UNDER THE UMBRELLA: HOW THE MERGER WITH VIACOM INFLUENCED THE CONTENT OF CBS'S MORNING NEWS

By

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A THESIS PRESENTED TO THE GRADUATE SCHOOL
OF THE UNIVERSITY OF FLORIDA IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF ARTS IN MASS COMMUNICATION

UNIVERSITY OF FLORIDA

2009

To my Mom

ACKNOWLEDGMENTS

I want to thank my mom and also my aunt and uncle for helping and supporting me in this endeavor. You have always believed in me and my goals and appreciated my eccentricities.

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December 2009

Chair: Amy Jo Coffey
Major: Mass Communication

The study sought to examine the effects of media ownership on news content by testing for evidence of promotional bias in morning news shows. Broadcast transcripts of ABC, CBS, and NBC's morning news shows were analyzed during three one-month periods before, during, and after CBS Corporation's 1999 merger with Viacom. The goal of the study was to see whether CBS's Early Show promoted more of Viacom's products after the merger than before and also whether the other networks promoted Viacom's products as often as CBS. The results reaffirmed findings of other studies which showed significant promotional bias on ABC and CBS's morning news programs. ABC had the most synergistic stories, promoting significantly more Disney products than the other networks, but CBS also promoted more Viacom products. CBS promoted more of Viacom's products after it was bought by Viacom. However, one unexpected finding was that a large amount of these products were CBS's own shows, specifically reality shows.

CHAPTER 1
INTRODUCTION

On July 31, 2007, Rupert Murdoch, CEO of News Corp, won the bid to purchase the *Wall Street Journal* from the Bancroft family. Comedian and mock news broadcaster Stephen Colbert commented that "According to Reuters, Rupert Murdoch has purchased the Wall Street Journal, unless he bought Reuters instead and planted this article to make it look like he bought the Journal." Although it was intended for comedic purposes, Colbert's comment was insightful and addressed an issue that concerns many people: the concentration of media ownership.

In the past few decades, the number of dominant media corporations in the United States has decreased considerably as a result of media mergers, dwindling from "50 in 1983 to five in 2006" (Chaudri, 2007, p. 4). Together these five companies own most of the newspapers, magazines, book publishers, motion picture studios, and radio and television stations in the U.S." (pp. 4-5). The premise for these mergers is the belief that being part of a larger company leads to better economic performance. Merging also allows companies to synergize, in which different parts of the same company work together to promote the company's name and products. However, scholars are starting to question whether these mergers are actually beneficial for companies, particularly in the long-term, and whether the benefits outweigh the risks involved, especially for the future of media.

What is concerning about such concentration of ownership is what Colbert's comment implied: that news content could possibly be altered as a result of influence by owners and corporate stakeholders. Free speech advocates are also concerned that such concentration of media will restrict speech freedom, which is essential to a functioning democracy. The more news outlets owned by one person or conglomeration, the greater their potential influence and the less diversity of viewpoint. The issue at stake is not whether these corporations are good or

bad, the problem is "whether good or evil, centralized control over information, whether governmental or private, is incompatible with freedom" (Bagdikian, 1987, p. 3). Herman and McChesney (2004) assert that "such a concentration of media power in organizations dependent on advertiser support and shareholders is a clear and present danger to citizens' participation in world affairs, understanding of public issues, and thus to the effective working of democracy" (p. 7).

Media in a Democratic Society

Scholars agree that mass media play a crucial role in a functioning democracy. Access to information is crucial to voters' decision-making process regarding candidates and policies. Media are especially influential when it comes to issues such as those involving foreign policy for which mass media are the only source of information for most people (Louw, 2004). Media also play a key role in maintaining what is known as the public sphere, which is one of the first things to be formed in any democratic society. The public sphere essentially refers to the realm of public participation in a democracy. It has been described as a literal place where citizens can discuss issues in their society, and with the knowledge inspired by debate, create political change through voting or activism (Herman & McChesney, 2004). However, because all the citizens of the country, or even individual communities, cannot discuss issues in person, they rely on the media for this information.

The media maintain the public sphere by communicating knowledge to citizens which contributes to their political opinions, voting choices, etc. Scholars agree that although other institutions are involved in the public sphere, media play a central role in maintaining it (Champlin & Knoedler, 2002; Croteau & Hoynes, 2001; Herman & McChesney, 2004). Herman and McChesney (2004) assert that media are essential for maintaining the public sphere particularly in large and technologically advanced countries where most of the citizens never

meet 99 percent of their fellow citizens and the media serve as a kind of proxy" (p. 2). In this environment, the media "serve as a forum for exchange of comment and criticism" (Christians & Nordstreng, 2004, p. 4).

Meiklejohn, an influential First Amendment theorist in the 1940s, emphasized that the role of the press was "to give every voting member of the body politic the fullest possible participation in the understanding of those problems with which the citizens of a self-governing society must deal" (Middleton & Lee, 2008, p. 30). Vincent Blasi took this idea even further by arguing that the media are "an institutional counterweight to government" (p. 30) and an essential check on government power. The media have often been described as a watchdog of government because of its role of informing the public about what the government may not want made public. Blasi made this argument to emphasize the importance of a free press, but the argument also extends to the importance of a responsible press. A responsible press should put the public interest ahead of not only government interests, but also individual and financial interests.

Control over information has long been a source of great political power. As Bagdikian explains, "the initial possessor of news and ideas has political power – the power to disclose or conceal, to announce some parts and not others, to hold back until opportunistic moments, to predetermine the interpretation of what is revealed" (p. xviii). While it has traditionally been the power of government that concerned scholars, many in recent decades have become concerned with the power of corporations. Bagdikian describes that although the society created in the Age of Enlightment rejected dictators and kings in favor of "democracy and individual freedom… modern technology and American economics have quietly created a new kind of central authority over information – the national and multinational corporation" (p. xix). Many argue

that corporations are even more powerful than government because of their mass influence on the public as well as their control over the financial interests of government officials. Bagdikian (1997) describes how Nixon was bullied by Hearst Corporation as an example of how the press can make or break an election campaign. This is why the media's watchdog role is crucial and should apply to corporations as well as government. However, this example also introduces the conflict of interest involved when media itself, such as Hearst, is part of a larger corporation.

The media has traditionally played the role of consumer advocate by informing the public about such things as which products may be harmful to their health or whether it is wise to invest in a certain company. However, when the same companies that stand to be harmed or benefit by such information are the owners of the media providing the information, it can be expected that they would not want the information distributed. For example, Williams (2002) found in a study on media bias that NBC systematically neglected to cover drops in the stock market for the stocks of their parent company GE (General Electric). Such conflicts of interest are inherently antithetical to the ideals of a free press. The more the press is influenced by parent companies, the less freedom it will have.

Background: the CBS Corp.-Viacom Merger

On September 7, 1999, Viacom announced that it was merging with CBS Corp. This merger would result in the combining of "CBS's television network, its 15 TV stations, more than160 radio stations, and several internet sites" with Viacom's "cable channels (e.g., MTV, Nickelodeon, Showtime, TNN), 19 television stations, movie and television production (Paramount Pictures, UPN), publishing (Simon & Schuster), theme parks, and more" (Croteau & Hoynes, 2006, p. 85). The merger was bigger at the time "than any previous deal between two media companies, resulting in a huge media conglomerate" (p. 85).

My study addressed the concern expressed by some that this change in ownership would affect CBS's news content, specifically that CBS would be pressured to promote more of Viacom's products and that hard news content would be pushed aside in favor of entertainment news. Although the two companies split in 2006, the time period in which they were merged allows for a simple examination of whether the news/promotional content changed as a result of the merger. From this, a greater understanding can be gained of the potential effects of media ownership upon content.

CHAPTER 2
REVIEW OF THE LITERATURE

Economic Rationale for Mergers

Since the emergence of the corporation, scholars have attempted to explain how these entities came about and how they work. Andrade, Mitchell and Stafford (2001) emphasize that while much research has been done on how companies have merged and the consequences of mergers, little has been done on what motivates companies to merge in the first place. Scholars have also been unable to determine "the long-term effects of mergers and what makes some successful and others not" (p. 104). The allure of becoming part of one of these big corporations is most often the perception of guaranteed economic success.

There are several theories attempting to explain why companies make the decisions they do which can be applied in the discussion of mergers. For example, theory of the firm states that it is the nature of firms to operate in a way that maximizes profits (McWilliams & Siegel, 2001). Therefore, if a company believes that merging will maximize profits, then merging is the logical thing to do. Stakeholder theory, similarly, states that because companies are responsible for providing optimal returns for stakeholders, they will do whatever they believe will achieve this result. There are many reasons why mergers can be beneficial to a company, although, as Peltier (2004) points out, there is no guarantee of success. Both theories will be discussed in greater detail.

Peltier (2004) relates that the 3 main goals usually assigned to merger and acquisition deals are (a) to create or reinforce market power, (b) to respond to financial or managerial goals or to strategic constraints, and (c) to obtain some efficiency gains. Through mergers, companies may gain market power by simply increasing their size, making them less vulnerable to takeovers, hostile or otherwise. They can also monopolize the supply of particular resources, thus guarding

against price increases. Mergers also may occur in response to mergers of rival companies. For example, some say the Vivendi Universal merger was a response to the AOL Time Warner merger. Mergers may also be inspired by individual egos of business managers as well as their drive to increase company profits (Peltier, 2004).

Peltier (2004) concludes, however, that the main motivation for media companies to merge is to obtain efficiency gains. Companies may benefit by merging with other companies that make the same type of product, known as horizontal mergers, or with companies that make different products or provide different services, known as vertical mergers. A company can benefit economically through a horizontal merger by increasing in size, thus generating economies of scale. The basic concept is that "the cost of producing individual units of a product declines as the volume of sales goes up" (Croteau & Hoynes, 2006, p. 123). Croteau and Hoynes (2006) give the example of making a compact disc (CD). The investment in studio time costs the same regardless of how many copies sell. Therefore, the greater the sales, the less it costs to make each individual unit. Peltier (2004) describes that in the business of television program distribution "high fixed costs, such as expenses that ensure a physical presence on every international market, or corresponding to a legal department to manage the rights distribution system, will require a large portfolio of programs" (p. 263).

Economies of scope, which are generated by vertical mergers occur when "the production of a given output by two or more firms will be more costly than its production by a single firm" (Baumol, Panzar, & Willig, 1982, p. 73). Economies of scope are also known as synergies and will be discussed later in greater detail. The basic idea is that a single concept, from a film for example, may then be exploited on other platforms such as a CD of the film's music, a book, or a web site. Similarly, when Time Warner was merged with AOL (America Online), the former's

television channels, newspapers, and magazines were able to promote AOL through advertising and vice versa. AOL's advertisements of *Time Magazine* brought five hundred thousand new subscribers to *Time* during the year 2000 (Peltier, 2004).

