

MEDIA KNOWLEDGE CONSUMERS PROTECTION

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Abstract

Complex and interdisciplinary researches demonstrate today, more powerful than ever, that we live in a knowledge-based society, a society in which the production, distribution and consumption of knowledge are fundamental processes. Land, labor and capital, the production factors that characterized previous societies, have been replaced in the macroeconomic indicators hierarchies by intellectual capital. Knowledge-based economy means not only the development of knowledge production and distribution, but also knowledge consumption. The new class of workers, the knowledge workers, signaled by Peter Drucker a few decades ago, led to the development of a new class of consumers: knowledge consumers. From the wide class of knowledge consumers we will focus our attention on media knowledge consumers, respectively press and audiovisual media.

The main purpose of this paper is to demonstrate the necessity of the conceptualization of this important class of consumers and to formulate a series of requirements for their protection. Having in mind the main purpose of this paper, we conducted a series of researches on two fundamental dimensions: a) the gathering of media information and knowledge from the most important newspapers and TV channels from Romania; b) the estimation of the degree of awareness of media knowledge consumers' protection among members of the Romanian Parliament, members in charge of legislating in our country. This paper presents the results of the first series of researches, on the two above mentioned dimensions.

Keywords: knowledge, knowledge consumers, consumers rights, media knowledge suppliers, knowledge consumers' protection

JEL Classification: I18, K20, K32, M14, M21

Introduction

In strategic thinking, the central idea of every business is that of creating value for the consumer through the products and services offered. Differentiating from competitors through novelty, quality, uniqueness and consumer focalization, the companies are making sustained efforts to create competitive advantages (Dess, Lumpkin & Eisner, 2006; Mathur

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& Kenyon, 1998; Porter, 1985). As Peter Drucker said “a business is not defined by the company’s name, statutes, or articles of incorporation. It is defined by the want the customer satisfies when he buys a product or a service. To satisfy the customer is the mission and purpose of every business” (Drucker, 1993, p.79).

In the analysis of the competitive external environment, Michael Porter underlined the power of negotiating with the consumers, to better satisfy their demands. Competitive advantage is build with the main objective to create value for consumers:” competitive advantage grows fundamentally out of value a firm is able to create for its buyers that exceeds the firm’s cost of creating it. Value is what buyers are willing to pay, and superior value stems from offering lower prices than competitors for equivalent benefits or providing unique benefits that more than offset a higher price” (Porter, 1985, p.3).

Consumer focalization and the creation of value to satisfy the wide horizon of expectations are the main forces that lead to a competitive advantage. Even if these elements are essential to creating successful strategies, short term thinking centered on profit maximization dominates the operational management thinking. Unfortunately, profit maximization is centered on economic efficiency and financial thinking and not on consumer satisfaction. Many times, profit maximization leads to violation of ethics in business, with negative consequences on consumers (Campbell, 2007; Scherer & Palazzo, 2007). As a normal reaction to these actions arose the need to recognize the fundamental rights of the consumers and to create legislation for their protection. The same idea was developed by John F. Kennedy in a 1962 speech where he underlined the importance of acknowledging the four fundamental consumer right: safety right, the right to choose, the freedom of speech and the right to be informed. Even since, many countries enforced and implemented specific consumer protection legislation. In Romania, Government Legislation no. 12/1992 concerning consumer protection, establishes as institution with primary objective the consumers’ protection National Authority for Consumers’ Protection. The institution has the role of legislating in the field and ensuring the legal framework for a high level of consumer protection.

1. Knowledge consumers

Peter Drucker, considered among the thinking pioneers in economic and management fields of activity, inferred a few decades ago the importance of knowledge and knowledge workers in the new economy of the 21st century (Drucker, 1993; Drucker, 2001). For the 20th century the main management contribution was the increase by more than 50 times the productivity of *workers*, and thus for the 21st century the main management contribution will be the same increase but in the productivity of *knowledge workers*. ”The most valuable asset of a 21st century institution, whether business or nonbusiness, will be its *knowledge workers* and their *productivity*” (Drucker, 2001, p.135). Drucker’s inferences became reality. In the 21st century knowledge becomes essential element in economic, scientific, technological, social, cultural and political development of developed and emergent economies throughout the world (Davenport & Prusak, 2000; Debowsky, 2006; Florida, 2002; Florida, 2007; Roos, Pike & Fernstrom, 2005; Roşca, 2006). ” Nowadays, we are in the first phases of the knowledge revolution. The products and services are, from the point of view of knowledge, more intensive. This is why the boundaries among products and services become more and more difficult. Knowledge tends to be the main

characteristic of numerous activities, even more than the products or services resulted from these activities" (Nicolescu & Nicolescu, 2005, p.19).

