Making Sense of Mobile Media

Institutional Working Notions, Strategies and Actions in Convergent Media Markets

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Abstract

This thesis is a study of how established institutions within the media and telecom industries act in times of change, using the first decade of the 2000s as its time frame. As an emerging field that has inspired high expectations but also much uncertainty, mobile media has been a leading subject of scholarly investigation. Located mainly within the management of technological innovation tradition, this thesis discusses how incumbent institutions, with their legacies from the traditional media and telecom industries, make sense of the mobile device as a media platform, as well as how they translate their perceptions into plans and actions. Furthermore, this thesis connects the development of mobile media to other, more far-reaching developments—technological, cultural and economic—within the media and telecom industries. Hence it considers how mobile-media perceptions and facilitations are related to the more general developments of media convergence, changing audience relations and challenging new-media business models. It concentrates on well-established institutions from the Norwegian media and telecom markets—the incumbent telecom operator Telenor, the public service broadcaster NRK, the tabloid newspaper VG, the commercial television channel TV 2 and the commercial radio channel P4 in particular.

This thesis relies upon a multifold definition of the term "strategy" and distinguishes further among strategies as plans, patterns and perspectives. Hence, it analyses not only what these institutions say they plan to do (and what they actually do) regarding mobile media but also the foundation of these decisions—that is, industry perceptions and working notions. The latter term is given particular attention in this thesis, because analyses of strategies as plans or patterns can mislead us into believing that the institution's decision-making processes are linear and rational and driven by well-documented goals and aims. On the other hand, studies that incorporate working notions—where different working notions compete and where the dominant working notion might even change over time—provide a more chaotic but ultimately more dynamic and realistic representation of reality. This thesis aims to substantiate why, and outline how, this is so.

Preface

This thesis is the result of a PhD project on mobile media initiated and financed by Telenor in 2006. During the project period, I have been involved in several research projects and networks, most importantly *Participation and Play in Converging Media* (PaP) at the Department of Media and Communication, University of Oslo. I have partaken in much collaborative work that has been important for this study.

Not surprisingly, the PhD project has changed over time, regarding both its subject and its conceptual framework. The project began with an interest in mobile media and the ways in which key industry players acted towards this emerging field. It took a detour to address media convergence, audience participation and new media business models more generally, before it again went back to the field of mobile media—now with the aim of combining these various elements in a study about how incumbent institutions perceived and facilitated change and innovation with mobile media as the chief subject of study.

The project is here presented as a so-called article-based thesis. It consists of two main parts: a "final" contribution (in Norwegian called "kappe", which could be translated as either "cloak" or "casing", in part I) and several articles (in part II). The article-based thesis is a relatively new genre in Norwegian media studies, and it is still working on finding its form. Although several other article-based theses do exist, no dominant style has yet presented itself. It is therefore not only a difficult format to write but also, most likely, to read, as it comprises several different texts, written at different times, with different scopes, in somewhat different styles. A few words of advice on how to read it might therefore be appropriate.

The final contribution is typically written last, yet it is presented first. It is intended to be more than an introduction; it is a metatext that is supposed to summarise the thesis, contextualise it, point to its main conclusions and present it as an integrated whole. It is based on analyses and findings from the articles, although these are presented afterward. Hence the final contribution involves the difficult tasks of both bringing together the overall research project as it has developed over time and elaborating upon the implications of its findings.

My final contribution consists of seven chapters, all presented in the first part of the thesis. Chapter 1 introduces the subject of interest, relevant research questions and theoretical framework, mainly from within the management of technological innovation scholarly tradition. Chapter 2 presents the research strategy and methodological foundation for the thesis. Chapter 3 gives a brief history of the Norwegian mobile media market, as it developed in the analysed period from 2000 to 2009. Chapters 4, 5 and 6 relate key mobile-media working notions, plans and actions to the more overarching tendencies of media convergence, changing user patterns and new media business models, respectively. Chapter 7 summarises key findings from the thesis and points to its theoretical implications.