Major Media Mergers of the 80s and 90s

Andrade, Mitchell, and Stafford (2001) found that mergers tend to occur in waves and these waves are grouped by industry. An example of this is the mass movement towards merging in the media industry in the 1990s. In their study they found a correlation between deregulation and mergers. They determined that this is the reason there were so many media mergers in the 1990s, which they describe as "the age of deregulation" (p. 104).

Although a majority of the major broadcast company mergers occurred in the 1990s, the trend began in 1986 with the purchase of American Broadcasting Co. by Capital Cities Communications Inc., which created Capital Cities/ABC Inc. This company was then purchased by Walt Disney in 1996 for $19 billion, creating a media conglomerate in movies, television and publishing. Also in 1986, General Electric bought RCA Corp., parent company of National Broadcasting Co. and NBC television network for $6.4 billion. At the time, the deal was the largest non-oil acquisition in U.S. history. In 1990, Warner Communications Inc. and Time Inc. completed a $14.1 billion merger, creating the world's largest media conglomerate, Time Warner, which would merge with Turner Broadcasting System in 1996 ("Who Owns What," Columbia Journalism Review, 2008).

In 1994, Viacom Inc. bought Paramount Communications Inc. for $10 billion after winning a bidding war against QVC Inc. to buy the movie, publishing and sports company. In 1995, Westinghouse Electric Corp. bought CBS Inc. for $5.4 billion. In 1997, Westinghouse Electric Corp. changed its name to CBS Inc. shortly after deciding to sell its traditional businesses such as power-generation equipment and light bulbs. In 1999, CBS Corp. announced

an agreement to buy King World Productions Inc., the leading syndicator of television programs, for $2.5 billion. Finally in 1999, Viacom Inc. announced its intentions to buy CBS Corp. for $34.5 billion in what would be the biggest media marriage ever ("Who Owns What," Columbia Journalism Review, 2008). While many were optimistic about the economic benefits these mergers would provide to the media industry, many others were skeptical about the effects these mergers would have on the media companies involved.

Are Mergers Economically Beneficial?

Mergers do not always live up to the expectations of the companies involved, particularly regarding long-term growth. For example, two of the biggest media conglomerates created during the merging craze of the 1990s, AOL Time Warner and Vivendi Universal, both reported record losses in 2002 (Peltier, 2004). Vivendi Universal was practically dismantled, with the sale of Vivendi Universal publishing in 2002 and Vivendi Universal Entertainment in 2003 (Peltier, 2004). For AOL Time Warner, Warner Music was sold in 2003 and AOL has since been removed from the name of the conglomerate, reinforcing rumors of a possible sale of AOL's business in order to reduce debt (Peltier, 2004). Similarly, the merger between CBS Corp. and Viacom has since been broken up. These failures have led scholars to re-examine the economic logic of merging. In a recent exploratory study, Peltier (2004) found no correlation between economic growth and a firm's size, which contradicts the economies of scale concept. She also found no correlation between a firm's economic growth and its presence in different media industries or ownership of complementary assets, which contradicts the economies of scope concept. She concludes that it is either the concepts or the companies' abilities to implement them that are yet to be proven.

Stakeholder theory is important to the discussion of mergers because, according to Peltier (2004), mergers more often than not are initiated by "shortsighted shareholders to create value in

the short term" rather than "a willingness to seek long-term growth" (p. 263). Andrade, Mitchell and Stafford (2001) agree that mergers "seem to create shareholder values with most of the gains accruing to the target company" (p. 103). Under stakeholder theory, if mergers are seen as beneficial to stakeholders, companies will be more likely to merge, regardless of the long-term consequences for the company.

The CBS Corp.-Viacom merger was expected to successfully integrate the two companies vertically as well as horizontally. The deal was vertically beneficial in that CBS Corp. was the owner of one of the biggest premier exhibition spaces: the CBS network, but did not have major program production facilities, while Viacom was strong in production but owned only a 50% stake in a small broadcast network, UPN. The deal was horizontally beneficial in that CBS Corp.'s strengths in television broadcasting, radio, outdoor advertising, and the Internet, were all weaknesses of Viacom's, while Viacom's strengths in film, cable television, and publishing filled the gaps in CBS Corp. holdings (Croteau & Hoynes, 2006, p. 101). However, since the two companies have again split, the economic rationale for merging in the first place is questionable.

Policies on Concentration of Media Ownership in the US: An Overview

The Commission on Freedom of the Press warned in its 1947 report against the continued concentration of media companies. In the report, the Commission articulated that media concentration decreases the "proportion of the people who can express their ideas and opinions through the press" (p. 1). It also argued that "through concentration of ownership, the flow of news and opinions is shaped at the sources" (p. 124).

When broadcast first came about, Congress recognized that the radio frequency spectrum was finite and inherently limited the number of broadcast stations that could operate without interfering with one another. In 1934, they authorized the Federal Communications Commission (FCC) to grant licenses to private parties for the exclusive use of certain frequencies. It has been

a longstanding position of the FCC that diversity of ownership in the mass media serves the public interest by providing diverse viewpoints as well as preventing concentration of economic power. In order to maintain diversity in the broadcast spectrum, the FCC imposes regulations on broadcast networks such as how many stations one company may own and whether they may own multiple stations within the same broadcast service (radio, television, etc.) in the same community (Prometheus Radio Project vs. FCC, 2004).

Proponents of a free market see any sort of regulation as having a negative effect on commerce and are therefore opposed to FCC regulations. Croteau and Hoynes (2006) describe that "early antimonopoly regulation sometimes prevented the growth of major media conglomerates – or even required their dismantling" (p. 90). This was the premise for the movement towards deregulation in the 1980s, particularly during President Ronald Reagan's term of office. The opposition warned, however, that complete deregulation "would lead to unregulated monopoly with all its negative effects" (Aufderheide, p. 31). Many argue that this is in fact what has happened as a result of deregulation and merging (Bagdikian, 1997, 2002; Croteau & Hoynes, 2006, Scott, et al., 2008).

The FCC overhauled communications policy with the 1996 Telecommunications Act, which was intended, in a laissez faire fashion, to open up media markets for more competition, which would allow for greater economic growth. In 1998, at the biennial review of the Act, the FCC rejected proposals from broadcast companies that they relax ownership rules even further. However, when five of the major television networks petitioned this ruling in 2002, it was overturned by the United States Court of Appeals for the District of Columbia. The FCC used this ruling to support its decision to further relax media ownership rules on June 2, 2003 (Blevins, 2007). This ruling raised the ceiling from 35% to 45% of the nationwide audience that

a broadcast group owner could reach with its television stations. The Federal Court of Appeals blocked this increase, but allowed a compromise of 39% to stand. However, Scott, et al. (2008) argue that even without the 45% ceiling, media are now more concentrated than ever.

Bagdikian (1987) reports that at the end of World War II, "more than 80% of daily newspapers were independently owned, but by 1986 the proportion was almost reversed: 72% were owned by outside corporations and 15 of those corporations had most of the business" (p. 4). In 1983, he estimated that 50 companies controlled all media in the U.S. By 2004, it was down to only five (2004). It has been estimated that five companies control up to 75% of prime-time programming and 90 percent of the top 50 channels on cable (Scott, et al., 2008).

While some argue that media mergers are good for the news business (Demers, 1995; 1999; Napoli, 2005; Pritchard, et al., 2008), many others are concerned that diversity of news content is lost as a result of these mergers. For example, one of the FCC's reasons for maintaining ownership regulations is to maintain the amount of available local news, which it considers essential for maintaining the diversity of voices heard in news. Opinions are conflicted on this topic. Supporters of corporate media and chain ownership assert that bigger companies have more resources and can therefore provide more and better quality local news. Opponents of chain ownership are concerned that media chains will "homogenize" the news by distributing the same stories over multiple providers (Scott, et al., 2005). Studies have shown that centralized and corporate ownership leads to decreases in local journalism and coverage of local events (Alger, 1998; Maguire, 2005; McAllister, 2005; Scott, et al., 2005).

Another concern with the concentration of media ownership is the conflicts of interest that may arise from these situations and how news reporting may be affected as a result. For example, Hachten (2005) asserts that the role of journalists as watchdogs of government and big

corporations is threatened when big organizations that do business with the U.S. government, like General Electric (NBC), have "swallowed major news media" (p. 62). Many others express concern over the conflicts of interest created when big corporations like Disney, News Corp, and CBS are responsible for providing fair and balanced news when the companies often have a stake in what is covered in the news (Croteau & Hoynes, 2006; Cleary & Adams-Bloom, 2009; Williams, 2002). A major concern is whether journalists will be permitted to objectively and critically report news about their own organizations (Hachten, 2005).

Williams (2002) expresses similar concerns about editorial autonomy within media conglomerates. While he asserts that there has traditionally been a fear of alienating advertisers,

> an editor might now worry about alienating a powerful executive in another branch of the organization or hurting shareholder equity through inappropriate coverage or non-coverage relating to the corporation's interests. Similarly, with simply more products and services under the corporate umbrella, it becomes more likely that some part of the parent company may become news itself (p. 456).

Bagdikian (1997) asserts that, while news has always been "a commercial enterprise" and therefore influenced to some degree by advertisers, "the behavior of the new corporate controllers of public information has produced a higher level of manipulation of news to pursue the owners' other financial and political goals" (p. xii). Gilens and Hertzman (2000) assert that "a press that systematically slants the news to further its own business objectives threatens to undermine the very foundations of democracy" (p. 383).

When Media Covers Media: the 1996 Telecommunications Act

The Telecommunications Act of 1996 was a controversial piece of legislation that many argue changed the telecommunications environment for years to come. Media advocates objected to the Act because it not only emphasized a more competitive marketplace, which was the intention, but also favored vertically integrated corporations and minimal government regulations of media. While less regulation sounds good in theory, the absence of regulation

allows for relaxed ownership restrictions and therefore paves the way for further concentration of media. Among the main provisions of the act were: eliminating all limits on national radio ownership and raising the national television ownership cap from 25% to 35%, easing local radio ownership limits allowing for as many as 8 co-owned radio stations in the largest markets, and permitting cross-ownership of broadcast and cable systems. The law also made it mandatory for the FCC to review their regulations every two years to determine whether regulations are in the public interest and repeal or modify any it determines not to be. (Aufderheide, 1999; Prometheus Radio Project vs. FCC, 2004). After passage of the Act, many began to question "the capacity of government regulators to monitor uncompetitive behavior among the giants who are now unleashed" (Aufderheide, 1999, p. 104).

