weekly	Format:	Tabloid
Circulation:	*60,814	Distribution:	Subscription/news stand	Established:	1988
Page b/w:	92,500	1 AIR '000:	53	2 AIR '000:	9.2
Page 4/c:	150,000	1 AIR %:	6.9	2 AIR %:	20.2

L'Evènement du Jeudi

..... News magazine covering national politics, current affairs, culture and art

Publisher:	L'Evènement du Jeudi	Frequency:	Weekly	Format:	A4
Circulation:	212,098	Distribution:	Subscription/news stand	Established:	1984
Page b/w:	60,000	1 AIR '000:	61	2 AIR '000:	7.7
Page 4/c:	94,000	1 AIR %:	7.9	2 AIR %:	17.1

L'Express

..... News magazine covering national politics, current affairs, culture and art

Publisher:	Groupe Express	Frequency:	Weekly	Format:	A4
Circulation:	567,163	Distribution:	Subscription/news stand	Established:	1953
Page b/w:	111,300	1 AIR '000:	172	2 AIR '000:	18.4
Page 4/c:	178,800	1 AIR %:	22.3	2 AIR %:	40.9

Le Figaro Economie

..... Economic and business magazine with emphasis on small to middle sized companies

Publisher:	Le Figaro	Frequency:	Weekly	Format:	Broadsheet
Circulation:	*390,000	Distribution:	Subscription/news stand	Established:	1826
Page b/w:	308,000	1 AIR '000:	163	2 AIR '000:	NA
Page 4/c:	412,000	1 AIR %:	21.1	2 AIR %:	NA

Appendix 2 (continued)

Investir

National weekly covering financial topics and personal investment advice

Publisher: Investir Publications	Frequency: Weekly	Format: A4
Circulation: 93,490	Distribution: Subscription/news stand	Established: 1974
Page b/w: 90,300	Page 4/c: NA	1 AIR %: 7.3
	2 AIR '000: NA	2 AIR %: NA

Le Journal des Finances

Financial and economic weekly for civil servants and senior executives

Publisher: Journal des Finances	Frequency: Weekly	Format: Tabloid
Circulation: **66,000	Distribution: Subscription/news stand	Established: 1867
Page b/w: 53,900	Page 4/c: 89,900	1 AIR %: NA
	2 AIR '000: NA	2 AIR %: 4.0
		2 AIR %: 8.8

Le Nouvel Economiste

Weekly magazine covering business and economics for large companies

Publisher: Le Nouvel Economiste	Frequency: Weekly	Format: A4
Circulation: 85,300	Distribution: Subscription/news stand	Established: 1975
Page b/w: 50,000	Page 4/c: 70,000	1 AIR %: 10.2
	2 AIR '000: 10.2	2 AIR %: 14.6
		2 AIR %: 32.5

Le Nouvel Observateur

News magazine covering social events, politics, with a strong emphasis on culture

Publisher: Claude Perdiet	Frequency: Weekly	Format: A4
Circulation: 408,893	Distribution: Subscription/news stand	Established: 1964
Page b/w: 103,000	Page 4/c: 137,000	1 AIR %: 14.7
	2 AIR '000: 14.7	2 AIR %: 10.9
		2 AIR %: 24.3

Option Finance

Business financial magazine for senior management

Publisher: Option Finance	Frequency: Weekly	Format: A4
Circulation: **20,000	Distribution: Subscription/news stand	Established: 1988
Page b/w: 33,000	Page 4/c: 46,000	1 AIR %: NA
	2 AIR '000: NA	2 AIR %: 3.9
		2 AIR %: 8.6

Appendix 2 (continued)

Le Point

News magazine for senior executives with comprehensive reports on politics and current affairs

Publisher: SEHBDO	Frequency: Weekly	Format: A4
Circulation: 306,196	Distribution: Subscription/news stand	Established: 1972
Page b/w: 79,000	Page 4/c: 127,000	1 AIR '000: 16.1
	1 AIR %:	2 AIR '000: 14.4
		2 AIR %: 32.1

Valeurs Actuelles

News magazine includes political and financial information

Publisher: Valmonde & Cie	Frequency: Weekly	Format: A4
Circulation: 93,122	Distribution: Subscription/news stand	Established: 1966
Page b/w: 50,000	Page 4/c: 70,000	1 AIR '000: 4.5
	1 AIR %:	2 AIR '000: 6.3
		2 AIR %: 14.1

La Vie Française

Weekly magazine dedicated to personal investors and the financial community

Publisher: Groupe Expansion	Frequency: Weekly	Format: A4
Circulation: 87,154	Distribution: Subscription/news stand	Established: 1945
Page b/w: 48,000	Page 4/c: 70,000	1 AIR '000: 4.5
	1 AIR %:	2 AIR '000: 6.4
		2 AIR %: 14.1

L'Expansion

Economic and business magazine dedicated to senior businessmen

Publisher: Groupe Expansion	Frequency: Fortnightly	Format: A4
Circulation: 143,454	Distribution: Subscription/news stand	Established: 1967
Page b/w: 76,000	Page 4/c: 117,600	1 AIR '000: 21.7
	1 AIR %:	2 AIR '000: 21.7
		2 AIR %: 48.3

Capital

Recently launched business magazine covering various topics concerning private and public businessmen and corporations

Publisher: Prisma Presse	Frequency: Monthly	Format: A4
Circulation: **220,000	Distribution: Subscription/news stand	Established: 1991
Page b/w: 88,000	Page 4/c: 120,000	1 AIR '000: 11.4
	1 AIR %:	2 AIR '000: NA
		2 AIR %: NA

Appendix 2 (continued)

Challenges

News magazine covering business topics

Publisher:	Croque Futur	Frequency:	Monthly	Format:	A4
Circulation:	74,678	Distribution:	Subscription/news stand	Established:	1982
Page b/w:	43,000	1AIR '000:	57	2AIR '000:	Na
		1 AIR %:	7.4	2 AIR %:	NA

Enjeux-Les Echos

Monthly magazine with comprehensive reports on management and business topics, previously called Dynasteurs

Publisher:	Les Echos	Frequency:	Monthly	Format:	A4
Circulation:	*95,000	Distribution:	Subscription/news stand	Established:	1945
Page b/w:	58,300	1AIR '000:	93	2AIR '000:	Na
		1 AIR %:	12.1	2 AIR %:	NA

Entreprendre

Business magazine dedicated to managers of companies with 500 or more employees

Publisher:	Groupe Entreprendre	Frequency:	Monthly	Format:	A4
Circulation:	**100,000	Distribution:	Subscription/news stand	Established:	1984
Page b/w:	39,900	1AIR '000:	39	2AIR '000:	NA
		1 AIR %:	5.1	2 AIR %:	NA

La Revenu Français

Economic and financial magazine on stock exchange, real estate, insurance and private investment

Publisher:	Le Revenu Français	Frequency:	Monthly	Format:	A4
Circulation:	172,743	Distribution:	Subscription/news stand	Established:	1968
Page b/w:	64,900	1AIR '000:	59	2AIR '000:	NA
		1 AIR %:	7.7	2 AIR %:	NA

L'Entreprise

Business and economic magazine for management in companies with fewer than 500 employees

Publisher:	S.P.Z.	Frequency:	Monthly	Format:	A4
Circulation:	67,089	Distribution:	Subscription/news stand	Established:	1985
Page b/w:	47,300	1AIR '000:	119	2AIR '000:	15.1
		1 AIR %:	15.4	2 AIR %:	33.6

3.2.6 Conclusions: insights from a wider field

The landscape emerging from the transformation of the press field is still in development. However, some key factors may reveal the forces driving the transformation. First, the rules of competition have changed. The rise of advertising and commercial TV, and the incoming diffusion of integrated information technologies put press, broadcast television and radio, and the Internet together in a field where the main focus is to attract economic resources. Mergers, Internet companies, gimmicks, and more appealing books, journals and newspapers are all legitimized by their business orientation.