The natural consequence of the development of this society is a new class of consumers: *knowledge consumers*. The novelty of this idea may generate denial reactions. To obviate this reaction, we evoke that Government Legislation no. 21/1992, concerning consumer protection, amended and approved by Law no. 11/1994, standardize distinctively the concept of consumer. According to this law, article 2, paragraph 2, the consumer is „the natural person that acquires, employs or absorbs as final addressee, products or services rendered by economic agents". Government Legislation no. 21/1992 was amended by Government Legislation no. 58/2000 which was further approved and amended by Law no. 37/2002. This final law redefines at article 2, paragraph 2 the concept of consumer: „any natural person or group of natural persons established as association, that acquires, employs or absorbs products of services, outside the professional area". Thus, every person that reads newspapers and follows newscasts or informative shows at radio or television is consumer of media information and knowledge. For the fluency of this text, we shall use from now on, the synthetic form of *media knowledge consumers*.

Compared with the other classes of products and services offered to the consumers, knowledge can also have negative effects onto the consumers. Like nutrients processed in inadequate conditions or consumed after their fall in period that can produce nutritional intoxications, so can knowledge have negative effects on consumers in certain conditions. Due to the wide coverage of knowledge consumers' class, we will focus our attention on media knowledge consumers, respectively press and audiovisual media knowledge consumers. Press and audiovisual intoxication is nowadays a common practice throughout the world, and its intensity increases in periods with dense political events, such as political campaigns. In this context two fundamental questions arise: a) is it necessary the media knowledge consumer protection? b) if so, how can it be done? In the following paragraphs we will present the results of our research concerning the above questions.

2. Research methodology

For this research we considered three important phases. The first phase consisted of statistical research concerning the press in order to identify: a) the content of the publications spectrum; b) the circulation of these publications, to establish the extension of the media knowledge consumers group; c) the rankings of the most important newspapers in the country, based on their circulation. The second phase consisted in monitoring for a working week top five newspapers from the hierarchy established in the first phase and three newscasts of top TV channels, in order to evaluate the level of injuriousness of the news presented. In the third phase, a series of semi-structured interviews with Parliament Members were conducted in order to evaluate the necessity of establishing media knowledge consumer protection legislation.

The main hypotheses for this research were:

H1. In the last decades, the number of media knowledge consumers grew exponentially due to the press and audiovisual spectrum diversification, as well as the increase of internet's role in population's everyday life.

H2. The news with dominant negative character contributes significantly to the formation of a negative thinking pattern among the media knowledge consumers.

H3. The quantitative increase of negative news, combined with the increase in intensity of the emotional message of the news, implies an increase of the injuriousness onto the media knowledge consumer.

H4. The increase of the level of injuriousness onto media knowledge consumers implies the conceptualization of their protection, in close connection with the fundamental rights of the consumers.

H5. One of the directions to be taken in order to complete this protection is the legislative one.

To estimate the population of press knowledge consumers we used a series of statistics published by specialized institutions. Because our attention focused on top most read daily newspapers, we present in table no. 1 details concerning the circulation of these daily newspapers in January- September 2009, and an estimate of the average number of readers realized by SNA FOCUS in July 21, 2008 – July 19, 2009. The table presents average number of readers per issue for each publication, reported to the whole population of 8,936,971. The population consists of persons that live in the urban environment, with age ranging from 14 to 64 years. For this study 325 Romanian cities have been considered, including Bucharest.

Table no.1: Statistics concerning press consumers

Daily newspaper	Circulation			No. of readers per issue
	Minimum	Maximum	Average	
Adevărul	81,388	150,061	120,634	517,000
Evenimentul zilei	45,109	54,854	50,523	544,000
Gândul	21,935	27,984	25,667	247,000
Jurnalul Național	69,251	111,000	81,602	698,000
România Liberă	53,777	63,000	60,151	254,000

Source: Biroul de Audit al Tirajelor, *Comparator cifre de difuzare*, <http://www.brat.ro/index.php?page=compare> [Accessed 10 January 2009]

Table no. 1 last column's values are obtained as a result of the readers' multiplication effect and of internet effect, where free access digital issues of these daily newspapers are being hosted. It may be interesting to note that the number of internet users in Romania increased in 2009 to 7,430,000, representing 33.4% of the total country population. The values from this last column give new dimensions to the media knowledge consumers that are in constant expansion.