What may have been the most objectionable issue in the Act's passage was the lack of media coverage on the issue and therefore the ignorance of the public to the issues at stake. Croteau and Hoynes (2006) point out the inherent conflict of interest created when media cover media-related issues, particularly the issue of media ownership concentration. Corporate-owned media outlets are unlikely to provide negative coverage of something that will benefit them economically, regardless of the negative consequences for the public interest. They observed that the 1996 Telecommunications Act was barely covered in the news, referencing a study by Alger (1998), which found that the three major networks aired only twelve stories about the Act in the nine months before it was passed. Most of this coverage focused on the V-chip, which blocks out programs with sex and violence in them, and was, in fact, a side issue to the main purpose of the Act (p. 109). The issues of ownership regulation were largely ignored by the media and most citizens learned about it only after it was passed (Croteau & Hoynes, 2006, p. 184).

Gilens and Hertzman (2000) also examined coverage of the Act and discovered that there were significant differences in the content of the articles based on the ownership of the newspapers. For example, stories mentioning any negative consequences of relaxing FCC regulations were three and a half times as likely to be found in the newspapers in the "No TV ownership" category as in the "Substantial TV ownership" category. Also twice as many articles appeared in the "Substantial ownership" newspapers which mentioned positive consequences of relaxing regulations.

Many might defend media companies by saying that ordinary citizens are not concerned with such issues and therefore the topic is not worth covering extensively. However, the massive public response to the proposal to loosen ownership restrictions in 2002 contradicts this theory. When plans to relax regulations were released to the public along with a series of studies of the economic and social implications of these plans, nearly 2 million people sent letters, postcards, e-mails, and petitions opposing them (Prometheus Radio Project vs. FCC, 2004).

The slanted and/or non-coverage of the Telecommunications Act of 1996 in the mainstream media is just one example of the conflicts of interest that can occur when the corporations who own media outlets also have a stake in how the news is reported. Many believe that the press should be more conscientious about reporting news that is beneficial to the public sphere, such as news about the Telecommunications Act, and not just what might make good headlines or sell more copies. They should also be financially independent of non-media entities so that such conflicts of interest do not affect the reporting of news. This is the basis for Social Responsibility Theory, which states that it is important to have not only a free and independent press, but also a socially responsible press.

Social Responsibility

The term social responsibility by itself is very broad. What the term most often alludes to is the concept of Corporate Social Responsibility (CSR), which can be defined as any actions that appear "to further some social good, beyond the interest of the firm and that which is required by law" (McWilliams & Siegel, 2001, p. 178). Examples of CSR practices include not testing products on animals, providing daycare for working mothers, and recycling.

However, the term holds a unique meaning when applied to media theory and practice. The social responsibility model of the press "has been the dominant model under which the American media has claimed to operate for nearly 50 years" (Cleary & Adams-Bloom, 2009), and has become recognized as the normative standard for presses in democracies around the world (Christians & Nordstreng, 2004). The theory emphasizes that the role of the media is to serve society and the public interest rather than commerce or government (Christians & Nordstreng, 2004). The premise of the theory is that because the media are given so much protection under the First Amendment, "they are charged with providing unbiased and thorough information, and enriching (not suppressing or distorting) the public debate so that citizens might make informed socio-political decisions" (Chaudri, 2007, p. 8).

Social Responsibility Theory was first outlined in 1956 by Siebert, Peterson and Schramm. They argue that the press, "which enjoys a privileged position under our government, is obliged to be responsible to society for carrying out certain essential functions of mass communication in contemporary society" (p. 74). They list six specific functions of the press, which include "(1) servicing the political system by providing information, discussion, and debate on public affairs, (2) enlightening the public so as to make it capable of self-government, and (3) safeguarding the rights of the individual by serving as a watchdog against government." These first three are what typically come to mind when one thinks of social responsibility. The last three include "(4)

servicing the economic system" primarily through advertising, "(5) providing entertainment," and "(6) maintaining its own financial self-sufficiency so as to be free from the pressures of special interests."

Although servicing the economic system is not generally thought of as a part of social responsibility, the authors recognize that this is an important function of the press in a democratic society. They insist, however, that this task should not "take precedence over such other functions as promoting the democratic processes or enlightening the public" (p. 74). The last function, that the press should maintain "financial self-sufficiency," is most important to my study. For supporters of this theory, the lack of financial independence of media companies has become a concern as more and more media outlets are being bought by big, non-media corporations. Numerous studies have suggested that news media outlets are influenced by the financial interests of their corporate owners (Cleary & Adams-Bloom, 2009; McAllister, 2002; Lee & Hwang, 2004; Jung, 2002; Williams, 2002).

Social responsibility theory has been criticized as being outdated and for not taking into account the role of media conglomerates in news distribution. Cleary and Adams-Bloom (2009) also conclude that in the current media market, the theory is "ripe for revision" (p. 93). They propose, however, that it is possible for corporations to make profits while maintaining socially responsible practices. In fact, many economists deny that socially responsible firms are any less profitable than others. McWilliams and Siegel (2001), through a supply and demand model of CSR (Corporate Social Responsibility), determined that a company that properly incorporates CSR with cost-benefit analysis, will have the same net profit as a company that does not. Stakeholders play a big part in this, however. For example, consumers may be willing to pay

more for a product that it manufactured in an environmentally friendly way. The higher price will make up for the increase in overhead needed to make the product this way.

Stakeholder theory is commonly thought to be a negative thing for social responsibility because it is assumed that stakeholders are only interested in monetary gains. However, McWilliams and Siegel (2001) explain that stakeholders (investors, employees, and the community) are often great demanders of socially responsible practices. As a media example, people are willing to make contributions to public broadcasting and National Public Radio because they value and trust the integrity of the news provided. However, access to information is always critical to such consumer discretion. People have to know the truth about whether the corporation they are invested in is actually being socially responsible or just saying that they are. This is why it is important for media to be socially responsible and to maintain the ability to report freely and accurately on corporate activities. Many question whether the synergistic practices rampant in so many media companies can allow them to maintain this editorial freedom.

Corporate Media

Theories Explaining Corporate Behavior

Scholars have analyzed the behavior of corporations for years since the corporatization trend began. While many seem to view corporations as evil entities, the various corporate theories explain that the actions of corporations are basic survival techniques. For example, the theory of the firm states that "a company will always act in its best self-interest, which is profit maximization" (McWilliams & Siegel, 2001, p. 895). Similarly, stakeholder theory states that "publicly traded media companies have a fiduciary responsibility to provide optimal return to shareholders" (Coffey & Cleary, 2008). This makes the pursuit of profits even more pressurized in corporate environments and further encourages synergistic activity. Synergistic practices are

often in the company's best interest, although many agree that they are not in the best interest of socially responsible media or the public sphere. Caldwell (2006) explains that brand name recognition has become a "network survival tactic" in the past few decades (p. 114), resulting in the prevalence of synergistic practices such as cross-promotions and news tie-ins. Scholars have concluded that these practices are not only good for maximizing profits, but the networks have to engage in these practices in order to survive in the current "24-hour, multi-channel, multi-platform environment" (McWilliams & Siegel, 2001, p. 895).

Corporate strategies, however, are not always in line with media's goals of informing the public and maintaining diversity of viewpoint in the news. For example, proponents of vertical integration, which allows for synergy to occur, claim that it is simply more efficient for media companies to own as many elements of the media production process as possible, up and down the line (Cleary & Adams-Bloom, 2009; Croteau & Hoynes, 2006). While corporate theorists explain this as simply an efficient economic practice, many media theorists interpret this strategy as a way to further consolidate power and self-interest. For example, Bagdikian (2004) notes that 'none of the dominant media companies bother with dominance merely in a single medium" but each medium they own "covers the entire country" (p. 3). Chaudri (2007) asserts that this tactic gives "the owners of these media latitude to produce stories and programs that further their self-interest and are easily replicable" (p. 6). In other words, media are able to pick and choose what they want people to know. While, as Croteau and Hoynes (2006) assert, corporate owners are not "conspirators who are out to rule the world," "corporate entities pursue profits for their shareholders because that is what they are expected to do … Those who manage such institutions tend to interpret events in the outside world in terms of whether they aid or hinder the company's

pursuit of profits" (p. 177). What could be termed a conspiracy theory is basic market logic in corporate procedures.

Synergy

Scholars have defined "synergy" in many different ways, depending on the context in which the term is used. The term, synergy, is derived from the Greek word "synergos" meaning "to work together" (Goold & Campbell, 1998, p. 133). Also known as economies of scope, the term most simply refers to the process in which different production spheres of the same conglomerate work together in order to maximize efficiency (Cleary & Adams-Bloom, 2009). Turow (1992) outlines this process using Disney as an example. He describes that "when the TV production division of Disney promotes the company's theme parks, they drum up business for the record and video division, which, in turn, promotes the book division, which, in a circular action, abets the TV division's programming, that is synergy" (p. 235). Disney is often cited as one of the most successful companies at benefitting from synergies. The major advantage of synergistic activity for businesses is the coordination of parts of a company (through synergy) results in the whole turning out to be more than the sum of its parts acting alone, not helping one another (Turow, 1992).

Synergy has become "the guiding activity among mass media executives" (Turow, 1992, p. 241) as well as "a hub of a series of related strategies that companies have been using to maximize their presence across as many media channels as possible" (p. 226). One of the major advantages of synergy, which Champlin and Knoedler (2002) define as "the combination of massive libraries of content with multiple distribution channels," is that they have "greatly increased the volume of available information and greatly decreased the cost of delivering news to the average citizen" (p. 459). For example, news companies under the same umbrella can share clips and other media aids for their news stories.

While Disney is often exemplified as having achieved considerable success through synergistic practices, Turow (1992) observed that "many companies have not been as successful as Disney at cross-promotional activities" (p. 235-6). Many newly merged companies discover the difficulties of coordinating efforts between production units of different types of media. Croteau and Hoynes (2006) give book publishing and moviemaking as an example, which "sometimes have vastly different norms of operation and dramatically different industry cultures" (p. 126). They give the failure of AOL Time Warner, which was considered the "leading example of a media conglomerate built to leverage the synergy" (p. 3) as an example of this. Because AOL and Time Warner each had such distinct practices and traditions, they found it difficult to work together after the 2001 merger and experienced record losses soon after (Peltier, 2004). Another downside to synergy is that one division of a conglomerate might also be forced to do business with another of the same conglomerate although the work might be done more efficiently by an outside company (Croteau & Hoynes, 2006).

