

CREIMA – World-Class Researchers Discuss the Future of Media and Creative Industries

by Bruno Pires and João Neves

Introduction

The second edition of the CREIMA (Creative Industries Media Management) conference and course took place at the Faculty of Arts and Humanities of the University of Porto between September 19-21, 2018. The event was supported by the ongoing Project of Innovation in Media, Entrepreneurship and Digital Drivers (PIMENED) in partnership with the International Media Management Association (IMMAA). This report is a summary of the most relevant presentations held at this event.





MICHAL GLOWACKI – University of Warsaw (20th and 21st September)

Creative and Media Industries Clusters

On the first of his two lectures at CREI-MA, Michal Glowacki looked at the interplay and relationship between the creative sectors and the media industry clusters. His talk was largely based on his own in-depth research on this topic. The speaker started his presentation by referring to the functions and goals that make the cluster effect work in practice. He also aimed at answering the following key questions: "What makes the clusters successful? Is there a future for the media as a part of the creative clusters?"

In relation to the models of creative industries clusters and the media, Silicon Valley is still seen as a primary model. Many parts of the world tried to replicate it. However, according to some authors, there seems to be an erosion of this primary model. An example given by Michal is London, which managed to fuse traditional media companies with technology companies within its creative clusters. Therefore, London serves as the primary example of this blending at the European level. According to him, there is no universal model that can be applied when it comes to the relationship and interplay between the media and the creative clusters. Within that interplay, the media serve

as a catalyst for the creative industries and activities; the creative clusters need the media. Therefore, the distinction between the media clusters and the creative clusters is blurred and they should be seen as one.

Afterwards, Glowacki provided some examples of how media clusters can work in association with accelerator programs and startups, along with universities. For instance, one case of such cluster is the Boston region, where Harvard and the MIT work in close relation to the local media. Another important example lies in the media clusters in Brussels, that have been thoroughly investigated, consisting of very diverse media institutions that gather together. In the case of Estonia (a very small Baltic state), the whole country can be seen as a cluster. Within his research, 10 cities with high technology clusters were analysed in order to map best practices; among them are the cities of Toronto, Boston, Austin, Detroit, Vienna, Copenhagen, London and Brussels. The methodology applied was based on grey literature and semi-structured interviews conducted with local politicians, academics and media professionals. An important conclusion is that the way these creative clusters function will differ according to local cultures and traditions. For instance, the Boston-based Cambridge Innovation

Center hosts many different activities and a co-working space, aiming at supporting young entrepreneurs and startups; also making a strong connection between local universities and creative industries. However, all of it follows a very commercial logic.

Among the relevant findings of Glowacki's research there seem to exist some important factors for the success of the creative media clusters, such as their infrastructure, an existence of a convenient network of public transports (hence, the importance of the cluster's location within a city), the leisure ('after-work') and community culture, the ability to think beyond the traditional business model and the connection of creative media clusters with local communities at the neighbourhood level.

Public Service Media and Creative Media Clusters

On his second presentation at CREIMA, Glowacki approached the issue of the Public Service Media (PSM) in relation to the Creative Media Clusters. The expert also presented possible innovative solutions for the future and sustainability of the PSM. He began his talk with the key question: "why do we need the media?" According to Glowacki, the media and especially the PSM provide a service that social media can't replace in terms of its contribution to citizenship, democratic consolidation and transparency. Therefore, the media are connected with democratic values and it has to support a democratic vision. One of the key goals of his research was to investigate the drivers and obstacles currently faced by the traditional media in order to become part of the creative media clusters, but also how the PSM is becoming more adaptable to address the interests of young audiences and serve the public in the 21st century.

Moving on to the next part of his talk, Glowacki provided a short history of the PSM (focusing on radio and television broadcasting), that emerged as a state monopoly, even if they initially were in private hands in some countries. During the 1920s and 1930s, the State saw the potential of the media to inform and educate the people. This monopoly lasted for a long time. The UK was the first country to open its market for independent television in 1954. Afterwards, the emergence of private media firms started to challenge the PSM model; nowadays, with the ongoing 4th revolution, the media institutions are being challenged by the machines, as can be seen with the ever-growing importance of data-driven analytics. Glowacki mentioned that the legacy media professionals he interviewed didn't really know what the impact of automated journalism will be.