Second, the language within the field has moved noticeably towards dramatization (Medici and Proietti, 1992). TV channels took the first steps in this direction, and other publications have followed suit by increasing personalization and dramatization. The popular media have therefore worked together to change the form and content of political and economic discourse. The impact on the management press has been even more spectacular. Management issues were originally seen as technical aspects of business that did not interest the lay reader, but since the '80s they have been dramatized. Publications started putting management takeovers, profit and loss accounts, and mergers and acquisitions on their front pages. Adopting a sociology of culture view (Crane, 1994), it could be argued that by properly dramatizing management issues, business publications have helped to make these issues interesting to a wider audience. From this viewpoint, the dramatization of management topics has widened the target audience and made managers and organizations more visible and accountable to society at large.

The transformation of the ownership structure of book, magazine and newspaper publishers, as well as the concentration process, has forced directors and publishers to face business challenges never experienced before. From this perspective, the dramatization of management topics seems to mirror the battles for the control of leading newspapers and the acquisition of magazines and publishers by large industrial firms. Interestingly, but not surprisingly, the only large publisher which has been left out of this dramatization is Confindustria's *Il Sole 24 Ore*. In fact, it simply benefits from these battles by representing the most legitimized place to host business and management issues.

Third, it seems clear that the crisis of political discourse that began in Italy in the late '70s with the radicalization of terrorism left newspapers with an empty rhetorical space to fill. The emergence in recent years of important economic topics, such as the European Monetary Union and the performance of the stock market, provided an alternative set of topics to discuss. Once the use of management metaphors spread, the rate of diffusion of management discourse increased. Sports events began to be described in managerial terms, with references to the leadership charisma of champions and the managerial skills of presidents and trainers (see also Barthes, 1994). Soon after, management metaphors entered political life, and efficiency and productivity became measures of good political actions, as well as of good public administration. Through the doors opened by rhetoric, managers and entrepreneurs entered political life directly by lobbying, taking political posts, or just by being acknowledged as "maîtres à penser". Interestingly enough, given a common set of metaphors, many classes could enter public life through newspaper articles, talk shows, or Internet reports. As Bourdieu (1997) remarks, in order to talk about any topic it is central to know and manage correctly the time and rules of communication that the media establish. Media is the right word here, as books, journals, newspapers, TV channels, radio channels, and (increasingly) the Internet share the same rules and codes.

In Spain, the rise of management publications and topics had to wait until the mid-1980s, when the political transition to democracy was completed and ideological disputes were settled, and capitalism and business were accepted by all the political forces, including the Socialist Party in government. In France, the dynamic was similar.

The three dynamics described above provide an interesting basis for future research. Looking at the change in the field from a more sociological viewpoint and leaving the management knowledge perspective aside for a moment, these dynamics may be interpreted as being consistent with certain basic trends and social transformations that to a greater or lesser extent occurred in many Western countries. Second, the entry of new actors reshaped the field by introducing new legitimized actions and new goals. The process whereby a large Media organizational field is constituted is again easy to recognize in other Western countries, and is also occurring at a surprising pace in Eastern Europe and some Far Eastern countries. Finally, it should be said, by way of a purposeful critique of modern society, that the new form of the media field raises many questions about tools and methods of democratic control over information and communication. As this issue is at the top of the political agenda almost everywhere, as well as in the history of cinema and literature, comparative studies may provide insightful contributions to the discussion.

3. Country Studies:

3.3. *The UK Case*

Case study prepared by Jonah Rockoff, IESE-Universidad de Navarra.

Introduction

The publishing market in the United Kingdom is a mature industry with much history, characterized by moderate and steady growth. Publishing is the UK's seventh largest industry and UK has the second largest publishing industry in Europe after Germany. Total value of the market in 1997 is estimated at over £12 billion. This can be divided into books, periodicals, and newspapers. Table 3.22 displays the trends in this market by segment.

Table 3.22. Publishing market sector size (£millions), 1993-1997

Source: Key Note, 1998.

Year	1993	1994	1995	1996	1997
Books	2,545	2,645	2,756	2,701	2,769
Magazines	3,600	3,746	3,959	4,200	4,416
Newspapers	4,000	4,310	4,593	4,850	5,105
Total	10,145	10,701	11,308	11,751	12,290

This paper will try to give an informative look at the overall industry in the UK, and review the major events and trends of the last two decades. In order to focus directly on the spread of management knowledge through the publications market in the UK, we proceed to analyze the contribution of the three sectors of publishing—books, periodicals, and newspapers—to this process. This means analyzing the academic and professional book market, business periodicals, and quality newspapers which report on business issues in the UK.

3.3.1 General publishing

In the 1980s, publishing groups large enough to span national and media boundaries seemed on the verge of being created. *Maxwell Communications Corporation*, *News Corporation*, *Pearson*, *Reed International*, and *Thomson Corporation* all sought to become international forces, with ownership in more than one printed medium in addition to radio and/or television. The reasoning which led to such broad actions on the part of these firms was that the synergies of editorial and marketing talent, publishing content and distribution would allow the simultaneous fulfillment of needs in various markets and sectors.

Since 1993, the year which marked the emergence from the recession of the early '90s, this strategy has been all but abandoned. The vast majority of companies now focus on a single market, or else a very small number of them. This means a separation between producers of national and regional newspapers, consumer and business magazines, consumer and academic book publishing, etc.

The health of the national economy is, as with all major industries, vital to the success of publishers. The major economic events in the last two decades have been the recessions of the early '80s and the early '90s, and the increase in consumer and government spending following both. Consumer spending is of course the bedrock of the economy, and the fortunes of the publishing sector rise and fall with it. Consumer spending is especially important to newspaper and periodical publishers, whose revenue depends highly on advertising. Advertising levels have shown consistent correlation with GDP growth and consumer confidence measures. Growth in advertising was very moderate until the 1982 recovery. From then until 1989 advertising expenditure nearly doubled in real terms, from £3.7 to £6.4 billion. During the recession in the early '90s advertising fell dramatically, with severe consequences for many periodical and newspaper publishers, but began to recover steadily along with the economy as a whole, and is still doing so. However, if economic predictions of a slowdown in UK growth for 1999 prove true, then we should see some negative impact on the level of sales and advertising revenue.

Demographics may also influence the market for published materials. The UK has an aging population, which may shift the emphasis of existing magazines and newspapers and/or lead to new titles to attract older readers. People are also getting married and having children later in life, increasing available income for purchases of reading materials among the 25-35 year old population.

Regulation and government spending also play a part in the outcomes of the publishing industry. Government efforts to improve education and literacy certainly aid publishers, especially those in academic markets.

The level of local and central government spending produces effects through public and academic library expenditure. From 1986 to 1993 the annual spending on acquisition of books and periodicals for libraries grew, in nominal terms, by over 200% (however, in real terms it declined by about 15%).

Technological developments also can have a significant impact on the direction and level of growth in the publishing industry. There continue to be improvements and evolutions in the printing process, such as the use of digital presses and faster and more efficient folding machines. These innovations raise industry productivity but also increase capital costs. Another important development is the growth of CD-ROM and electronic publishing.

These changes are perhaps more interesting because they change the actual forms of publishing products, and may alter the way in which companies approach their markets. CD-ROMs can contain many different types of information, from traditional literature to business contact listings. In 1994 it was estimated that nearly half of UK business libraries had installed CD-ROM players, an increase of 30% from the year before. However, aside from certain business and technical titles, the growth in the CD-ROM industry has been slow and most publishers do not feel threatened. Radio and television present much more of a competitive force, especially to newspapers. However, publishers seem to have adjusted by offering readers incentives to buy, such as special weekly inserts and supplements.