Table no. 2 presents the average audiences per day of top TV channels, in urban environment, in 2009 and 2008.

Table no.2: Statistics concerning average audiences per day of TV channels, in urban environment

TV Channels	2008		2009	
	Viewers	Rating	Viewers	Rating
Pro TV	298,000	2.6	337,000	2.9
Antena 1	205,000	1.8	260,000	2.3
Realitatea TV	108,000	0.9	141,000	1.2
Acasă	162,000	1.4	120,000	1.0
TVR 1	106,000	0.9	104,000	0.9

Source: <http://www.paginamedia.ro/2010/01/audientele-anului-2009-pro-tv-ramanelider-realitatea-urca-otv-aluneca-in-top/> [Accessed 10 January 2010]

The values from table 2 regarding TV channels average audiences per day include only the results from the population in urban environment. If we take into consideration the whole population, including the rural environment too, the values will be highly amplified. The magnitude of these audiences evidences distinctively the importance of the media knowledge consumers' class and the implication of the negative news onto this class. This validates the first hypothesis of the research.

3. Press and audiovisual news monitoring

Part of the second phase of this research was the monitoring of top five daily newspapers in Romania according to the official circulation, for a working week: Monday, January 11, 2010 – Friday, January 15, 2010. The daily newspapers used for this research are: *Adevărul*, *Evenimentul zilei*, *Gândul*, *Jurnalul Național și România Liberă* (Table no. 1). The news was rated according to its content as positive news (P) or negative news (N). The impact level was established according to the magnitude of the characters used for titles: very high impact (VHI), high impact (HI), and normal impact (NI). For each of these impact levels we considered the following impact coefficients: 5- for very high impact; 3- for high impact; and 1- for normal impact. The total number of equivalent news (TNEN) per daily newspaper was calculated using the formula:

$$TNEN = 5 * VHI + 3 * HI + 1 * NI \quad (1)$$

From the analysis of tables no. 3-7, the following conclusions can be drawn:

- The news with a negative content systematically outnumbers the news with a positive content in top five most important daily newspapers.
- The percentage, as a daily average, of news with a negative content is in most cases over the value of 65%. This represents an obvious level of injuriousness for the news consumers.
- The newspaper *România Liberă* is a powerful negative thinking generator, due to the high percentage of negative news, percentage that exceeds the average value of 83% and has a maximum value of 93%. It is almost incredible to think that 93% of the content of the items published by a national daily newspaper is negative!

Calculating the daily average mean of the negative news from the monitored working week for each daily newspaper we have: *Adevărul* (71.4%), *Evenimentul zilei* (79.6%), *Gândul* (67.3%), *Jurnalul Național* (69.0%) and *România Liberă* (83.9%).

Table no.3: Daily newspaper Adevărul statistics

Weekdays	VHI		HI		NI		TNEN	
	P	N	P	N	P	N	P	N
Monday	2	6	12	22	6	20	52(30.9%)	116(69.1%)
Tuesday	2	13	12	25	18	18	64(28.8%)	158(71.2%)
Wednesday	3	14	8	25	7	23	46(21.5%)	168(78.5%)
Thursday	7	14	9	18	15	21	77(34.6%)	145(65.4%)
Friday	7	12	5	27	9	25	59(27.4%)	156(72.6%)

Table no.4: Daily newspaper Evenimentul zilei statistics

Weekdays	VHI		HI		NI		TNEN	
	P	N	P	N	P	N	P	N
Monday	4	7	4	10	12	6	44(38.3%)	71(61.7%)
Tuesday	3	9	1	14	8	8	26(21.5%)	95(78.5%)
Wednesday	3	7	0	15	8	10	23(20.4%)	90(79.6%)
Thursday	2	10	1	18	4	19	17(12.2%)	123(87.8%)
Friday	1	11	2	21	3	14	14(9.6%)	132(90.4%)