Based on his field research, Glowacki assured that one of the biggest goals for the future of PSM is to change and innovate their own organizational structure and culture, which sometimes still operates under an old-fashioned infrastructure. These findings have led him to investigate the new types of media-making. "Google is not only a search engine, it is everywhere; it has become an active player to enhance and foster entrepreneurship." Glowacki mentioned. He provided the example of Google campuses that exist all over the world, as a new way of media making which is not only focused on producing broadcast pieces. Instead, they organize many different conferences and pitching sessions, functioning like a co-working space, where one can rent his/her own desk and contribute to the things that Google does. Furthermore, at the Google campus in Warsaw, the local director doesn't have his own office, instead he works next to the open space and interacts with people. Curiously, despite having a very

different environment and way of working, the people interviewed at Google said that they were actually doing the same thing as the PSM, by following the same goals towards society and serving the public needs.

According to Glowacki, local media is the future and it can also be an alternative model for the PSM. Therefore, the media need to get closer to local communities and serve the public in a more community-driven fashion. One of the benefits of having a PSM, whether at a national or a local level is in its contribution to media pluralism and

independence. In order to be successful and sustainable, the PSM should be innovative, diverse and accountable, always aiming to keep the public and civil society at the core of its activities. Glowacki claimed that a huge problem posed to the PSM lies in its institutional and organizational approach to media-making. It can be changed and adapted to a more fluid structure, which can encompass a public co-working space or the creation of a public service search engine (a BBC search engine, for instance), so that people can understand the public service value of these institutions.



JAMES BREINER – University of Navarra (20th September)

How to Build Media Credibility and Sustainable Value in the Post-Truth Era

On September 20th, Dr. James Breiner from the University of Navarra gave a speech titled “How to build media credibility and sustainable value in the post-truth era”.

In the beginning of his speech James Breiner talked about targeted advertising. He used a cartoon to illustrate how media follows one’s interests. Breiner said that “targeted advertising, done by technological platforms, is basically destroying the news business model...” This is why financing print publications with advertise-

ment failed. Breiner reinforced this point by stating that “advertising as a funding source for the news, for the news that matters, is basically dead...”.

Understanding that, general and untargeted advertisement makes no longer sense concerning the widespread digital presence. In connection to that, James Breiner pointed at two global trends: publishers are pivoting towards users and users seek trustworthy information. James Breiner argued that publishers are pivoting toward users because they realize they “don’t have a future using advertising to fund high quality journalism”, so they have

to “go back to the users”. However, Breiner reminded that “when you go back to the user you’re talking about a different kind of journalism, it can’t just be celebrities and sports figures and sex scandals. That’s still a good business, but it’s not a good business for serious news.” Facing the increasing number of sensational news, aiming for the ‘clickbait’, and the rise of fake news, users seek trustworthy information. James Breiner said that “because there is so much junk in the social media and 24-hour television, people are looking for trustworthy, relevant to their lives.”

According to Breiner, these two trends lead to the ten new paradigms for digital news media. It also concerns “how news media have to think about and develop their products based on the new reality”. Those paradigms are:

- Community rather than audience;
- Users first: investors and advertisers second;
- Relationships rather than scale;
- Quality rather than quantity;
- Public service rather than for-profit business;
- Social capital rather than financial capital;
- Members rather than subscribers;
- Niche media rather than mass media;
- Rebirth of personal media: email and blogs;
- New genres spawned by new technologies.

Following the previously mentioned paradigms, James Breiner reinforced them with some examples of digital investigative journalism outlets, where followers/partners/backers pay a yearly fee to support journalists’ activities. It connects to what Breiner mentioned before about the importance of community rather than audience. This financial support allows these

outlets to be independent and free from advertisers’ pressure. Breiner clarified that in the following way: “This is not a commercial relationship, this is not a ‘you pay me, I’ll give you news.’ This is a relationship ‘we are interested in your needs and we are going to try to satisfy your needs, and we are going to try to help solve the problems that you’ve seen. We are going to cover news that the big media aren’t covering, and that’s our value proposition.”