Electronic publishing encompasses a few different sectors, such as electronic books, electronic newspapers, and postscript genre documents. Electronic books refer to handheld devices which provide access to searchable databases. Although these devices (e.g. Sony Data Discman) have yet to achieve impressive sales numbers, one may suspect that the strong growth in the use of handheld, notebook, and pen-input computers is an encouraging sign for the future of electronic books. Electronic newspapers come in two forms, screen based and fax delivered. The former are interactive, can be personalized and include sound and video components. The latter, while non-interactive, can still be personalized and require less hardware to access. The creation of postscript files was a momentous step in information technology. One of its descendents, Adobe Acrobat, looks set to make the ability to send and receive documents electronically available to all computer users, regardless of operating system. This allows a publisher to distribute a product without having to worry about the recipient's ability to read the material.

The final major factor influencing trends in publishing is supply costs, while labor and paper cost fluctuations have the greatest effects on publishers' profitability. Labor costs are usually the dominant component for printers, making up sometimes nearly half of total costs, and indirectly affect publishers' costs. Paper costs, however, are usually passed directly to the publishers, who often buy the paper themselves and supply it to their printer in order to have better control over price levels.

In the late 1980s the paper industry underwent considerable consolidation through domestic and international mergers and acquisitions. UK paper production has grown steadily over this period and continued to do so through this decade. Over half of UK papermaking is under foreign control and UK-based pulp and paper companies hold an extremely weak position in the world market. Thus, prices for publishers are heavily influenced by world economic conditions. Prices through the early '90s dropped considerably, but then began an upswing in 1994. This trend has dampened lately, as prices since 1998 have only risen by about 5%.

Price trends differ among the three publishing markets. In the newspaper industry, where demand seems to be the most elastic, prices are vital to publishers' sales revenue. Thus, publishers are usually very reluctant to raise prices for fear of losing out to competitors. Demand for magazines, especially specialized titles such as business magazines, is much more inelastic, and prices have been rising steadily over the decade. Book prices have also been rising faster than inflation, and are expected to continue to do so. However, with the elimination of the *Net Book Agreement*, which regulated retail pricing methods, discounts and special offers for large purchases are on the rise.

3.3.2 Book Publishing

The book industry is one of the oldest in the UK, going back almost two centuries. Over the last few decades the industry has almost completely restructured, with many takeovers. Nevertheless, acquired companies' imprints are usually left unchanged, which can lead to some confusion when examining retail bookshelves. Although for one title there may be numerous editions with different publishers' names on the jacket, this does not mean that each book actually represents an individual firm. Acquisitions reached their peak in the 1980s; however, hardly any of these moves were profitable, and in many cases the price paid was heavily inflated.

The *Net Book Agreement* (NBA), which had set retail prices on books since 1909, was suspended in October of 1995. This was prompted by a poor consumer book market and pressure for companies to start turning a profit in this area. Some speculate that this was an inevitable result of the large acquisitions and consolidations of the 1980s, whose high costs were the reason why many companies became unprofitable. However, it remains to be seen whether the abandonment of the NBA is a solution to publishers' problems.

The UK book market did not suffer as much as other publishing sectors during the recession of the early '90s, ostensibly because of its lack of dependence on advertising revenue. Still, it also has not seen as much growth during the economic recovery as its counterparts in the newspaper and magazine sectors. From 1993 to 1997 the market grew by about 9%, but in real terms this was almost zero.

In 1996, academic and professional books account for 14% of the book market by volume, and 21.4% by value, about one fifth of which is made up of imported titles. Prices have tended to rise faster in these two areas in comparison with consumer titles, reflecting a more inelastic demand.

Table 3.23. Number of Academic and Professional books

Year	1985	1990	1991	1992	1994	1996
Academic and Professional Books	367	556	579	631	669	695
Total Books	1,521	2,213	2,378	2,526	2,864	3,242

Source: Key Note, 1997.

The growth in the academic book market has been fairly slow, at about 1.5% during the post-recession '90s. The market for academic books is currently being aided by increased numbers of students in higher education, but the final outcome of this process is hard to predict. Book buying practices differ among universities and academic disciplines, and a survey of academic retail stores by *The Bookseller* magazine shows that sales trends are very varied. The professional sector has performed better than academia; however, it is greatly affected by corporate activity levels, and as a consequence fluctuates with economic growth and corporate profits. Table 3.24 shows the growth of the academic and professional book sector value along with total book value since the start of the decade.

Table 3.24. Retail Value of Book Sales in the UK (£millions), 1990-1996

Year	1990	1991	1992	1993	1994	1995	1996
Acad./Prof. Books (UK Publishers)	362	379	415	437	451	458	501
% Growth/Year	—	5%	9%	5%	3%	2%	9%
Acad./Prof. Books (All Publishers)	556	579	631	645	669	680	695
% Growth/Year	-	4%	9%	2%	4%	2%	2%
Total Books	2101	2242	2372	2545	2645	2756	2701
% Growth/Year	-	7%	6%	14%	4%	8%	-2%

Source: Key Note, 1999.

3.3.3 Periodicals

There are around 2,000 magazine publishers in the UK, but the market is dominated by the 41 which make up the Periodical Publishers Association (PPA). The business press industry, which we will focus on here, is controlled overwhelmingly by three major publishers—Reed Business Publishing Group (part of Reed Elsevier), EMAP Business Press (part of EMAP PLC), and Morgan-Grampian (part of United Newspapers)—and under a dozen medium-sized firms. There are a number of small publishers, however, and many of them are very profitable. Most of these companies focus exclusively on the business/professional sector.

The magazine market as a whole has seen very high growth since 1980, with the number of new titles expanding by over 75%. Growth was fairly equal between consumer and business titles, with the ratio between them being about 2 to 1 in favor of business (see Table 3.25). The huge increase in the number of business titles during the 1980s can also be seen as a result of rapid developments in many industries and a new-found demand for news among professionals within these industries. Also, it was during this period that business started to become more fashionable, which sparked many business periodicals which resembled consumer magazines. However, just as with their book and newspaper counterparts, the recession of the early '90s had a large negative effect on magazine publishers, and we can see this reflected in a drop-off in title growth.

Table 3.25. Number and Percentage of Magazine Titles, 1980-1997

Magazine titles	1980	1985	1990	1991	1992	1993	1995	1997
Consumer Titles	1,383 34.5%	1,804 36.6%	2,184 32.3%	2,434 34.6%	2,301 34.0%	2,085 31.5%	2,164 33.1%	2,438 34.4%
Business Titles	2,629 65.5%	3,124 63.4%	4,541 67.7%	4,608 65.4%	4,469 66.0%	4,533 68.5%	4,377 66.9%	4,650 65.6%
Total Titles	4,012 100%	4,928 100%	6,725 100%	7,042 100%	6,770 100%	6,618 100%	6,541 100%	7,088 100%

Source: Key Note, 1991.

Most of this outgrowth stemmed from publishers of both consumer and business magazines creating new titles to fill new niches in demand. Indeed, magazines are widely recognized by advertisers to be the most targeted of the three publishing sectors. Throughout the '90s, advertising has made up about 40% of total revenue for all magazines, and has grown at a faster rate than sales revenue. The importance of advertising revenue is especially true in the case of business magazines, the majority of which operate under closed circulation (i.e. free distribution to selected members of business organizations and other targeted audiences) and are thus highly dependent on advertising. In fact, in 1991 approximately three out of four business and professional magazines were free. Moreover, these magazines very often have very small circulations—50,000 is fairly average for a closed circulation title—but are able to stay afloat because they are essential sources of news and information for particular sectors of the economy. Therefore, they are viewed by advertisers as an excellent method for reaching an interested and informed audience. Additionally, they are also used by many for job announcements and thus are read by those looking for work as well as by those already employed in the particular sector.