Scholars have emphasized that business managers should use greater caution when considering using synergy. Goold and Campbell (1998), in an article in the *Harvard Business Review*, describe that although synergy has a "natural allure" to business managers, who assume that synergy will automatically bring profits, many of these ventures do not live up to their expectations. Many attempts at synergy "generate a quick burst of activity and then slowly peter out" while others "become permanent corporate fixtures without ever fulfilling their original goals" (Goold & Campbell, 1998, p. 131-132). They point out that failures of such ventures often cause more loss than gain with long-term adverse effects as well. For example, "the pursuit of synergy often represents a major opportunity cost … it distracts managers' attention from the nuts and bolts of their businesses and crowds out other initiatives that might generate real

benefits" Sometimes also the synergy attempts "actually backfire, eroding customer relationships, damaging brands, or undermining employee morale" (p. 132). Peltier (2004) more recently examined the benefits of synergy in media companies and found that there was no correlation between a firm's economic growth and its presence in different media industries. She concluded that a firm's ownership of complementary assets does not always lead to economic growth.

Many scholars question whether the increase in synergistic practices, particularly those facilitated by the major media mergers in the United States, which as Champlin and Knoedler (2002) note, were "heralded as important benefits for consumers" (p. 459), have been beneficial to the public welfare (McAllister, 2002; Cleary & Adams-Bloom, 2009). For example, the sole purpose of many other synergistic practices, such as product placement and cross-promotion, is to increase company profits. Many are concerned that the quality of news content has gone down as a result of the proliferation of such practices. Cleary and Adams-Bloom (2009) note that the benefits of synergistic practices often come "at the expense of editorial integrity" because stories with synergistic value are chosen over stories that might contribute more to the public interest.

Scholars also charge that synergistic practices encourage entertainment news to be favored over news that contributes more to the public sphere. McAllister (2002) notes that "as television news becomes more ratings and market oriented, stories are designed to boost viewership, often at the cost of enhanced citizenship, by attracting the eye and tantalizing the emotions" (p. 385). The obvious reason for entertainment news to be favored is that most of the products companies want to promote are entertainment-oriented. However, McAllister also explains that entertainment news is also "unlikely to cause problems with advertisers, given its consumption orientation" (pp. 385-386) as well as with other companies within the same conglomerate.

Champlin and Knoedler (2002) observe that as a result of the proliferation of entertainment coverage, “news in the age of media empires has been reduced to infotainment” (p. 459). Croteau and Hoynes (2006) agree that corporate practices are not good for media content. They attribute it to the fact that stories with shock value draw attention and advertisers. While these stories may be profitable for media companies, they do little to serve the public interest. They conclude that “sex, violence, and spectacle” are “the logical end products of the corporate pursuit of profits” (p. 164).

A common defense of such entertainment news is that news companies are giving the people what they want, and a certain amount of that is acceptable and expected. Croteau and Hoynes (2006) point out, however, that more often than not, it is advertisers, not viewers, who are being catered to and “responding to the interests of demographically desirable audiences” (p. 158). They explain that while viewers appear to have a large number of options for news, “the business dynamics of media usually limit audience choice to variations on a few profitable formulas developed to meet advertiser needs” (p. 158).

Promotional Bias

Yet another concern of synergistic practices is that they encourage a great amount of bias in news content. Studies have found significant evidence of “promotional bias” in news, a phenomenon to be explored in this study (Cleary & Adams-Bloom, 2009; McAllister, 2002; Lee & Hwang, 2004; Jung, 2002; Williams, 2002). Promotional bias occurs when a company selects the products of its own parent or sister companies over those of other companies. McAllister (2002) describes this practice as the “plugola” effect, when the person or company responsible for putting promotional content in a news broadcast stands to directly benefit from that promotion.

What is most concerning about promotional bias is what news outlets fail to report as a result of corporate conflicts of interest, such as criticisms or negative stories concerning their parent or sister companies. This concern is particularly relevant when media conglomerates are "dominated by nonmedia entities whose activities should be scrutinized by the news media" (Harper & Yantek, 2003, p. 146). An example of this is GE, owner of NBC, which manufactures household products as well as defense products. There have been multiple instances in which NBC failed to cover prominent scandals involving GE, such as a GE boycott and a story about the company's use of defective bolts on nuclear reactors (Croteau & Hoynes, 2006). One also has to wonder what is simply being left out of the timeslot in order for promotions of the parent company's products to be inserted. As Bagdikian (2004) observes, "the imbalance is what is chosen – or not chosen – for print or broadcast" (p. 25). The main concern of scholars is, as Croteau and Hoynes (2006) articulate, "the pursuit of profits through synergistic strategies seems to be edging out the substantive ideas and discussion that would be more valuable to the health of the public sphere" (p. 162).

Effects on News Content

Many scholars have observed that corporate-owned news outlets treat the process of news reporting differently than those that are privately owned (Croteau & Hoynes, 2006). They also question how news content is altered as a result of this change. Studies have shown significant differences between privately owned and corporate-owned news outlets in practice and in content. For example, Beam (2002) examined whether newspapers owned by large companies are more likely to practice market-oriented journalism, in which newspapers try to produce content that satisfies their readers. While this has proven to be a successful business practice, many claim that it makes news too commercially driven and undermines journalistic goals by attempting to give people what they want instead of what they need to know. Beam's study

found that newspapers owned by large chains were significantly more likely to have market-driven newsrooms than those in smaller chains.

What is perhaps most difficult to isolate is how a change in ownership affects the quality of the news. However, scholars have been able to do this by examining a company before and after a change in ownership, the research design used in this study. Maguire (2005) for example, did a content analysis on the Oshkosh Northwestern, a newspaper that was originally family-owned but, after switching hands twice, was purchased by national media conglomerate Gannett. This gave Maguire the opportunity to examine whether the content of the newspaper changed significantly as a result of the change in ownership. He found that there was a significant difference, with much less overall coverage under Gannett. There were also significantly fewer stories with a local focus and fewer journalists covering local issues. As stated earlier, scholars agree that coverage of local events is crucial to the diversity of news content and essential for representing a greater percentage of the nation than national news alone.

Other before and after studies on mergers have yielded similar results. For example, a study by Lee and Hwang (2004) analyzed the effect of media ownership on the content of *Time* magazine before and after the Time Warner merger. By analyzing the amount and nature of coverage of Time Warner and non-Time Warner entertainment products they found that *Time* showed favoritism toward the entertainment products of its parent corporation. Content analysis showed that *Time* printed twice as many articles about Time Warner products after the merger as before and many fewer articles about non-Time Warner products after the merger. Similarly, Jung (2002) examined news magazines' coverage of three major media mergers: the 1989 merger of Time, Inc. and Warner Communications, the 1995 merger of Time Warner and Turner Broadcasting System, and the 2000 AOL and Time Warner merger. The results of the study

showed that *Time* and *Fortune*, both owned by Time Warner, covered the mergers in a significantly more positive light than the other news magazines analyzed. This result is especially interesting because it recalls the coverage of the 1996 Telecommunications Act and the conflict of interest created when media cover media-related issues and the favoritism of corporations of policies that will benefit them financially.

Influence of Owners

Anecdotal Evidence

Editors, publishers, and journalists often deny that the owners of the newspapers have any influence on editorial decisions, and few studies have been successful at identifying systematic owner interference in publications. Daniel Chomsky is one of the few who, in a case study of the *New York Times*, revealed an instance in which the publisher exerted influence on the editor without being observed by reporters. Chomsky (2006) examined memos between Arthur Hayes Sulzburger, the late owner and publisher of the *New York Times*, and Turner Catledge, the former editor. The memos indicated that Sulzberger repeatedly intervened in news decisions and that Catledge was compelled to satisfy Sulzberger's requests. Catledge, however, passed the memos on to journalists as his own orders or suggestions. Chomsky also examined the content of the articles in question and noted the changes made to satisfy the owner.

Although multiple scholars have published books detailing varied instances of press censorship at the hands of corporate owners, this evidence is labeled as anecdotal and therefore regarded as isolated incidents. Ben Bagdikian, for example, has written several books over the years, starting with *The Media Monopoly*, which detail specific instances in which books and stories were censored due to conflict with corporate interests. Borjesson (2002) published a similar volume entitled *Into the Buzzsaw*. In this collection, she illustrates how, when journalistic integrity conflicts with corporate interests, it often ends badly for the journalist. When people are

fired because they clash with corporate interests, they are considered unemployable by other news corporations. One of these accounts details investigative reporter Jane Acre's account of being fired from Fox news for refusing to drop a story about harmful growth hormones in milk. She reports that Fox refused to run the story because they were afraid of being sued by Monsanto Corporation, the maker of the hormone.

Another incident involving CBS and Phillip Morris tobacco was the topic of the 1999 movie *The Insider*. A *60 Minutes* expose of the tobacco industry's awareness of the addictiveness of cigarettes aired in an edited form because CBS management was afraid that the controversial content would jeopardize the sale of CBS to Westinghouse (Miller, 2008). Criticism of media mergers has also been subject to censorship. For example, in 1998, a cartoon critical of GE and the conflicts of interest posed by its ownership of media companies was pulled from the comedy show *Saturday Night Liv*e, which airs on NBC (Croteau & Hoynes, 2006, p. 183). Many other examples involve news networks' difficulty in covering news about their parent companies. For example, ABC, owned by Disney, rejected a story by its leading investigative reporters exposing Disney's unsafe working conditions. In explanation, Disney CEO Michael Eisner said that "he thinks it is inappropriate for ABC to cover Disney" (Hallock, 2007, p. 151). Lawrence Grossman, former head of NBC News, reported that when the stock market crashed in 1987, he received a call from Jack Welch of GE telling him not to use words in the broadcast that might adversely affect GE stock (Bagdikian, 1992). McChesney (1999) published an exposé by Arthur Kent, one of NBC's former correspondents. Kent described continuous opposition by General Electric to NBC news examining any of GE's business practices.

Gatekeeping

Gatekeeping studies are one way of systematically examining the process of story selection, although they generally examine editors rather than owners. Psychologist Kurt Lewin coined the term "gatekeeping" in his post-World War II study of social change. He suggested, however, that "the selection and rejection of items as they pass through channels could be applied to the news flow as well" (Hong, 2007, p. 4). White (1950) tested this theory in his seminal gatekeeping study, in which he tried to determine how a newspaper wire editor, whom he referred to as Mr. Gates, selected articles for print. While White has been criticized for overestimating the role of the editor's personal feelings as a factor in story selection, individual judgment has been found to play a significant role. Studies since then have determined that "newsworthiness," which is largely subjective and relies on personal judgment, is the most important factor in story selection (Hong, 2007).

A recent study by Loomis (2008), however, examined the gatekeeping process in network broadcast news by conducting interviews with general managers. His study showed that fear of punishment was one of the main operating factors in story selection. He reports that this is due to the extreme day-to-day pressures GMs are under to "continually improve their operations' profitability" (p. 329) as well as fear of FCC fines, which he reports have increased in frequency in recent years.