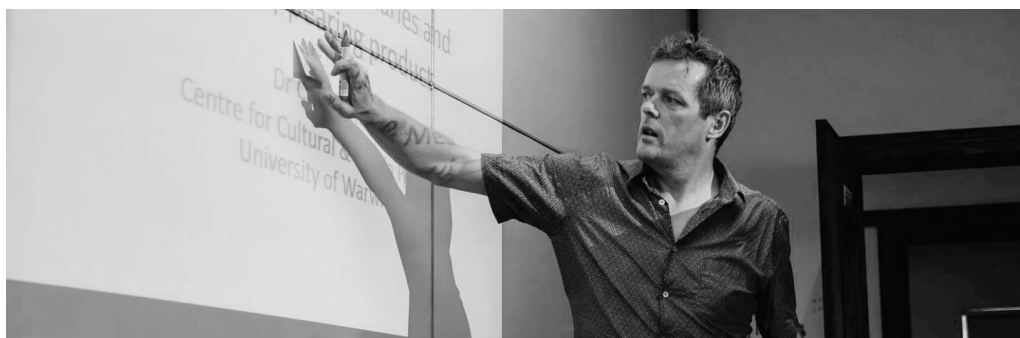
One of the examples given by James Breiner was Aristegui Noticias, a Mexican public service media, which, according to Reuters Digital News Report 2017, is more accurate than CNN, TV Azteca or El Universal. Breiner highlighted Aristegui Noticias’ level of engagement and loyalty, which allows them to have a stronger online presence (percentage of weekly usage) than other for-profit media businesses.

James Breiner ended his first speech by tackling the issue surrounding gender diversity of the management teams of Latin American digital native firms. Using some numbers from SembraMedia.org as a data source, Breiner showed that female directors and founders are present in 59% of all media, while 15% of media have only one female manager or their management teams consist entirely of women.

On September 21, James Breiner gave a second lecture called “They seem like dirty words, but journalism entrepreneurs need to say them”. In his speech, he talked about the urgency for journalists to see the entrepreneurial side of the profession. For this reason, James presented some points about the future of the industry. So, as part of the entrepreneur spirit, journalism must be seen as a business which means that journalists need to pay attention to several other areas apart from just telling stories.

The 'dirty' words, that James Breiner highlighted, are as follows: money, business, marketing, customer, advertiser, profits, monetize. These words are seen as some sort of subversion of an activity considered

to be a public service and its values, namely, pluralism. However, the more journalism relies on entrepreneurship, the more these words have to be updated and adopted for the sake of running the business.



CHRIS BILTON – University of Warwick (21st September)

Rethinking the Value Chain: The New Intermediaries and the Disappearing Product

Chris Bilton began his lecture by establishing and defining the different stages of the value chain of creative products and services: origination, development, production, marketing and distribution. A product often ends at its development stage (e.g.: film industry). The marketing stage is increasingly becoming more and more important. The distribution has radically changed due to the intervention of the big tech intermediaries. It happens in a world where record shops are disappearing and old companies like Blockbuster (the former rival of Netflix) disappeared altogether. According to Chris, the value of creative content is inherently related to what it makes a user/consumer feel. Therefore, the value of any given product/service is created only at the point of consumption.

During this presentation, the value chain was divided into two main zones: the highly uncertain zone of risk, which comprises

the stages of origination, development and production, but also implies a lower financial investment; and the zone of exploitation, which includes marketing, distribution and consumption, implying a higher financial investment and lower uncertainty. According to Chris, creative industries is a very risky sector, in which artists are not well-paid, the development stage is particularly risky because of high uncertainty of the outcome: one cannot know if a product or service has value until it reaches the consumer. In addition to that, there is no strict correlation between production and consumption, it varies.

The new intermediaries such as the big tech companies like Facebook, Apple, Amazon, Netflix and Google (FAANG), have completely changed the industry structure over the last 20 years, displacing the traditional distributors. Another huge change brought by these intermediaries is that the product and content has become less important, contrary to the consumption and time. Therefore, these big tech companies have

changed the way and context in which people consume culture. Context has become more important than content, in the words of Chris: “At the moment, content is not king, it is not the answer, context and the products surround, all that happens around the content it becomes where value really lies, so how and with whom and where you consume something becomes important.”

After briefly referring the issue of the definition of creative industries, Chris reiterated that the value of any creative product or service depends on interpretation, which can be quite challenging from a business perspective because it is totally up to the consumer to define what is valuable and what is not. The social experience of consumption has become quite relevant too. There is a downside to it as well, as people don't value content and expect it to be free. In turn, it affects the earnings of authors and

artists, which is usually quite low, especially in comparison with the massive earnings of these big tech companies that actually surpass the GDP of some countries.

Chris ended his presentation on a positive note claiming that small and medium creative enterprises have some things going for them. Therefore, according to Chris, they can overcome the challenges posed by the big tech companies' *monopoly*. For instance, the experience of buying a CD from an artist after a gig can be more rewarding than ordering it on Amazon. The same goes for going to a physical bookshop and talking to someone about books, instead of simply relying on Amazon's book recommendations. There is a way of establishing a closer relationship with users and fans, that can't be achieved by the tech intermediaries, and it is a niche that small and medium creative enterprises can certainly conquer.