The dependence on a small number of readers and on advertising revenue goes a long way towards explaining why business magazines suffered much more than consumer titles during the recession of the early '90s. Some say that the unprecedented '80s growth caused the market to become overcrowded, with too many titles chasing the same sources of revenue. When the economy started to lag and advertisers pulled out, many of these titles were left out in the cold and were forced to merge with others or close. Table 3.26 shows clearly how the drop in advertising was the overwhelming factor leading to declining revenue, especially the drop in classified advertising in the early '90s.

Table 3.26. Revenue Breakdown for Business and Professional Magazines, 1985-1992 in £millions.

Year	1985	1986	1987	1988	1990	1991	1992
Sales Revenue	213.9	229.5	249.9	268.8	357.5	422.9	460.0
Display Advertising	208.8	216.6	240.5	259.7	308.7	261.4	235.0
Classified Advertising	76.1	85.0	104.2	125.9	140.0	98.9	80.0
Total Advertising	284.9	301.6	344.7	385.6	448.7	360.3	315.0
Total	498.8	531.1	594.6	654.4	806.2	783.2	775.0

Source: Key Note, 1991.

It was during this recession period that many publishers engaged in cost-cutting measures. One major component of this has been the derecognition of unions. In 1991 and 1992 almost all large and some medium-sized firms began negotiating individual contracts with their journalists to replace collectively bargained ones. Most of these new contracts provide fewer benefits to employees and thus are clearly advantageous to publishers. This shift in labor organization was aided by the closing of titles during the recession. Since the market was flooded with out-of-work journalists, employers had easy access to replacements and could threaten to fire workers who demanded collective bargaining, giving them a much stronger bargaining position.

One might suppose that the strongest domain in business periodical literature would be general business/management, but this is not the case. There are two main reasons why this sector has declined in importance. The creation of publications in more specialized areas has drawn many readers and advertisers away from the more general titles. Also, expanded coverage of business news in quality national newspapers, especially the *Financial Times*, provides much the same information as these magazines and is crowding them out. New entrants have found it very difficult to maintain profits, and even long-standing publications have experienced difficulties in times of poor economic activity. Two good examples of general business magazines that have had to close since the start of the decade are *Business* and *Management Week*.

Business was launched in March of 1986, jointly owned by Condé Nast and the *Financial Times*. Its look and tone were quite different from that of most business publications—it was well illustrated and fashionably designed—and it reported on money, success stories, and international entrepreneurs in the style of consumer magazines such as *Vogue*. It was well advertised and marketed, but never reached profitable circulation numbers. (In 1990, the year before closing, less than 50,000 copies were sold.) By the end of the 1980s yuppies, a major target audience, were losing popularity as a social group, and the economy began to slow down. By 1991 *Business* had lost an estimated £5 million.

Management Week attempted to avoid the woes of focusing on a popular audience and announced it would target managers and deal with real-world management issues. This may have been an even tougher path to choose, however, as it faced stiff competition from *Management Today*, the perennial market leader. In 1992 it closed, less than two years after starting publication.

Despite these difficulties, there are a number of publications which have maintained a degree of success. However, some of them rely on an organizational base for their closed circulation, and thus are somewhat shielded from competition and the cycles of the economy. These are, in order of circulation: *The Economist* (*The Economist* is actually registered as a newspaper, but we include it here with periodicals because of its format and how it is generally perceived), *Management Today*, *Mind Your Own Business*, *People Management*, *Investors Chronicle*, and *The Director*. Circulation data for these publications are shown in Table 3.27.

Table 3.27. Circulation data of selected publications

Publication	Frequency	1990	1991	1992	1994	1996	1998
The Economist	2/Month	NA	NA	NA	NA	NA	123,097
Management Today	Monthly	102,615	94,771	96,157	87,101	89,414	94,039
Mind Your Own Business	10/year	50,068	44,987	36,185	30,910	31,005	30,934
People Management	2/Month	47,014	51,698	53,702	79,288	83,999	83,838
Investors Chronicle	2/Month	NA	NA	NA	NA	NA	58,786
The Director	Monthly	37,859	39,597	40,106	37,686	42,441	42,554

Source: Key Note, 1997.

When one thinks of leading business magazines in the UK, *The Economist* is the only name which emerges with the likes of *Business Week* or *Fortune*. Technically, *The Economist* is not the most widely circulated general management title, because it is registered as a newspaper and the Audit Bureau of Circulation classifies it under consumer magazines, but for our purposes it merits discussion. Its circulation is about 600,000 and it is widely recognized and read throughout the world by top businessmen and women. However, only 17% of this circulation is within the UK (almost a third comes from the US). *The Economist* was bound to find it progressively harder to increase its circulation in Britain. That became especially true in the 1960s and 1970s, when British daily papers started to carry more of the interpretive, argumentative and analytical articles that had traditionally been the sole domain of weekly publications. *The Economist* has instead prospered by building on its international focus and acclaim and selling abroad. It has also diversified its content, adding sections devoted to Europe, Asia, and science and technology.

Britain's leading general business magazine, *Management Today*, has investigated and reported on business issues aimed at managers for over thirty years. Its aim is to produce practical and accessible articles that inform and enhance winning business strategies. *Management Today's* precise targeting of the business community makes it a very efficient alternative to the national newspapers. A monthly publication, *Management Today* currently has an audited circulation of 94,039 (ABC July 1997 - June 1998) and every independent readership survey produced since 1966 has shown *Management Today* to be the most widely read business magazine in the UK.

Two such recent surveys are the 1997 British Business Survey (BBS) and the 1998 European Business Readership Survey (EBRS). The BBS, first published in 1973, is based on 3,001 personal interviews representing an estimated 1,234,000 businessmen and women. The 1997 BBS shows that *Management Today* has readership among all business people of approximately 98,000, 4.3% more business people than *The Economist* and over three times more business people than *The Director*.

The EBRS was also first performed in 1973. In 1998 it covered a sample of 406,955 senior business individuals in 57,047 establishments in seventeen European countries. The survey collected average issue and frequency of reading data on 296 international and national publications. The EBRS found *Management Today* to have 24% penetration of all senior business people in the UK, a readership 47% higher than *The Economist* and almost double that of *The Director*.

People Management (formerly *Personnel Management* (1)) is a fortnightly magazine published by and distributed to the over 85,000 members of The Institute of Personnel and Development (IPD). IPD is the leading professional body for professionals concerned with people management and development. Even though it is focused towards human resource issues, it is generally considered along with other general business magazines because much of its material is of relevance to general managers, academics and consultants.

Every issue of *People Management* includes news and analysis covering the latest developments in the business world, government policy and professional practice, in addition to expert advice from practitioners in specialist areas and opinion columns and letters debating on key policy areas. It also features case studies, often written by the professionals directly involved, demonstrating the real-world effects of HR policies and projects. Last but not least, it lists hundreds of current personnel, training and development vacancies in private and public organizations in the UK and abroad.

The *Investors Chronicle* of today, with its comprehensive coverage of UK and overseas investment markets, company details and personal finance, has a storied history involving a number of leading financial publications of the past. The title *Investors Chronicle and Journal of Finance* was first published as a monthly in the 1890s and was very different in nature from the magazine of today. In the early 1900s it became more focused towards the private investor and its frequency increased to weekly. By 1914 market forces had done their worst and it was forced to merge with *Money Market Review* (Est. 1860) to become *The Money Market Review and Investors Chronicle*. May 1967 saw the merger of *Investors Chronicle* and the *Stock Exchange Gazette*. *Investors Chronicle* is now published by FT Finance, part of Pearson Professional Ltd, a division of Pearson plc.