Bias at the Ownership Level

There are many levels from which bias may originate in a media conglomerate. Williams (2002) explains that bias within a large media conglomerate may be caused by "influence across product lines, influence within media divisions, and influence from advertisers" (p. 453). He identifies two types of bias originating at the ownership level: promotional bias and exclusionary bias. Promotional bias involves the promotion of the parent companies' products during news

reports, while exclusionary bias involves the exclusion of news stories that might be damaging to the parent or affiliate companies. While this study focuses on promotional bias, the two go hand in hand.

Anecdotal evidence would suggest that promotional bias does occur in news. For example, anchor Tom Brokaw repeatedly promoted his book *The Greatest Generation* on NBC News without mentioning that NBC owned nearly 25% of the profits (Williams, 2002). Also, the May 1996 cover of *Time* "featured a movie still from Time Warner's *Twister* for a science story on tornadoes, coinciding with the film's release" (Williams, 2002, p. 457). However, empirical studies have also found evidence of promotional bias. Williams (2002) examined promotional bias in the evening news programs of four media conglomerates: Disney, CBS, Time Warner, and General Electric. The results indicated that promotional bias did exist and was systematic, but with only minor evidence from the numbers. This study was conducted on evening news, however, which traditionally contains less entertainment and therefore less promotional coverage. A study by Cleary and Adams-Bloom (2009) examined the content of the three big networks' (ABC, CBS, and NBC) morning news shows. They found that one-fifth of all coverage was dedicated to promotional coverage, and 43.3% of that coverage was of products made by the networks' parent companies. This study found CBS's *Early Show* to be the most synergistic, with stories promoting Viacom products accounting for 37.7% of total stories sampled. ABC's *Good Morning America* was second in line with 33.9% of stories promoting Disney products. NBC's *Today* was not far behind Disney, with 32.6% of stories promoting NBC Universal's products.

McAllister (2002) identifies what he describes as a "plugola" effect, which refers to a circumstance in which the person responsible for placing promotional content in a news

broadcast stands to directly benefit from the promotion. He applies this term to NBC's promotion of the last episode of *Seinfeld* in their newscast as well as through their morning news program, *The Today Show*, and also through their prime-time magazines. NBC aired nearly three times as many news stories about *Seinfeld* as CBS. ABC only aired one story, announcing the end of the show. In this study, McAllister asks one very important question: what is being left out as a result of such promotional bias? He points out that many international news stories were overshadowed by coverage of the end of *Seinfeld*. For example, "NBC on one night covered (a crisis in) Indonesia less extensively than the implications of Garden Burger commercials on *Seinfeld*" (p. 399) He identifies that the main problem of corporate promotional bias is that journalists will be "put in the position of subordinating news values for a larger entertainment and promotional ethos" (p. 399).

Fewer empirical research studies have been done to test the presence of exclusionary bias. Gilens and Hertzman (2000) point out that the difficulty in measuring media bias in general is "the absence of an objective standard against which media bias could be identified" (p. 371). They assert that "the most promising approach (to identifying bias) is to focus on issues for which different media owners have different interests, asking whether news content differs in accord with those differing interests" (p. 371). Appropriate issues for this type of study are difficult to identify because a topic must be identified that "(1) has received substantial media coverage, (2) has clear implications for the financial interests of corporate media owners, and (3) has *different* implications for the interests of different corporate owners" (Gilens & Hertzman, 2000, p. 371).

It was for these reasons that Gilens and Hertzman (2000) chose to examine the aforementioned 1996 Telecommunications Act, specifically whether newspapers' ownership

interests would affect the content or tone of articles on the topic. They chose this topic because it was one in which companies that owned several television stations would directly benefit from the loosening of restrictions and therefore would have a reason to interfere with the content of the paper. As previously mentioned, the newspaper companies that also owned broadcast companies were much more likely to report favorably on the topic.

Individual academic studies are important to the body of research on this topic. Scott, et al. (2008) advised that while many independent groups can fund large-scale, national studies, they should be supplemented by research in academic institutions. They question the methods of various studies by independent groups, including the Pew Project for Excellence in Journalism (PEJ) and studies commissioned by the FCC, in their literature review. They assert that "the production of faculty-driven, small-scale research generated within the academic, blind, peer-reviewed context can perform a valuable form of cross-validation" (p. 96). They also predict that "the collective findings produced by small-scale academic-based research could provide a better sense of general trends in media phenomena" (p. 96). This is why studies like mine are important to the body of research on this topic.

Hypotheses

The purpose of my study was to determine whether the content of CBS's morning news show would change as a result of the merger with Viacom. This was also representative of the first hypothesis. Because of the efficiencies purported to be gained from synergy, cross-platform promotion, and vertical integration, it is hypothesized that:

> **H1:** CBS's morning news shows will promote more of Viacom's products after the company's merger with Viacom than they did before the merger.

However, in order to prove that any change was due to the change in ownership and not due to the newsworthiness of the products over time, the programming of other networks also

had to be examined for comparison. This was the purpose of the second hypothesis. Because synergy is believed to aid in the competition with other networks, it is hypothesized that:

> **H2:** Following the merger, CBS's morning news shows will promote more products by Viacom than NBC or ABC's morning news shows.

If these hypotheses are supported by the data, there is also sufficient evidence to affirm the overarching research question, which is what the study is meant to answer:

> **RQ**: Did new corporate ownership influence news content delivered on the CBS network?

Testing these two hypotheses is one step towards answering the question of whether changes in ownership of a media company affect the content of the news reported.

CHAPTER 3
METHODS

Content analysis is the preferred method for testing questions on media content and is "an essential step in understanding (media) effects" (Riffe, et al., 1998, p. 3). It has been used by media researchers as well as those of numerous other disciplines as a tool for understanding the messages communicated through mass media. By understanding the messages, researchers can begin to examine how viewers interpret these messages and the effects the messages have. It is the best method for examining ownership of media if only because these questions cannot be answered in the controlled environment that would be required for an experiment. The most basic content analyses generally provide information only on what is present in the news and not why it is the way it is. However, with the before and after method used in my study, we can begin to answer why the content is as it is.

One of the stated limitations of Cleary and Adams-Bloom's (2009) study was that it did not provide information on whether the networks promoted the same products before they were merged with the owners of these products. A natural defense to accusations of promotional bias would be that the products are simply newsworthy and that it is coincidental that they are owned by a sister or parent company. And if they covered them as much before the merger as after, this would be a reasonable explanation.

In my study, this problem is overcome by examining broadcast transcripts before and after the time of the purchase. My hope was to illustrate a time-order correlation between the increase in promotion of certain products and the purchase of the network by the manufacturers of these products. If the promotion of products increased significantly after the merger, then the merger could be determined to be the causal factor. Another explanation is that the products became more newsworthy over time. For example, Viacom may have had more hit movies in

one year than in the previous year. The way to control for this is to examine more than one network, which is why I examined three different networks. If all three networks show an increase in coverage of the same products, the increase can be attributed to increase in newsworthiness and not promotional bias. However, if a network promotes significantly more of its own or its parent company's products than the other networks, the existence of promotional bias will be affirmed.

The study by Cleary and Adams-Bloom (2009), upon which my study is based, examined transcripts of news broadcasts in the fall of 2004. Their results indicated that CBS's morning show, *The Early Show***,** featured more products by its parent company, Viacom, than either of the other major networks ABC and NBC. They found that 37.7% of *The Early Show's* entertainment stories came from Viacom-owned sources, proving significant promotional bias. The authors noted, however, that they lacked any data from before the merger and therefore could not determine a causal relationship between the purchase and the change in content. This is the goal of this study: to find whether the network promoted more Viacom products after it was bought by Viacom, or whether it had covered Viacom's products at that level all along. It is possible that Viacom's products were simply more popular and therefore more newsworthy. However, based on past evidence of promotional bias (Williams, 2002; Croteau & Hoynes, 2006; Cleary & Adams-Bloom, 2009) and based on known strategies of publicly-held corporations, including synergy, it can be expected that there would be an increase in stories featuring Viacom products after the network was purchased by Viacom. CBS Corp. and Viacom were counted as separate variables in 1997 and 1999, but were merged together in 2001.

A content analysis was conducted on transcripts of CBS's daily morning news show, which was originally known as CBS *This Morning*, but was changed to *The Early Show* in 1999.

Transcripts were obtained from the LexisNexis database for the month of August for 1997, 1999, and 2001. These years were chosen because they will show the content of the shows before, during, and after the purchase of the network by Viacom. The original design involved analyzing content during the holiday season, but the events on September 11, 2001 would skew the results for this sample year, so August was selected instead.

The year 1997 was chosen because it was far enough before the purchase to control for the existence of bias. The most dramatic results would be expected for the month of August 2001 because it is far enough after the purchase for promotional bias to be evident in newscasts. Transcripts from ABC's *Good Morning America* and NBC's *Today* were also analyzed during these same time periods. These results served as control groups to indicate that any difference in products covered was not simply an increase in entertainment and product coverage over time. Also, if ABC and NBC had covered Viacom's products as much as CBS, it could have been determined that these products were simply more newsworthy. This method is similar to that used by other scholars in an attempt to examine the conflicts of interest of a specific media company. Gilens and Hertzman (2001), for example, measured media companies with broadcast holdings against those without in order to determine whether having broadcast holdings made a difference in the coverage of the 1996 Telecommunications Act.

A total of 446 stories was coded across the three networks during the month of August over the three sample years. Because the study was intended to measure promotions of entertainment products and omitted casual mentions of products, only the entertainment transcripts were selected for coding. The main variable measured in the study was ownership of product, but many other variables were measured as well, such as product type, which referred to what type of product was being promoted, such as a film, television show, CD or album, etc.

Other basic variables included story type, reporter gender, show location, and interview subject. Some of these variables were difficult to determine, particularly because the coding was done using transcripts and not broadcast tapes. For example, location was difficult to determine because the coder could not see from where the story was broadcast. For this variable, the coder had to look for indications in the transcript. For example, if the reporter says "we are live in Central Park," then the story would be coded as in a live location. A show was coded as being on a standard set if the show anchor said something like "here in our studio." An example of a custom set would be if a band was performing or a guest was doing a cooking demonstration. Story type was difficult to determine for the same reason. Coders had to look for descriptions in the transcript such as "voice over" or "clip from movie shown" to determine the format of the story. If the coder missed one clue, the story could have been coded differently.

Each individual product promotion was coded as an individual story. Therefore, there were often multiple stories within the same transcript. This should be taken into account when considering the results because many of the stories, particularly movie reviews, contained very few words. In this case, story number is not really indicative of how much time was spent on a particular promotion. For this reason, a separate analysis was conducted using word count as a secondary measure. While the word count analysis mostly mirrored the story number results, there were some differences worth mentioning. Word count was taken from the LexisNexis count unless there was unrelated content somewhere in the story. In those cases, the relevant parts of the broadcast were copied and pasted into Microsoft Word, where a word count was conducted.