MARK DEUZE - University of Amsterdam (21st September)

Making Media: Production, Practices, Professions, The Book Presentation

On September 21, on the last day of the event, Mark Deuze from the University of Amsterdam presented his book. He also shared insights about media and journalism and summarized key ideas of the people he had interviewed or worked with.

Mark Deuze began with saying that there is a “lack of studies that show how the media industries work from the inside out. Media research as a discipline was primarily interested in the content of media and its reception by audiences, but the production seems sort of a professional ‘thing’, and it doesn't really influence what people get from the media (...)”. However, Deuze

also pointed out that there has been a lot of production work in the past ten years, and corresponding to that production, research has also thrived. Mark Deuze numbered some recent academic books about media production and highlighted Chris Bilton's *The Disappearing Product*, which had actually been presented earlier on that day at CREIMA.

Afterwards, Deuze presented some books of his own about media industries. While trying to articulate what all media industries have in common, Mark Deuze said that most books about this topic are the same, as they address similar issues:

- "Where is my audience and why don't they pay for my work anymore?"
- What am I going to do with digital?
- My business model used to be relatively stable and now it's all over the place.
- There are younger people who want to do my job for free."

Mark points that these are common issues, but all these industries came up with different solutions based on their own cases. For example, game industry appears to be incredibly effective in dealing with its audience, while the news industry is terrible at engaging its audience. It means that they can learn from each other and that was the point of the first book *Media Work*, based on 600 interviews with media professionals in four different countries.

Mark follows to his soon-to-be published book called *Making Media*, in which he tackles eleven themes that are: collapse, hybrid, affordance, technology, data, power, flexibility, precarity, affect, agency and entrepreneurship.

- Collapse – "Overall, we see an ongoing convergence of different domains, sectors and disciplines within and across the creative industries, bringing new challenges for managing media firms, business models and production processes"

- Hybrid – "Media products are becoming increasingly hybridized and are thus difficult to place into categories that can be isolated and therefore effectively managed"

- Affordance – Refers to cheaper and user-friendly technologies that offer new opportunities for digital innovation and creative potential while giving one access to a truly global market;

- Technology – Over the past twenty years consumer electronics was replaced by information technology as the most powerful sectoral force shaping how music and culture are mediated and experienced. It also gave rise to the new publishers;

- Data – A focus on big data and how it helps offering user-generated content and consumer engagement;

- Power – Content creation is no longer for professionals only, users also create;

- Flexibility – A key governing principle in media work: flexibility in the management of the organization, the workforce, work schedules and remunerations/rewards systems;

- Precarity – The change in labor conditions affects the life/work balance and brings uncertainty;

- Affect – How we relate with our creations and how we balance those feelings while trying to bring products to the market;

- Agency – Organized networks represent freelancers and negotiate with companies to secure better rates for freelancers and cheaper working spaces for companies;
- Entrepreneurship – The rise of entrepreneurship as an individual solution to overcome systemic problems;

Moving on talking about new media, Mark Deuze presented some insights over a five-year project he had embarked on in 2013, entitled *Beyond Journalism*, where he charts “the development of news startups around the world seeking to understand the ways digital journalism takes shape in the context of new organizational forms and new operational practices.”

The book *Beyond Journalism* is a recognition of what it takes to be truly independent in journalism. In an interview with several journalism startups, it is what they have in common and recurrently came up during the interview:

- How they deal with precarity;
- How they make it work;
- Why they do what they do.

They deal with precarity the same way they deal with money they make, and the same way they pay their journalists, as there are many who pay very little. How they make it work is complicated, as very few actually make it work (some of the startups studied at the time no longer exist today), but the key point seems to be in being creative and flexible with how they combine their sources of revenue. Finally, why they do what they do is about digital belief, a belief that the internet will empower journalists, allowing them to set free from legacy institutions and become independent. Also, independent journalists working togeth-

er is important for economic survival and sustainability. The cultural side of this independence is the freedom to pursue any stories they want and actually do good quality work. From the social standpoint, working together helps fighting social isolation, which is a side-effect of working as an independent journalist.

Mark Deuze ended his lecture by referring to two online projects, Journalism Elsewhere (journalismelsewhere.org), which is a network of scholars trying to study journalism outside its typical boundaries, and Multiple Journalism (multiplejournalism.org), which is a field guide for independent journalists.

Conclusion

In this report, we aimed at summarizing the key lectures held at CREIMA, in which relevant research findings and solutions were presented regarding the future of the media and creative industries. Within this report, we also aimed at reaching a wider audience interested in these relevant topics and help this audience gain fresh insights offered by academic experts.