Today, *Investors Chronicle* has a paid-for circulation of over 60,000 every week. Unique amongst financial publications, it is the only UK magazine to offer wide-ranging investment and personal finance information and advice. *Investors Chronicle* is known for its share tips, in-depth company information and reports on both the UK and overseas stock markets.

(1) The name changed when the Institute of Personnel Management, the previous publisher, merged with the Institute of Training and Development, to form the Institute of Personnel and Development in 1994. The circulation of the magazine increased significantly as did the number of members in the new institution.

The Director was first published in 1947 and is the UK's longest established business to business management magazine. It won many prestigious awards in the '90s, including the PPA's highly acclaimed Business Magazine of the Year Award. *The Director's* aim is to give its readers sound, practical advice on how to run their businesses better, usually by in-depth reporting on others' successes and failures. Its circulation base, The Institute of Directors (IOD), is the leading UK organization representing individual company directors. The IOD has 47,000 members in the UK, including directors of three quarters of *The Times* Top 100 companies, as well as 65% of members who are directors of small and medium-sized enterprises. With ambitious expansion plans in place and IOD membership growing every year, *The Director* magazine should become more and more influential over the next few years.

3.3.4 Newspapers

The UK newspaper industry began over two hundred years ago, with its roots in the news sheets of the 1600s. Two existing papers, *The Observer* and *The Times*, were founded near the end of the 18th century. Of the other quality national dailies, *The Daily Telegraph* and *The Guardian* (formerly *The Manchester Guardian*) were running by the mid-19th century, the *Financial Times* was started in 1888, the *Daily Mail* in 1896, *The Express* in 1904, and *The Independent*—a comparative newcomer—in 1986 (1). We focus on quality national papers here because they are the publications that provide serious business reporting and reach large audiences.

The production of newspapers was revolutionized in the 1980s through the introduction of new technology and changing industrial relations. One of the major breakthroughs was the introduction of color printing, a key ingredient in maintaining the attractiveness of newspapers in an era of television and other modern media. Labor relations also underwent a large shift. Print unions' control over production management and supervision was broken by the middle of the decade, partly the result of earlier legislation making strikes more difficult and picketing virtually illegal.

Despite the fact that circulations have been declining, newspaper publishing remains quite profitable. The *Financial Times* has become an international success story, and now has printing operations all over Europe and the US. Productivity has risen strongly and advertising levels have been growing since the economy recovered in 1993. Advertising has also increased as a percentage of total revenue. This is partly due to the popularity and production of large weekend additions with large advertising sections and inserts. Close competition has made sale prices extremely important in today's newspaper market, much more so than in the past. Newspaper publishers are very aware of this and are very reluctant to raise prices. News International, publishers of *The Times*, is being investigated for unfair pricing policies, using revenue from other businesses in order to keep its price down and undercut its rivals.

The foremost name in any discussion of UK business reporting is the *Financial Times*. Founded in 1888 as a four-page newspaper, its initial readership was the small financial community of London. In 1893, the *Financial Times* turned pink—a trait which today is recognized worldwide—to distinguish it from its rival, the *Financial News*. From their initial

(1) The *Economist*, while registered as a newspaper, is included in the section on periodicals.

rivalry, the two papers merged in 1945 to form a single six-page newspaper. The *Financial Times* brought with it a higher circulation, greater commercial impact and the distinctive pink color, while the *Financial News* provided enormous editorial talent. Over the following years, the paper gradually grew, not only in size and readership, but also in its breadth of coverage, which began to extend to industry, commerce, politics, technology and the arts.

The continued success of the paper, especially over the past decade, has been much helped by the growth of international equity and bond trading, the liberalization of capital markets and the expansion of the global economy. The paper has been transformed from a British daily business newspaper to a truly international newspaper. Acknowledged as one of the world's most respected business titles, the *Financial Times* has a daily circulation of 336,946 (Sept.'97 - Feb.'98). Global readership is estimated at over 1.3 million in more than 160 countries. According to the European Business Readership Survey (1993), the *Financial Times* has almost twice the readership of *The Economist* and nearly five times that of the *Wall Street Journal*. The 1995 survey of the readership habits of chief executives in Europe also shows that the *Financial Times* is significantly more popular than any other English-language business title.

The *Financial Times* news sections cover regional topics from the Americas, Asia-Pacific, Europe, and the UK, as well as a section on world trade and special pages on international topics crucial to business. Management articles cover subjects ranging from international marketing strategies to corporate reorganization and governance. Among the technological subjects which FT reports on are computers and software, biotechnology and genetic engineering, environmental science, medicine, telecommunications, business applications of scientific breakthroughs, and the financial impact of R&D investment.

The Companies and Markets Section of the *Financial Times* contains news articles and analysis of UK and international companies and markets. Subjects are covered under different headings, including Companies, Emerging Markets, Commodities, *Financial Times* Managed Fund Service, London Stock Market and World Stock Market. *Financial Times* journalists strive to provide implications of corporate announcements that will affect markets and industries, and information behind the news that can assist investors, fund managers and others with their strategies.

The *Financial Times* produces some 200 surveys each year on countries, regions, business management, finance and investment, and industry. These also include regular series on personal finance, exporting, and information technology. These surveys are a leading source of business intelligence, containing background commentary and analysis, interviews, case studies, and explanatory statistics and graphics.

In addition, the *Financial Times* publishes a series of periodicals. The *Financial Times Quarterly Review of Personal Finance* was first published in October 1990. It is the leader in a series of *Financial Times* tabloid publications on personal finance subjects. Others, each published annually as part of the newspaper, are: the *Financial Times Guide to Personal Equity Plans*, the *Financial Times Guide for the Serious Investor*, the *Financial Times Guide to Investment Trusts* and the *Financial Times A - Z of Personal Finance*.

The *FT Review of Information Technology* is published the first Wednesday of each month and reports important developments in the field, together with interviews and opinions from leaders at the top of the industry's most important companies. The *Financial Times Exporter* was first published in June 1993 and is produced five times a year. Each issue offers news and analysis of trade and finance for exporters, and provides case studies from European exporters.

The *Financial Times Review of Business Books* is published quarterly and distributed with the newspaper. Twenty-five books are usually reviewed in each issue, representing the leading and recent publications in finance, economics, management and technology.

On the weekend, the *Financial Times* reviews markets, politics, money, people, recent events and leisure. *Weekend Money* is aimed at personal investors, and provides financial highlights from the past week's issues and analyses investments and savings by reference to different readers' needs and objectives: investing for growth, income, saving, borrowing and planning.

Besides the *Financial Times*, other general newspapers pay special attention to business matters:

Both *The Daily Telegraph* and the *Mail on Sunday* have successfully launched weekend personal finance sections and *The Guardian* and *The Independent* have concentrated on new media and online network features. The expected new financial daily from the *Daily Mail* stable failed to materialise, however. The *FT* has not been slow to respond and has concentrated on widening its appeal outside the usual pin-striped punters. Its Saturday edition has been revamped to include more consumer leisure features and personal finance information. It has also devoted resources to strengthening its brand internationally, taking the game to the *Wall Street Journal*, its main competitor, with a monthly supplement called *FTI (Financial Times International)* and an increased distribution for the daily's international editions.