Although the researcher did all of the coding herself, another graduate student re-coded 15% (67) of the transcripts in order to test for coder reliability. The second coder was given

approximately an hour's worth of training before beginning coding. This included explaining the premise of the study, the variables, and how to code each variable. She was also observed while coding as a test-run in case she had additional questions. The reliability test was performed at the end of the study instead of the beginning, which may have contributed to the low reliability scores because coder issues could not be worked out during the process of coding.

Percent agreement and Cohen's Kappa were measured using ReCal2, a free online program designed for reliability testing between only two coders. Although the program is relatively new, it has been used or cited by other scholars in the natural sciences as well as social science fields for obtaining reliability results. Because there were only two coders in this experiment, it was important to conduct an additional test for chance agreement. As Riffe, et al. (1998) observe, "percent agreement figures may be criticized as possibly over-inflating reliability because the chances of accidentally agreeing increase as the number of coders decreases" (p. 128). Therefore, Cohen's Kappa was chosen because the data in this study are nominal and because it accounts for the probability of chance agreement. Kappa was preferred over Scott's Pi because it accounted for a smaller sample size whereas Scott's Pi does not. Coder reliability scores for all reported variables ranged from .26 to 1.0 (see Table 3-1).

A few changes took place in programming between the sample years of the experiment. For example, CBS's *Early Show* premiered on November 2, 1999, taking the place of CBS's *This Morning*. Because CBS has programmed that timeslot continuously since 1965, it was not an issue comparing it with the other networks' morning shows. However, NBC's *Today* extended its timeslot an extra hour in 2001, which significantly inflated its story numbers. It is important that this be taken into account in the analysis of the differences.

Table 3-1. Percentage Agreement and Cohen's Kappa for Variables

Variable	N Agreements	% Agreement	Cohen's Kappa
Show Name	66	98.5	0.98
Story Type	45	67.2	0.58
Word Count	39	58.2	0.58
Reporter Gender	52	77.6	0.63
Show Anchor is Reporter	59	88.1	0.74
Ownership of Network	67	100	1
Ownership of Topic	66	98.5	0.96
Location	52	77.6	0.26
Product Type	66	98.5	0.98
Interview Subject	51	76.1	0.69

CHAPTER 4
RESULTS

H1, which predicted that CBS would promote more of Viacom's products after the merger than before, was supported by the findings. The total number of stories on CBS's *Early Show* featuring Viacom products increased from three in 1997 and three in 1999 to 14 in 2001 (see Table 4-1). It is important to note, however, that nine (64%) of those stories in 2001 promoted CBS's own television shows, accounting for 78.2% of CBS's word count for that year. Six of these stories featured reality shows, including four featuring *Big Brother*, which premiered in 2000, and the other two featuring *The Amazing Race*, which premiered in 2001 (see Table 4-3). These two reality shows accounted for 42.8% of 2001 stories featuring Viacom's products and 57.4% of the total word count of those in 2001. The chi square test found that the correlation between network ownership and ownership of topic was statistically significant for Viacom in 2001 (see Table 4-2, $\chi 2 = 12.170$, $df = 2$; $p = 0.002$ for 2001). This indicates that CBS's story topics were strongly influenced by Viacom and that the results could not be due to chance alone. The results were not significant for 1997 ($\chi 2 = 5.068$, $df = 2$; $p = 0.079$) or 1999 ($\chi 2 = 0.95$, $df = 2$, $p = 0.621$), which supports H1 and allows for the conclusion that the merger with Viacom did influence the content of CBS's morning shows.

As can be seen in Table 4-1, *The Early Show* in 2001 did promote Viacom's products more frequently than the morning shows of the other two networks as predicted in H2, with 14 Viacom stories (25.5% of its total stories and 26.7% of total word count). NBC was not far behind in story number, with 11 Viacom stories. However, this was only 12.1% of its total story count. *Today* also had three hours of broadcasting as opposed to *The Early Show's* two, so it is not surprising that it would have more Viacom stories as well as total stories. *The Early Show* still

had more stories in the “Other” category, however, with 56.4% of stories and 63.4% of total word count. The chi square results indicated that the differences between networks were significant, in terms of the number of stories promoting Viacom products ($\chi 2$ =15.623, df = 2, p <0.0001).

Other Findings

ABC exhibited the most synergistic activity, with many more stories on Disney products than others (see Table 4-1). ABC also had many more stories featuring Disney products than CBS had featuring Viacom products or NBC featuring GE products. The highest numbers were in August 2001 when *Good Morning America* had 19 stories featuring Disney products (32.8% of its total stories). Word count for Disney stories was 12,835 (49% of total word count), which was almost equal to the word count in the “Other” category: 13,282 (50.8%). This is particularly noteworthy considering the “Other” category accounted for most of the promotions on both of the other networks. One reason for the high number of Disney promotions at this time was the large number of movies being released, either in theaters or on video. Sixteen of the synergistic stories during this time featured movies made by Disney or one of its subsidiary movie studios.

NBC’s *Today* was by far the least synergistic of the three morning news shows with no promotions of GE products. It should be noted, however, that the time frame of this study was before GE’s acquisition of Vivendi Universal, and GE’s only media holding at the time was NBC itself. Because only the entertainment articles were examined in this study, one would not expect to see GE’s traditional products (appliances, household items) promoted. It is also worth noting that neither ABC nor CBS promoted any GE products in their entertainment stories. Cleary and Adams-Bloom’s study (2009), which examined NBC in 2006 after the merger of GE and Vivendi Universal, showed more synergistic stories, but still fewer than the other two networks.

The number of Viacom products promoted on the other networks also increased from 1997-2001, but not as dramatically. ABC's percentage of stories featuring Viacom products increased from 0% of all stories in 1997 to 3.4 % in 2001, while NBC's increased from 0% in 1997 to 12% in 2001. CBS's percentage of Viacom stories, by contrast, increased from 3.9% of all stories in 1997 to 25.5% in 2001. This suggests that the increase in coverage was not due to other facts such as an increase in product output or newsworthiness of the products themselves.

Despite the significant differences in product promotion found between the three networks, the "Other" category consistently had higher numbers than any other category under media ownership (see Table 4-1). Stories in this category included reviews of movies made by Universal, Time Warner, or Fox's movie studios, as well as many different publishing companies and music studios. In 2001, although the percentage of stories decreased by more than 10% from 1999, stories coded as "Other" still accounted for 60% of CBS's promotions while Viacom promotions only accounted for 25.5%. The only exception to this was evident in ABC's word count results from 2001, in which the word count for Disney promotions (49% of total word count) was almost equal to that of products in the "Other" category (50.8%).

An analysis of which product types were promoted in stories also yielded some interesting results. For example, across all three networks, films, as shown in Tables 4-4, 4-5, and 4-6, were covered most often with an average of 53.9% of total stories over the three networks in 1997, 52.5% in 1999, and 54.6% in 2001. NBC's *Today* promoted more books than any of the other networks for all three years. More than 33% of their total stories featured books in 1997 and 30.4% in 1999. The highest was in 2001, where 35.9% of stories featured books as opposed to ABC's 5.2% and CBS's 21.8%. Radio was the lowest overall, excluding the "Other" category, with no stories in 1999 and 2001, and very few in 1997. Magazine coverage was also

surprisingly low, with the greatest percentage of stories being 8.3 % on *Today* in 1997. The "CD/Album" category varied considerably with the greatest amount of coverage on ABC's *Good Morning America* in 1997 (30% of stories) and the least amount of coverage on CBS's *This Morning* in 1999 (2.2%). It is not surprising that ABC promoted the most CDs and albums as Disney owns three major recording studios.

The chi square results for Disney's influence on ABC were significant ($\chi 2 = 8.43$, $df = 2$, $p = 0.015$ for 1999; $\chi 2 = 10.37$, $df = 2$, $p = 0.006$ for 2001). This finding does not support the specified hypothesis of the study, but contributes to the overall research question of whether ownership can affect content. Because there was systematic bias towards Disney in ABC's news programming, it can be concluded that promotional bias was in effect. The test gave no results for NBC because there were no stories featuring GE's products on any of the networks. This was also the case for CBS in 1997. In 2001, CBS was part of Viacom and therefore yielded no results of its own.

The word count analyses showed some significantly different results for product type than the story numbers alone. For example, although films were the topic of the most stories on NBC's *Today*, word count for books was much higher than films on all three years examined, as shown in Tables 4-4, 4-5, and 4-6. In 1997, films accounted for 55.6% of the stories, but only 29.4% of word count. Books accounted for 33.2% of stories, but 55.6% of word count. The results were similar for the other two years as well. This can be explained by the fact that many stories featuring movies are simply previews of movie openings or box office reports in which the movie is only briefly mentioned. The word count is actually a more revealing figure of the amount of time spent on the subject. This result only applies to NBC, however, as the other networks' word counts were much higher for films than books. The only exception to this is

CBS's *Early Show* in 2001, which had a higher word count for books than films. The only significant result for product type was for books ($\chi 2$ = 8.440, *df* = 1, *p* = .004 for 1997; $\chi 2$ = 19.058, *df* = 1, *p* = .0001 for 1999). The results indicated no significance in 2001, however ($\chi 2$ = 1.864, *df* = 1, *p* = .172).

Coder Reliability

Coder reliability, as illustrated in Table 3-1, was high for the main variables needed to answer H1 and H2, which were Ownership of Network (Cohen's kappa = 1.0) and Ownership of Topic (Cohen's kappa = 0.96). Ownership of Topic was originally low because the second coder filled in the incorrect code number, but wrote the correct ownership category in the notes section. Because this is a completely objective variable, it should have had high reliability. To adjust the discrepancy between the coder's code sheets and notes, the numbers were later adjusted to reflect the observations recorded in the coder's notes.

As was expected, word count had low reliability (Cohen's kappa = 0.58) because of differences in where each coder began counting. For example, in the cases in which there was more than one story in a broadcast, the coder had to make the judgment call of where one story ended and another began. Also, when there was unrelated content, coders had to determine where relevant content began and ended. Looking at the data of the two coders side by side, it is evident that the word counts are very similar, off by maybe a few words. However, even if the difference was only one word, it would still be calculated as a disagreement by ReCal2.