Table no.5: Daily newspaper Gândul statistics

Weekdays	VHI		HI		NI		TNEN	
	P	N	P	N	P	N	P	N
Monday	5	11	6	11	4	3	47(34.1%)	91(65.9%)
Tuesday	5	13	6	14	4	3	47(34.2%)	110(65.8%)
Wednesday	5	12	4	15	2	4	39(26.4%)	109(73.6%)
Thursday	4	16	7	14	3	5	44(25.7%)	127(74.3%)
Friday	9	14	10	10	2	2	77(43.1%)	102(56.9%)

Table no.6: Daily newspaper Jurnalul Național statistics

Weekdays	VHI		HI		NI		TNEN	
	P	N	P	N	P	N	P	N
Monday	5	11	6	11	4	3	47(34.1%)	91(65.9%)
Tuesday	5	13	6	14	4	3	47(27.4%)	125(72.6%)
Wednesday	5	12	4	15	2	4	39(24.7%)	119(75.3%)
Thursday	4	16	7	14	3	5	44(25.7%)	127(74.3%)
Friday	9	14	10	10	2	2	77(43.1%)	102(56.9%)

Table no.7: Daily newspaper România Liberă statistics

Weekdays	VHI		HI		NI		TNEN	
	P	N	P	N	P	N	P	N
Monday	2	8	5	14	12	10	37(28.7%)	92(71.3%)
Tuesday	2	6	6	16	7	19	35(26.5%)	97(73.5%)
Wednesday	0	10	2	23	3	7	9(6.7%)	126(93.3%)
Thursday	1	8	0	16	2	21	7(6.1%)	109(93.9%)
Friday	0	8	2	10	6	14	12(12.5%)	84(87.5%)

Taking in consideration the fact that the period in which the research was done does not have extraordinary political events, we can easily foresee the increase of the negative news and published issues in a period with intense political events, such as parliament or presidential elections. In a psychological perspective it can be easily foreseen the systematic process of providing negative news to the consumer in order to create an addiction. The addiction is similar with that of a drug, no matter if it is smoking or alcohol consumption. The supremacy of news with a negative content contributes to a *negative thinking*, which has severe behavior consequences. The constant undermining of positive thinking leads to a decrease in a person's own-strength and to a general trend to consider oneself defeated before even going to battle the resistances that stand in one's objectives. Positive thinking is a fundamental premises for the development of a strategic thinking (Brătianu & Murakawa, 2004; Kaufman, 1994; Ohmae, 1982), and its erosion means the erosion of the power to build a better future.

The same period was used to monitor the newscasts from top TV channels: *Pro TV*, *Antena 1* and *Realitatea TV*. Because the newscasts are broadcasted at proximate hours on different TV channels the possibility of encountering the same news is very high. For that reason we monitored the newscasts broadcasted at different time intervals, the morning news on Realitatea TV, the afternoon news on Antena 1 and the evening news on Pro TV. Table 8 presents the results of the research. For this table the following notes were made: P – number of positive news; N- number of negative news and T – total number of news per newscast.

Table no. 8 analysis leads to conclusions convergent with the ones presented above for the press analysis. There is though an important distinction. The news broadcasted on TV channels goes with images that awaken emotions. Last decade research proved that the impact of emotional knowledge is far more powerful than the impact of cognitive emotions (Hill, 2008; Kotter & Cohen, 2002; Nonaka & Takeuchi, 1995). So, 84.2% negative news dominance for Realitatea TV has a higher impact onto the consumer than a similar percentage in press. Newscast knowledge consumers are daily facing an incredible pressure of positive thinking erosion. Thus, it can be considered that the level of pollution or informational injuriousness has exceeded the protection limits of a healthy marble done. In a knowledge-based society the informational injuriousness becomes inadmissible, and the society must create educational mechanisms accompanied by legislatives ones to realize a coercive and effective media knowledge consumers protection. In the same time, media should contribute to the development of a positive psychological capital (Luthans, Avey & Patera, 2008).