While the UK has a vigorous and expansive trade publication sector, the strength of the national quality newspaper market has meant that there is only one prestige business weekly which can rival the likes of *Business Week* and *Fortune*—and that styles itself as a newspaper. *The Economist* has a worldwide circulation of 579,286 copies but only 17% of this is sold in the UK; the majority (46%) is in North America. However, in the last five years, greater advertising effort has been put into sales in continental Europe. The most influential general business magazine is *Management Today* (circ. 87,610) from the Haymarket Group, which owes its lead to its free distribution of about 61,000 copies to the British Institute of Management. New competition to the title has come in the form of the more populist *Business Age* (circ. 61,000), recently acquired from its own founder by VNU, which is promoting the title heavily. More specialist magazines such as the FT-owned *Investors Chronicle* (circ. 60,515) and *The Director* make up the only other non-trade specific titles. Detailed data on the UK business press is given in Annex 3.

Broadcast media

There are no business channels aimed primarily at the UK, although there has been some growth in news-led broadcasting. The main terrestrial offering for business people comes from the BBC, which has regular programmes such as *The Money Programme*, *Working Lunch* and *Business Breakfast* along with periodic documentary series such as *Troubleshooter*. News-based *BBC World* is not targeted at the UK but has a pan-European focus. Commercial broadcaster ITV does not have any nationally networked business programmes, although some of the larger 15 regional contractors produce their own locally-focused business news coverage. Again, Channel 4 has no regular business-targeted programmes but does have a documentary strand entitled *High Interest*. London, however, is home to the only dedicated European business channel, the recently launched *European Business News* (EBN), which is available on cable and satellite through *Intelsat* and *Eutelsat*.

EBN is a continuous service devoted to news and programming for business people from a European perspective and is backed by *Dow Jones*.

Meanwhile, news programming has grown in almost inverse proportion to the provision of newsworthy events. The cable and satellite news junkie now has access to a range of channels primarily devoted to news and current affairs, including Sky News, CNNI, NBC *Super Channel* and *Euronews*, and if he or she lives in London or Bristol, Associated Newspapers' *Channel One* will make the choice that little bit more agonising. Both Reuters and *Financial Times* Television produce business programming slots for cable channels. In February 1995 *Reuters* also garnered the contract to provide all news gathering for Sky News.

Table 3.28. Key business reading

Circulation ('000s)	1994
<i>Dailies</i>	
The Daily Telegraph	1,072
The Times	682
The Guardian	391
The Independent	303
Financial Times	294
<i>Weeklies</i>	
The Mail on Sunday	1,965
Sunday Times	1,253
The Observer	451
The Independent on Sunday	334
The European	162*
The Economist	99*
Investors Chronicle	60*
<i>Monthlies</i>	
Management Today	88**
Business Age	61**
Management Accounting	60**
Director	36**
Euromoney	29**

Source: OJD; * = publisher's figures; ** = 1994.

Main online service providers

Reuters: Provides financial and news information. Databases include Reuters Textline, Reuter Business Briefing and Money 2000.

Dow Jones Telerate: Provider of fixed income market information. Sources are Cantor Fitzgerald in the US, Tradition Bond Brokers in the UK, and Tanshi Companies in Japan.

Datastar: Over 300 databases. Subjects include European companies, economic and political information across Europe.

FT profile/FT Extel: Online financial databases.

Questel

Telekurs

Table 3.29. Business/news channels

<i>Channel</i>	<i>Distribution</i>	<i>Format</i>	<i>Reach 1995 (homes)</i>
EBN	cable	Free to air	524,381
Euronews	cable	Free to air	627,000
CNNI	satellite/cable	Free to air	4.2 million
Sky News	satellite/cable	Subscription	4.27 million
NBC Super Channel	satellite/cable	Free to air	1.68 million
BBC World	satellite/cable	Free to air	NA

Daily Express

Mid-market conservative national newspaper		Frequency: Daily		Format: Tabloid	
Publisher: Express Newspapers		Distribution News stand		Established: 1904	
Circulation: 1,503,068		24	1 AIR %:	80	2 AIR '000: NA
Page b/w: 23,765	Page 4/c: 26,141				2 AIR %: NA

Daily Mail

Mid-market conservative national newspaper		Frequency: Daily		Format: Tabloid	
Publisher: Associated Newspapers		Distribution news stand		Established: 1896	
Circulation: 1,675,507		44	1 AIR %:	14.6	2 AIR '000: 11.1
Page b/w: 27,500	Page 4/c: 30,000				2 AIR %: 23.6

The Daily Telegraph

Quality conservative national newspaper, includes reports on business and finance

Publisher: Daily Telegraph PLC		Frequency: Daily		Format: Broadsheet	
Circulation: 1,049,455		Distribution News stand		Established: 1855	
Page b/w: 33,500	Page 4/c: 43,500	43	1 AIR %:	14.2	2 AIR '000: 17.6
					2 AIR %: 37.3

Evening Standard (London)

London regional evening general newspaper, daily pink financial section

Publisher: Associated newspapers		Frequency: Daily (weekday)		Format: Tabloid	
Circulation: 534,066		Distribution News stand		Established: 1827	
Page b/w: 11,550	Page 4/c: 15,831	26	1 AIR %:	8.7	2 AIR '000: 7.7
					2 AIR %: 16.3

The Financial Times

Leading financial newspaper, mainly reports on national and international financial markets and business and City news

Publisher: Pearson Group		Frequency: Daily		Format: Broadsheet	
Circulation: 290,404		Distribution News stand		Established: 1888	
Page b/w: 26,880	Page 4/c: 41,400	44	1 AIR %:	14.4	2 AIR '000: 27.3
					2 AIR %: 58.0

The Guardian

Quality national newspaper, with a left-wing bias

Publisher: Guardian	Frequency: Daily	Format: Broadsheet
Circulation: 418,727	Distribution News stand	Established: 1821
Page b/w: 15,500	Page 4/c: 19,000	1 AIR %: 8.0
		2 AIR %: 4.3
		2 AIR %: 9.2

The Independent

Quality national newspaper, aims to report in a politically neutral tone. Does not cover any royal issues

Publisher: Newspaper Publishing Plc	Frequency: Daily	Format: Broadsheet
Circulation: 372,647	Distribution News stand	Established: 1986
Page b/w: 14,000	Page 4/c: 22,100	1 AIR %: 8.0
		2 AIR %: 9.0
		2 AIR %: 19.0

The Times

Quality national conservative newspaper, with a strong business section

Publisher: News International	Frequency: Daily	Format: Broadsheet
Circulation: 389,460	Distribution News stand	Established: 1785
Page b/w: 17,000	Page 4/c: 20,400	1 AIR %: 10.7
		2 AIR %: 12.3
		2 AIR %: 26.2

Today

Mid/mass-market national newspaper

Publisher: News International	Frequency: Daily	Format: Tabloid
Circulation: 474,477	Distribution News stand	Established: 1987
Page b/w: 8,000	Page 4/c: 9,600	1 AIR %: 8.0
		2 AIR %: 1.6
		2 AIR %: 3.4

The Economist

Weekly newspaper in magazine format, strong economic and business editorial, UK edition

Publisher: The Economist	Frequency: Daily	Format: A4
Circulation: 97,903	Distribution Subscription/news stand	Established: 1843
Page b/w: 3,450	Page 4/c: 7,300	1 AIR %: 9.4
		2 AIR %: 11.7
		2 AIR %: 24.8

Appendix 3 (continued)

The European

UK edition of European weekly general newspaper, has business, life and news sections

Publisher: Barclay Brothers	Frequency: Daily	Format: Broadsheet
Circulation: 223,006	Distribution News stand	Established: 1990
Page b/w: 6,287	Page 4/c: 10,060	1 AIR %: NA
		2 AIR '000: 3.4
		2 AIR %: 7.2