Story type also had low reliability (Cohen's kappa = 0.58) even though the variables were well-defined. As outlined in the methods, it was difficult with transcripts to tell between different types of stories than with actual video because coders had to rely on clues in the text and often stories seemed to fit into multiple categories. Location had very low reliability (Cohen's kappa = 0.26) for this same reason. It was difficult to tell from the transcripts where the story was being

broadcast from and what type of set it was. In future studies researching these variables, it would be beneficial to have tapes of the broadcast in addition to the transcripts to avoid these discrepancies. Because these were not the main variables of my study and no patterns or correlations were found among these variables, the low reliability scores should not jeopardize the findings of the study.

Table 4-1. Ownership of Products Featured in Morning News Shows' Entertainment Stories

Parent Corporation	CBS (ES/TM) # of Stories	Word Count	ABC (GMA) # of Stories	Word Count	NBC (Today) # of Stories	Word Count
1997	% (N)	% (N)	% (N)	% (N)	% (N)	% (N)
Viacom	6.5 (3)	8.7 (2512)	0 (0)	0 (0)	0 (0)	0 (0)
Disney(ABC)	21.7 (10)	23.8 (6891)	20 (4)	21.1 (3605)	22.2 (8)	14.5 (3637)
G.E. (NBC)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
CBS Corp. (CBS)	2.2 (1)	1.6 (457)	0 (0)	0 (0)	0 (0)	0 (0)
Other	69.6 (32)	66 (19114)	80 (16)	78.9 (11680)	77.8 (28)	85.5 (21360)
1999	% (N)	% (N)	% (N)	% (N)	% (N)	% (N)
Viacom	6.7 (3)	8.5 (2358)	2.6 (1)	0.09 (29)	7.1 (4)	7.3 (2827)
Disney (ABC)	11.1 (5)	11.1 (3089)	34.2 (13)	33.5 (10006)	7.1 (4)	3.2 (1220)
G. E. (NBC)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
CBS Corp (CBS)	11.1 (5)	8 (2215)	0 (0)	0 (0)	0 (0)	0 (0)
Other	71.1 (32)	72 (20179)	63.2 (24)	66.4 (19793)	85.7 (48)	89.5 (34973)
2001	% (N)	% (N)	% (N)	% (N)	% (N)	% (N)
Viacom (CBS)	25.5 (14)	27 (10412)	3.4 (2)	0.2 (40)	12 (11)	12.7 (9161)
Disney (ABC)	14.4 (8)	10 (3878)	32.8 (19)	49 (12835)	13 (12)	5 (3779)
G. E.(NBC)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
Other	60 (33)	63.4 (24765)	63.8 (37)	50.8 (13282)	75 (69)	82 (59125)

Note: Percentages are derived from the individual show totals. In 2001, there is no variable for CBS-Corporation because the company was merged with Viacom at the time.

Table 4-2. Pearson Chi Square Test of Statistical Significance of Correlation of Ownership of Network and Ownership of Product

Year	ABC (Disney)	CBS (Viacom)	CBS (CBS Corp.)	NBC (GE)	Other
	χ^2	χ^2	χ^2	χ^2	χ^2
1997	1.528 df=2 $p<.466$	5.068 df=2 $p<.079$	N/A*	N/A*	.747 df=2 $p<.688$
1999	8.43 df=2 $p<.015$	.951 df=2 $p<.621$	10.83 df=2 $p<.004$	N/A*	2.69 df=2 $p<.261$
2001	10.374 df=2 $p<.006$	12.170 df=2 $p<.002$	N/A*	N/A*	4.13 df=2 $p<.127$

*Chi square could not be computed due to lack of results. As a reminder, CBS Corporation did not exist as a corporate entity in 2001.

Table 4-3. CBS Coverage of Reality Shows in 2001

College	Number of Stories	Word Count
	% (N)	% (N)
“Big Brother”	7.2 (4)	10.5 (4094)
“The Amazing Race”	3.6 (2)	4.8 (1887)
Total	10.8 (6)	15.3 (5981)

Note: Percents are calculated using total story number and word count for all CBS stories in 2001.

Table 4-4. Number of Stories by Product Type (1997)

	CBS ES/TM		ABC GMA		NBC Today	
	# of Stories	Word Count	# of Stories	Word Count	# of Stories	Word Count
	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)
TV Shows	4.3 (2)	4.4 (1210)	10 (2)	19.3 (3293)	0 (0)	0 (0)
Movies	56.5 (26)	58.7 (16254)	45 (26)	34.8 (5951)	55.6 (20)	29.4 (7254)
Magazines	2.2 (1)	4.7 (1299)	0 (0)	0 (0)	8.3 (3)	12.4 (3068)
Books	8.7 (4)	10.9 (3034)	10 (2)	7.9 (1346)	33.3 (12)	55.6 (13705)
Websites	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
Radio	4.3 (2)	0 (0)	5 (1)	2.5 (428)	0 (0)	0 (0)
CD/Album	17.4 (8)	8.3 (2298)	30 (6)	35.4 (6050)	2.8 (1)	2.6 (631)
Theme park	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
Broadway/Theatrical	6.5 (3)	12.9 (3582)	0 (0)	0 (0)	0 (0)	0 (0)
Other	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
Total	100 (46)	100 (17068)	100 (20)	100 (27677)	100 (36)	100 (24658)

Table 4-5. Number of Stories by Product Type (1999)

	CBS ES/TM		ABC GMA		NBC Today	
	# of Stories	Word Count	# of Stories	Word Count	# of Stories	Word Count
	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)
TV Shows	24.4 (11)	16.8 (4676)	15.8 (6)	14.9 (4443)	0 (0)	0 (0)
Movies	46.7 (21)	45.1 (12568)	52.6 (20)	38.5 (11495)	57.1 (32)	37.7 (14659)
Magazines	4.4 (2)	6.3 (1767)	5.3 (2)	4.3 (1294)	0 (0)	0 (0)
Books	15.6 (7)	16.3 (6620)	10.5 (4)	16.3 (4870)	30.4 (17)	47.3 (18360)
Websites	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
Radio	4.3 (2)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
CD/Album	2.2 (1)	1.3 (354)	13.2 (5)	21.9 (6543)	10.7 (6)	13.1 (5086)
Theme park	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
Broadway/Theatrical	4.4 (2)	3.3 (941)	2.6 (1)	3.9 (1183)	0 (0)	0 (0)
Other	2.2 (1)	3.2 (915)	0 (0)	0 (0)	1.8 (1)	1.9 (735)
Total	100 (46)	100 (17068)	100 (20)	100 (27677)	100 (36)	100 (24658)

Table 4-6. Number of Stories by Product Type (2001)

	CBS ES/TM		ABC GMA		NBC Today	
	# of Stories	Word Count	# of Stories	Word Count	# of Stories	Word Count
	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)
TV Shows	18.2 (10)	23.4 (9152)	10.3 (6)	27.4 (7158)	3.3 (3)	5.2 (3818)
Movies	47.3 (26)	30.2 (11814)	74.1 (43)	44.4 (11609)	46.7 (43)	25.9 (18642)
Magazines	0 (0)	0 (0)	3.4 (2)	7.6 (1982)	3.3 (3)	3.9 (2844)
Books	21.8 (12)	34.3 (13428)	5.2 (3)	12.3 (3218)	35.9 (33)	51.9 (37400)
Websites	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
Radio	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
CD/Album	9.1 (5)	7.6 (2985)	5.2 (3)	8.2 (2137)	8.7 (8)	7.5 (5427)
Theme park	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
Broadway/Theatrical	3.6 (2)	4.2 (1676)	1.7 (1)	0.2 (53)	2.2 (2)	5.5 (3934)
Other	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
Total	100 (46)	100 (17068)	100 (20)	100 (27677)	100 (36)	100 (24658)

CHAPTER 5
DISCUSSION AND CONCLUSION

As predicted, CBS's coverage of Viacom products increased after the merger with Viacom. Although NBC's coverage of Viacom products also increased, the percent increase was much less than that of CBS. One interesting and unexpected result involved the increase in CBS's promotion of its own reality shows, which accounted for a great amount of the synergistic stories in 2001. CBS's *Big Brother* and *Survivor*, both of which premiered in the United States in 2000, were the first shows on network television in the format now widely recognized as "reality television." Although cable channels had been broadcasting what can be classified as reality shows, such as MTV's *The Real World*, for several years before this, the new network television reality shows were a huge success at this time. Interestingly, MTV is also owned by Viacom. *Survivor* was not airing during the month of my study and therefore did not affect the results. However, as seen in the results, the two shows *Big Brother* and *The Amazing Race* received significant air coverage on *The Early Show*. If we discount these shows from the Viacom products promoted on *The Early Show*, the results are not nearly as dramatic. In fact, if no CBS shows are counted (including soap operas), NBC's *Today* actually had more stories featuring Viacom products in 2001. However, NBC also had an extra hour of broadcast that year, which skews the results.

The word count for the reality shows, as illustrated in Table 4-3, is important to consider because it gives a better picture of how much time was spent on these shows. Six stories accounted for more than half of the word count of the total 14 Viacom stories. They also accounted for 15% of the word count of all the stories for 2001. Some might interpret CBS's increase in the promotion of its own shows in 2001 as a result of the merger. This brings us back to the theory of the firm and stakeholder theory, both of which are encompassed in Croteau and

Hoynes's (2006) statement that "corporate entities pursue profits for their shareholders because that is what they are expected to do" (p. 177; Coffey & Cleary, 2008; McWilliams & Siegel, 2001). In other words, it is the nature of corporations to take advantage of synergistic opportunities in order to maximize profits.

Theory of the firm states that a company will do what is most likely to maximize profits. Because synergy is generally viewed as a profitable practice by business managers, CBS becoming part of a larger corporation would naturally lead to more synergistic practices. The results suggest that the theory of the firm is being upheld as Viacom is attempting to gain optimal profits by utilizing its new media outlet for additional promotion of company products. Stakeholder theory might also be upheld given that stakeholders expect optimal returns on their investments, but there is not enough evidence to definitively say this.

Although there was evidence of synergy on CBS's *Early Show*, there were still many more synergistic stories on ABC's *Good Morning America*. This is nothing new for Disney, however, as Turow observed in 1992 that Disney had achieved "a special kind of success" with its synergistic practices that few other companies had been able to achieve even when attempting such cross-divisional cooperation (p. 236). It is possible that ABC and Disney have been merged for so long, they are better at cooperating with each other. Another possibility is that the nature of their products allows for easy utilization of synergistic practices.

The amount of coverage given to specific types of products was a significant finding of my study as well, although not too surprising. For example, although NBC was an exception, there were far more stories featuring films than any other type and often more than any of the other types combined. It is interesting to note that NBC was found to be the least synergistic and spent more time on books than films, which seem to get more coverage on television as a rule. NBC

did not own a publishing house at the time, so it can't be concluded that it provided biased coverage of books. It also did not own a movie studio, however, and therefore would have had no incentive to increase coverage of movies. It is possible that NBC covered movies less so as not to promote other company's products, but there is really not enough evidence to draw this conclusion. There were many other variables examined in my study such as interview subject, reporter gender, whether the show anchors were the ones doing the reporting, etc. However, no patterns or trends were seen in the results of these variables.