Table no.8: Statistics concerning newscasts monitoring

	Pro TV			Antena 1			Realitatea TV		
	P	N	T	P	N	T	P	N	T
Monday	5	24	29	8	12	20	7	21	28
Tuesday	3	18	21	3	18	21	1	15	16
Wednesday	9	14	23	6	13	19	3	22	25
Thursday	7	17	24	8	14	22	3	20	23
Friday	7	18	25	10	9	19	4	18	22
Monday	31	91	122	35	66	101	18	96	114
%	25.4	74.6	100	34.7	65.3	100	15.8	84.2	100

4. Interviews with members of the Romanian Parliament

Among the qualitative research there are a series of semi-structured interviews with 20 members of the Romanian Parliament, out of which 6 senators and 14 deputies. It is interesting to be seen the way in which the Parliament members are aware of the need to protect media knowledge consumers. The interview had 4 questions and a free discussion concerning the necessity of legislation to protect the media knowledge consumers. The 4 generic questions were:

1. Do you estimate that the number of media (press and audiovisual) information and knowledge consumers increased in Romania in the last years:
 - a) no increase
 - b) slight increase
 - c) high increase
2. Do you think that at this moment there is a protection of the media knowledge consumers as there is - for example - for nutrient consumers?
 - a) inexistent
 - b) existent but insufficient
 - c) existent and sufficient
3. If the answer to the previous question was inexistent or existent but insufficient, do you think a protection for this class of consumers would be necessary?
 - a) yes
 - b) no
4. Media information and knowledge consumers protection should be legislated by:
 - a) law
 - b) Government Legislation
 - c) legislations at inferior levels

The first question's purpose was to estimate the perception of the interviewed regarding the high increase of the media knowledge consumers. Out of the 20 respondents 7 answered that the number of consumers had a slight increase while 13 answered that the media knowledge consumers' number increased very much. This aspect illustrates the way certain problems become of legislative interest or not. In our case there is an obvious awareness of the high increase of this category of consumers.

The second question's purpose was to estimate the awareness of the existent legislation concerning media knowledge consumers' protection. Fourteen out of the total respondents answered that the legislation for this category of consumers is inexistent while 6 answered that the legislation exists but it is insufficient. The answers converge to the idea that the existent legislation for consumers' protection is insufficient to satisfy the demands of this new category of consumers, media knowledge consumers. For that reason, third question's purpose was to distinctively identify the position of the Parliament Members towards the need to such legislation. But for one, all the respondents considered that there is a need for such legislation. The argument of the person that disagreed with the need of legislation in this field was that this class of consumers is formed by intellectual persons that can defend themselves. Those that can defend themselves are very few because of the inability of our educational system to develop critical thinking or a values spectrum that could realize an efficient protection against the injuriousness of negative news both in press and in audiovisual channels.

The fourth question' purpose was to identify the most appropriate level of legislation that could contribute to the protection of knowledge consumers. The answers were as follows: 10 were for reinforcing a law, 1 for Government legislation and 8 for legislation at inferior

levels, such as minister orders or governmental specialized agencies, among which *National Agency for Consumers Protection* and *National Audiovisual Council*.

The free discussion part of the interviews focused on certain aspects freely expressed and argued by the 20 members of the Romanian Parliament. Two ideas were underlined repeatedly. The first one referred to the fact that through Law no. 504/2002, with the amendments that followed, was created the *National Audiovisual Council*, which could contribute to the protection of media knowledge consumers, but unfortunately this desideratum is not realized. The second idea referred to the fact that the above mentioned law and other legislations of this institution focused only on child's protection. For example, article 39, paragraph 1 from the audiovisual law states: "*It is forbidden the broadcast within television and radio channels of programs that could severely affect the physical, mental or morale development of children, especially programs containing gratuitous violence or pornography*".

Conclusions

Researchers from all scientific fields demonstrate that the society we are living in is more and more a knowledge-based society, a society where knowledge becomes the most valuable capital for any business. Once with the development of the products and services based on knowledge, more and more products and services entirely build on knowledge developed, such as, the news published in press or broadcasted over TV channels. Their existence is equivalent with the existence of media knowledge consumers, a new class of consumers that expands significantly yearly.

The present research aimed to demonstrate that the magnitude of the media knowledge consumers class highly increased over the last years and that the society must create a legislative system to protect them from the injuriousness of negative news from press and television. For this purpose we monitored top five national daily newspapers and the newscasts from the most important TV channels, for a week. The results show that the negative news frequently surpasses 70% of the total amount of news, which is a clear indicator of the high level of injuriousness for the consumers, and the undermining of positive thinking in the detriment of negative thinking. The research also comprised a series of 20 interviews with members of the Romanian Parliament to estimate the degree of awareness of the need of legislation in this respect. The answers confirm our point of view. The statistical analysis and the interviews confirm the initial five hypothesis of this research. The final conclusion is that the new society needs a different view on the production and broadcast of news in order to reduce the injuriousness degree that negative news has on the media (press and audiovisual) consumers.

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