The Independent on Sunday

Sunday edition of The Independent, with a separate business section

Publisher: Newspapers Publishing Pic	Frequency: Daily	Format: Tabloid
Circulation: 379,589	Distribution News stand	Established: 1990
Page b/w: 14,000	Page 4/c: 18,000	1 AIR %: 9.8
		2 AIR '000: 6.6
		2 AIR %: 14.1

Investors Chronicle

Investment magazine for fund management, the stock market and finance

Publisher: FT Publishing	Frequency: Weekly	Format: Broadsheet
Circulation: 45,916	Distribution Subscription/news stand	Established: 1860
Page b/w: 2,950	Page 4/c: 4,100	1 AIR %: 3.1
		2 AIR '000: NA
		2 AIR %: NA

The Observer

Quality national Sunday newspaper, with a left-wing bias. Has news, business, review and sports section

Publisher: Observer Ltd	Frequency: Weekly	Format: Broadsheet
Circulation: 546,057	Distribution News stand	Established: 1791
Page b/w: 23,750	Page 4/c: 29,700	1 AIR %: 11.1
		2 AIR '000: 6.2
		2 AIR %: 13.2

The Mail on Sunday

Sunday edition of The Mail, with a colour magazine

Publisher: Associated Newspapers	Frequency: Weekly	Format: Tabloid
Circulation:	Distribution News stand	Established: 1982
Page b/w: 28,350	Page 4/c: 39,000	1 AIR %: 21.9
		2 AIR '000: 12.7
		2 AIR %: 26.9

Sunday Express

Sunday edition of The Express, with a tabloid section and colour magazine

Publisher:	Express Newspapers	Frequency:	Weekly	Format:	Broadsheet
Circulation:	1,667,312	Distribution	News stand	Established:	1918
Page b/w:	51,968	1 AIR '000:	45	2 AIR '000:	7.7
		1 AIR %:	14.8	2 AIR %:	16.3

Sunday Telegraph

Sunday edition of The Telegraph, business section and colour magazine

Publisher:	Telegraph Pic	Frequency:	Weekly	Format:	Broadsheet
Circulation:	557,745	Distribution	News stand	Established:	1961
Page b/w:	24,000	1 AIR '000:	28	2 AIR '000:	9.7
		1 AIR %:	9.4	2 AIR %:	20.6

Time Magazine

UK edition of US-based weekly news magazine, targeted at international businessmen

Publisher:	Time/Warner	Frequency:	Weekly	Format:	A4
Circulation:	101,711	Distribution	Subscription/news stand	Established:	1989
Page b/w:	2,950	1 AIR '000:	8	2 AIR '000:	2.0
		1 AIR %:	2.5	2 AIR %:	4.3

The Sunday Times

Sunday edition of The Times, business, review, appointment, sports section and colour magazine

Publisher:	News International	Frequency:	Weekly	Format:	Broadsheet
Circulation:	1,173,073	Distribution	News stand	Established:	1822
Page b/w:	47,000	1 AIR '000:	78	2 AIR '000:	23.3
		1 AIR %:	25.9	2 AIR %:	49.5

Appendix 3 (continued)

Director

Circulated to members of the Institute of Directors

Publisher:	Director Pub	Frequency:	Monthly	Format:	A4
Circulation:	37,858	Distribution	Ass/CC	Established:	1946
Page b/w:	2,940	1AIR '000:	15	2AIR '000:	7
		1 AIR %:	4,040	2 AIR %:	2.3
					12.1

Management Today

Business magazine for members of the Institute of Management

Publisher:	Haymarket	Frequency:	Monthly	Format:	A4
Circulation:	102,615	Distribution	News stand	Established:	1966
Page b/w:	6,360	1AIR '000:	96	2AIR '000:	45
		1 AIR %:	8,725	2 AIR %:	15.0
					41.1

4. Summary

The main goal of this first report was not to produce a work readily publishable in an academic outlet, but to familiarize the team of researchers of sub-theme III: Publications with the industrial and institutional dynamics of the publishing industry in Europe.

This was necessary given the importance of the written media in the diffusion of managerial practices. While the theoretical literature supporting this is well established and has been discussed in detail in the first section of this report, data on the publishing industry (books and newspapers) itself, and most especially with regard to management content, are alarmingly scant.

This first report is therefore a first attempt to start collecting data on the written media (books and press, both newspapers and periodicals) with regard to their impact on managerial practices. This effort will be continued in a few months' time with a report on academic journals, on which a larger number of pieces is available with very useful information, by authors such as L. Engwall, B. Usdiken, and others. This will be followed by further academic efforts aimed at the content of the written media, this time addressing only their industrial and field structure.

The academic strategy of this report was to examine in depth three countries which represent different European systems, as the influential work of R. Whitley has repeatedly shown: Denmark, as representative of Scandinavian business systems; the UK, which is especially influential because of the language; and a southern European system, Italy, which we have complemented with data from Spain and France.

The main conclusions that can be drawn from this first exploratory study of this poorly researched area could be the following:

- National or regional business systems are the most appropriate unit of analysis to understand the dynamics of the written media in general, and of books and newspapers carrying business content in particular. As far as the influence of texts on business practices is concerned, there is no fully developed pan-European dynamic. For instance, the dominant periodicals covering management issues in each country are local.

- In the case of management books, the basis is less clearly national. Current trends of mergers and acquisitions have made publishing an industry in constant flux (this complicates the work of researchers, to which we should add the opacity of the industry owing to the lack of publicly available and reliable data). In spite of these M&A trends, publishing is still a predominantly local industry. The second phase of this sub-theme, to be produced over the next two years and to be focused on content, will address the national origin of the texts published in the different European national business systems.

- In all the countries studied, the structure of the management publications field (i.e. the relationships among the elements, not the elements themselves) seems equivalent. In the case of newspapers, there seem to be one or two specialised business and economic newspapers that are well known and have a significant circulation, and a number of other periodicals selling fewer copies. There are also one or two highly respected general newspapers with sections on management. With regard to magazines (weeklies), in each country there is one, or at the most two (usually patterned after the US examples of *Business Week* or *Fortune*).

– There are a number of newspapers and magazines aimed at Europe-wide distribution (see Annex 4). Their content and their relationship with local periodicals will be examined in the content phase of the CEMP project.

– As for books, in accordance with the highly heterogeneous structure of the industry, in none of the business systems we examined did we find a hierarchy in the field: that is, it is difficult to find management book collections or publishing houses of a consistently high quality. This will be explored in more detail in the content phase of the CEMP project.

– Business, management and economic matters have become an important part of the information made available through the press, both daily and periodical. In the three business systems we explored, the "explosion" of the importance of these topics occurred at a similar point in time (mid-1980s), although for slightly different reasons. In the case of the UK, although there were media with a great tradition in this field such as the *Financial Times*, it was at the height of the Thatcher years (and in their celebration of capitalism and the spirit of business enterprise) that business became an important part of the news. In the case of Denmark, the importance of business issues has emerged strongly in the last two years. In the Italian case, the importance of business grew as the prestige of politics decayed. In Spain and France, as in the case of the UK (despite the fact that the party in power was ideologically opposite to Mrs. Thatcher's), the mid-1980s witnessed a celebration of market forces and a sort of popular capitalism (through entrepreneurship and easier access to the stock exchange), which invited an increase in readership of the written media.

– In sum, the most important feature of the business and economic press is its very importance, which it acquired in the mid-1980s. It seems that the press is structurally equivalent across European business systems, except to some extent in the UK. The most important feature of publishing is that publishing systems are very local, without patterns across Europe.