Social responsibility theory would dictate that the three morning news shows would give equal coverage to the products of competitors as well as those of their parent companies (Cleary & Adams-Bloom, 2009). However, this is clearly not what happened on the morning news shows examined, particularly on ABC, which exhibited the most synergistic activity. CBS also promoted more Viacom products than the other networks after its parent company's merger with Viacom. The results of the study suggest that synergistic stories are being selected, either by owners, writers, or journalists, for the purpose of benefitting the parent corporation. While these practices may provide economic gains for the company through economies of scope, they may not be good for the integrity of the news, as many media studies would suggest. For example, one has to wonder what is being left out as a result of these synergistic stories having priority. As McAllister's (2002) study proved, many significant news stories were left out of NBC news broadcasts in favor of the promotion of the last episode of *Seinfeld*.

Another important consideration is how much morning news programs contribute to the public sphere. Morning news programming has traditionally had a "higher proportion of entertainment and lighter content" than evening news (Cleary & Adams-Bloom, 2009). Therefore many would say that it is the perfect time for product promotion. Many also consider

morning news inconsequential because there are fewer viewers. However, Cleary and Adams-Bloom (2009) point out that "when major news stories are unfolding, the role of the morning news programs in covering those events is vital" (pp. 83-84). The morning news audience has also changed in modern times. This audience traditionally consisted of housewives, who were thought to contribute less to the public sphere. Although this belief itself is debatable, the audience has also expanded, given changes in working hours, where many working people are actually home during the day. The Pew Research Center's 2004 annual report stated that morning news ratings were stable or rising, while evening news ratings were consistently dropping. This report also stated that morning news is increasingly becoming a favored source of news for more and more viewers. These findings imply that it is more important than ever to be concerned about the quality of morning news.

Basic ethical issues involving conflicts of interest are also of key interest here. For example, Disney CEO Michael Eisner says that it is unethical for ABC to cover Disney controversies (Williams, 2002), yet ABC covers significantly more Disney movies than either of the other networks. Also, it is concerning that if these trends continue, the news may become little more than a vessel for promoting the corporation's products. This trend also has negative implications for investigative and consumer advocacy journalism. For example, like the Monsanto story (Borjesson, 2002) that Fox refused to run, some stories may be extremely important for the public good but bad for the corporation involved. However, theory of the firm would dictate that such a story should not be run. This sort of pressure on journalists could be equated with the chilling effect described by free speech advocates against censorship.

This study aimed to test whether the CBS Corporation-Viacom merger would influence the content of CBS's morning news program and indeed the hypotheses were upheld. Corporate

ownership did influence content in the CBS Corp.-Viacom merger. This confirms the fears and concerns of scholars concerned with the preservation of media independence from corporate influence. The findings have implications for both industry and the academic arena concerning synergistic practices and media mergers.

In the industry and also in the academic arena, more research is needed on whether synergy is actually beneficial to companies and whether the rewards outweigh the risks. For example, as Peltier's (2004) exploratory study revealed, the concepts of economies of scale as well as economies of scope are yet to be proven effective. Yet these are the economic bases for mergers and synergies respectively. If the myth that synergy and mergers automatically result in economic growth is dispelled, companies may be less likely to jump into such ventures without proper cost-benefit as well as ethical analyses of the situation.

One way to combat synergy bias in the industry is to encourage socially responsible practices in media companies. Economists have proven that companies actively engaged in corporate social responsibility (CSR) campaigns can make the same profit as those which are not, although this concept may be more difficult to implement in broadcast media. Broadcast networks might also consider being more open and honest about the amount of self promotion that is in their newscast. For example, NBC's news anchors will frequently mention each time they report news on GE that it is their parent company. While this does not change the fact that the promotion is still going on, at least people are aware of the fact that the story includes self-interest or promotional content. Another consideration is the unknown effects all these promotions actually have on viewers, a topic that is worth future study.

Limitations

One of the limitations in this study was that NBC extended its timeslot an extra hour in 2001, which inflated its story numbers and made it difficult to compare with the other networks.

Because the transcripts did not denote where the third hour began, it was impossible to accurately remove that content for coding. However, the results were barely affected by this as NBC still had no synergistic content.

Another limitation was in the coder reliability for specific variables. Because transcripts were used, it was difficult to note things like the location and story type. Word count was also difficult because some stories had excess material that was unrelated. In these situations, a Microsoft Word count was used instead of the LexisNexis count. However, the Microsoft Word count included excess words such as the names of who was speaking and broadcast cues such as "Voice-over" as well as the actual content, so the counts were inflated for these. There may also have been variation between where the coder decided to begin or stop the word count. Depending on the length of the transcript, these extraneous words might account for 10 to 100 words out of the total word counts. But the number of transcripts in which this function was used was less than 10% of the total transcripts.

Suggestions for Future Research

Future studies might examine the effects of mergers on other news networks, such as NBC newscasts before and after the merger with Vivendi-Universal. Observing the gatekeeping process within media conglomerates would provide the most valuable insight into this area of research because it would reveal how this sort of bias comes about and where it originates. However, this is also the most difficult to conduct because it involves getting inside the industry, where obtaining an accurate and unbiased view would be difficult to impossible. Future researchers might also examine whether the same results would be obtained by a similar analysis of ownership changes on small, local broadcast stations. This would provide more information on how local news is affected by media mergers, and would be valuable particularly because,

while much research has been done on local newspapers, little has been done on local broadcast networks.

The goal of studies like these is to reveal what is actually going on in the industry and inform the public and future journalists about it. If people realize the effect of media concentration on news content, they will be more likely to oppose further loosening of ownership restrictions. Journalists should also provide more coverage of these incidents and put them into a larger context so that readers understand why the issue is such an important one. In the end, what is most important to ask is what the purpose is in reporting the news. Although the new infotainment can be highly profitable for big corporations, the purpose of the news is to inform the public and facilitate participation in a democratic society. If journalists are not encouraged or even allowed to report this sort of meaningful news, the future of democracy is, as Herman and McChesney (2004) described, in “clear and present danger” (p. 7).

APPENDIX A
DEFINITIONS OF VARIABLES

Variables Defined: Following is a list of definitions used in this study for the key variables under examination.

Day
Day of the week

Date
Calendar date MMDDYY

Show
Circle the name of the program you are coding.

Story Type
1.VO-SOT = story is read (voice) over video or a graphic, featuring a quote (sound bite or SOT for "sound on tape") from an interview subject.
2. VO = voice over from an announcer over accompanying video tape
3. Reader = anchor appears on camera without additional video tape
4. Package = tape package
5. Satellite Interview = anchor or reporter appears on camera while interviewing the subject from a live location
6. Interview in studio = anchor or reporter appears on camera while interviewing the subject but with no additional tape
7. Interview w/ Package = a combination of an on-set interview and a tape package related to the subject
8. Interview w/VO-SOT = a combination of an on-set interview and VO-SOT
9. Interview w/VO = A combination of on-set interview and VO
10. Live performance = on set performance by the artist
12. SOT = Sound on Tape or video clip only with no VO. Applies when a reporter plays a clip during what would otherwise be a reader. Movie reviews in which clips of the movie are shown fall into this category.
13 = Interview w/ SOT - applies when a video clip is played during an interview with no VO.

Length of Story
Time in seconds will be estimated later from word count.

Reporter
Circle “male” or “female”

Show Anchor is Reporter
Circle if the person conducting the interview or introducing the segment is one of the anchors (or filling in for the anchor) for the program.

Ownership of network the story aired on
Circle whether the program appeared on

1. Viacom
2. Disney (ABC)
3. NBC
4. CBS

Ownership of the producer of the TOPIC of the entertainment story
Circle who owns the producing entity

1. Viacom
2. Disney (ABC)
3. NBC
4. CBS
5. Other

Location of the Story
Circle where the program segment takes place, i.e. in studio, remote, taped location, live location and whether the story takes place with a special promotional poster or something similar as a backdrop?

Multi-part series
Is the segment part of a multiple part series, i.e. does the program come back during segments or on additional days to continue the coverage? (Does the anchor promote that there are additional parts to the story?)

How many parts?
Fill in a numeral

Product Type
What kind of medium is being covered in the segment?

Specific Topic of Segment
Write in the subject of the segment, i.e. the title of the movie or book being promoted. Be as specific as possible.

Interview Subject
Circle the appropriate job description for the person being interviewed.

APPENDIX B
CODE SHEET

MORNING SHOWS CONTENT ANALYSIS
SEGMENT SHEET

Day_____ **Date**_____ **Show** **Word Count**_____ **Story #** _____

1-Mon

2-Tues

3-Wed

4-Thurs

5-Fri

1- CBS This Morning/Early Show

2-GMA

3- Today

Story Type:

1-VO/SOT

2-VO

3-Reader

4-Package

5-Satellite Interview

6-Interview (In Studio)

7-Interview w/ Package

8-Interview w/ VO/SOT

9-Interview w/VO

10-Live Performance

11-Demonstration/ Presentation

12-SOT

13-Interview w/SOT

14-Other (specify) _____

Coder:

1-KT

2-

Notes:

Length of Story (in seconds)

_____

Reporter:

1-Male

2-Female

3-both (if more than one host)

Show Anchor is Reporter

1-Yes

2-No

Ownership of Network Story aired on:

1- Viacom

2-Disney

3- NBC

4-CBS Westinghouse

Ownership of Topic of Story:

1- Viacom

2-Disney

3- NBC

4-CBS Westinghouse

5-Other _____

Location of Story:

1-Standard set

2-Custom set

3-Remote

4-Live Location

5-Other _____

Multi-part Series?

1-yes

2-no

How many parts?

_____

Product Type:

1-TV Show

2-Film

3-Magazine

4-Book

5-Website

6-Radio

7-CD/Album

8-Theme Park

Specific Topic of Story:

_____

_____

_____

_____

_____

Interview Subject:

1-Actor

2-Reality Show Contestant

3-Producer

4-Director

5-Writer

6-Critic

7-Newspaper reporter

8-Magazine writer

9-
Broadway.Theatric
al Production

10-Other
(specify)_____
_____

9-Musician

10-Other
(specify)_____

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BIOGRAPHICAL SKETCH

Katherine Turner was born in 1982 in Gainesville, Florida. She also grew up in Gainesville and graduated from Gainesville High School in 2000. She has a Bachelor of Arts in English from the University of Florida but decided to pursue a Master of Arts in Mass Communication in 2006. After completion of the MA, she hopes to pursue a career in the publishing industry, and eventually a PhD.