The content of these media, the importance of newspapers and magazines aimed at the European market as a whole, the role of scholarly journals in feeding (or reflecting) the content of the popular media, the very clinical question of the extent to which readership impacts on practice, and finally the degree to which practices influenced by the media lead to divergence or convergence of management behavior in Europe will be the subject of the remaining reports of this sub-theme.

Annex 4: Pan-European outlook

The pan-European magazines include some of the best-known titles in the world. It is a sector that addresses a European audience of senior executives and affluent people with an international outlook. The publications vary in the amount written about Europe. Some consist almost entirely of articles published in the US editions, while others are written in Europe. The newspapers also vary in the amount of material written specially for the European editions.

The international titles usually offer mass advertising editions. These can range from an Atlantic edition covering the Middle East and Africa as well as Europe, through European editions to individual country editions. The latest international publication to be launched was *The European*. It survived the death of its publisher Robert Maxwell and was purchased in 1999 by the Barclay Brothers. The other notable change, in 1998, was the introduction by *Time* of an Atlantic rate card in ECUs.

All the pan-European titles are paid-for, except *International Management*, a controlled circulation monthly whose editorial concentrates entirely on Europe.

Readership survey

1: Pan-European Survey 4, 1988

Target Groups: Business people in companies with 250+ employees

Universe: 1,054,000

2: European Business Readership Survey, 1991

Target Groups: All informants

Universe: 273,201

All circulations are audited by ABC, July-December 1991.

*** OJD audited 1990.

**** ABC audited January-June 1991.

***** Publisher's estimate.

Financial Times

Worldwide edition of UK based newspaper, with strong business and financial editorial

Publisher:	The Financial Times	Frequency:	Daily	Format:	Broadsheet
Circulation:	287,110	Distribution:	News stand	Established:	1888
Page b/w:	£27,776	1AIR '000:	109	2AIR '000:	51.4
	Page 4/c:	1 AIR %:	10.3	2 AIR %:	18.8

International Herald Tribune

International English language newspaper, covers news, business and finance, Atlantic editorial

Publisher:	International Herald Tribune	Frequency:	Daily	Format:	Broadsheet
Circulation:	*150,119	Distribution:	News stand/subscription	Established:	1887
Page b/w:	\$45,410	1AIR '000:	14	2AIR '000:	9.8
	Page 4/c:	1 AIR %:	1.3	2 AIR %:	3.6

USA Today

International edition of US paper, covers general news with strong US bias

Publisher:	Gannet	Frequency:	Daily	Format:	Broadsheet
Circulation:	****48,135	Distribution:	news stand/subscription	Established:	1986
Page b/w:	\$7,654	1AIR '000:	1	2AIR '000:	4.6
	Page 4/c:	1 AIR %:	0.1	2 AIR %:	1.7

Wall Street Journal Europe

European edition of US based financial daily newspaper, specialises in stockmarket news

Publisher:	Dow Jones	Frequency:	Daily	Format:	Broadsheet
Circulation:	53,674	Distribution:	new stands/subscription	Established:	1983
Page b/w:	\$19,269	1AIR '000:	15	2AIR '000:	11.4
	Page 4/c:	1 AIR %:	1.4	2 AIR %:	4.2

Business Week

European edition of US based business weekly, covers business news and in-depth analysis of business issues

Publisher: McGraw Hill	Frequency: Weekly	Format: A4
Circulation: 59,373	Distribution: new stands/subscription	Established: 1927
Page b/w: \$7,480	1 AIR '000: 39	2 AIR '000: 26.6
Page 4/c:	1 AIR %: 3.7	2 AIR %: 9.7

The Economist

European edition of UK based English language weekly in magazine format, strong economic and financial editorial orial

Publisher: The Economist	Frequency: Weekly	Format: A4
Circulation: 199,550	Distribution: new stands/subscription	Established: 1843
Page b/w: £7,500	1 AIR '000: 78	2 AIR '000: 35.6
Page 4/c:	1 AIR %: 7.4	2 AIR %: 13.0

L'Express International

International edition of authoritative French news weekly

Publisher: Group Express	Frequency: Weekly	Format: A4
Circulation: ***157,671	Distribution: new stands/subscription	Established: 1953
Page b/w: FF40,7000	1 AIR '000: 10	2 AIR '000: 7.3
Page 4/c:	1 AIR %: 0.9	2 AIR %: 2.7

The European

UK based European general newspaper with business section, English language

Publisher: Barclay Publications	Frequency: Weekly	Format: Broadsheet
Circulation: 167,146	Distribution: Subscription/news stand	Established: 1990
Page b/w: £9,780	1 AIR '000: NA	2 AIR '000: 8.2
Page 4/c:	1 AIR %: NA	2 AIR %: 3.0

Appendix 4 (continued)

Newsweek International

European edition of US based weekly news magazine, targeted towards international businessmen

Publisher:	Washington Post	Frequency:	Weekly	Format:	A4
Circulation:	265,355	Distribution:	Subscription/news stand	Established:	1945
Page b/w:	\$15,235	Page 4/c:	\$25,900	1 AIR %:	4.5
				2 AIR '000:	18.2
				2 AIR %:	6.6

Le Point Edition International

European edition of French based news magazine (excluding France)

Publisher:	SEHBDO	Frequency:	Weekly	Format:	A4
Circulation:	13,851	Distribution:	News stand/subscription	Established:	1972
Page b/w:	FF12,200	Page 4/c:	FF17,900	1 AIR %:	0.4
				2 AIR '000:	1158
				2 AIR %:	0.4

Time

European edition of US based weekly news magazine, targeted towards international businessmen

Publisher:	Time/Warner	Frequency:	Weekly	Format:	A4
Circulation:	532,672	Distribution:	Subscription/news stand	Established:	1946
Page b/w:	Ecu24,375	Page 4/c:	Ecu37,500	1 AIR %:	5.8
				2 AIR '000:	22.8
				2 AIR %:	8.3

Fortune

The European edition of US based magazine with strong analytical financial/ economic editorial

Publisher:	Time/Warner	Frequency:	Fortnightly	Format:	A4
Circulation:	***60,249	Distribution:	Subscription	Established:	1930
Page b/w:	\$7,900	Page 4/c:	\$11,970	1 AIR %:	3.3
				2 AIR '000:	17.8
				2 AIR %:	6.5

Appendix 4 (continued)

Euromoney

Specialist publication for banking and corporate finance

Publisher:	Euromoney Publications	Frequency:	Monthly	Format:	A4
Circulation:	29,633	Distribution:	Subscription	Established:	1969
Page b/w:	\$7,320	1 AIR '000:	31	2 AIR '000:	12.1
		1 AIR %:	2.9	2 AIR %:	4.4

Scientific American

The European edition of US based, science magazine for managers

Publisher:	Scientific American Inc.	Frequency:	monthly	Format:	A4
Circulation:	74,252	Distribution:	Subscription/news stand	Established:	1845
Page b/w:	\$6,450	1 AIR '000:	27	2 AIR '000:	NA
		1 AIR %:	2.6	2 AIR %:	NA

International Management

European business magazine which must be personally requested by managers in middle to large sized companies

Publisher:	Reed Business Publishing	Frequency:	monthly	Format:	A4
Circulation:	**99,237	Distribution:	controlled circulation	Established:	1946
Page b/w:	£4,766	1 AIR '000:	55	2 AIR '000:	23.0
		1 AIR %:	5.2	2 AIR %:	8.4

Harvard Business Review

International edition of US based business magazine

Publisher:	Harvard University Press	Frequency:	Bi-monthly	Format:	A5
Circulation:	46,921	Distribution:	Subscription	Established:	1922
Page b/w:	\$9,500	1 AIR '000:	62	2 AIR '000:	24.0
		1 AIR %:	5.9	2 AIR %:	8.8

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