The articles form the foundation for the final contribution and represent my main empirical investigations. They are all written with a dual purpose: to form the basis of the overall PhD project and be part of the thesis, and to be published as independent journal articles or book chapters. They have been written at different times and reflect therefore the various, somewhat independent stages of the PhD project.

Six research articles make up the second part of this thesis. Three of the articles are single authored (articles I, IV and V), and three are co-authored (articles II, III and IV). Article I analyses how and why the four selected media institutions accommodate mobile media through their WAP portals and argues that platform expansion strategies are driven by industry perceptions of media convergence. Articles II and III look at how executives in the Norwegian media industry perceive and accommodate audience participation, in particular via SMS and mobile technology; they thus relate mobile media to larger developments in audience participation. Article IV investigates how the public service broadcaster NRK perceives and facilitates mobile media in its *Rubenmann* project, addressing the broadcaster's working notions of the mobile phone as a media platform as well as its future in new media. Article V analyses how the telecom incumbent Telenor both perceives and approaches the mobile-media landscape using its mobile music and mobile football services as objects of study. Finally, article VI analyses how new media platforms—and the mobile phone in particular—can be addressed as "substitutes" capable of challenging existing media and telecom institutions and their business models.

As a new PhD genre, the article-based thesis has both benefits and challenges. On the plus side, it allows for the division of a larger project into more manageable parts, for co-writing and collaboration with others, and for journal publishing during the project period. On the minus side, it is clearly challenging to synthesise, as it consist of different types of texts, written at different times and with somewhat different purposes. Because I have been involved in a number of larger research projects, the benefits of the article-based thesis stood out as more profound than its challenges. Yet this thesis has been difficult to write nevertheless, in particular because both the article-based genre and collaborations with others tend to draw attention away from the core of an individual PhD project. Still, it proved true that learning how to collaborate and co-write with other and more experienced researchers while building on the cumulative knowledge of a range of research projects outweighed the challenging aspects of collecting various texts and then present them as a cohesive whole.

Acknowledgements

Contents

PART I. THE FINAL CONTRIBUTION

Chapter 1. Introduction

"Mobile media" has been a much-used buzzword since the mid-1990s, bearing great expectations for its novel ability to combine the best of both the telecom and the media markets in the name of innovative new services and business models (see, for example, IBM 2006, 2007a, 2007b, 2008; Informa Telecom & Media 2006; Orgad 2006). Many people in the business have related mobile media to the overarching tendency towards media convergence, stressing that the mobile phone could become a prime mover for new-media developments (see, for example, Nilsson et al. 2001; Gordon 2002; Hjorth 2008). Yet the development of mobile media—in this thesis understood as media content and services designed to be distributed to a mobile phone—has been far from effortless (or obvious). Many new services have seen only narrow delivery prospects, and profitable business models have seldom arisen from them (Wilson 2006). Furthermore, while some services have lived up to expectations (such as text messaging and some mobile applications), others have proven to be overblown (such as WAP and mobile television; see also Bohlin et al. 2004). Certainly it can be said that the development of mobile media has been a challenge for the many media and telecom institutions that have wanted to exploit the potential of this emerging market. Thus, aside from the advanced nature of these services and the sheer scale of their use, the concept of mobile media itself raises important general theoretical questions, as well as its fair share of industry dilemmas.

In light of this market complexity, the field of mobile media makes for a fruitful subject of scholarly research. First of all, it allows for the in-depth analysis of *established institutions in times of change*. As a new technology, it brings together different types of industry players, including well-established institutions from traditional markets (such as media and telecom companies) as well as new participants (such as mobile content providers). These different types of institutions draw from equally disparate strategies and interests that reflect their market position, their institutional legacies and their particular organisational culture (Miles & Snow 2003 [1978]; Nelson & Winter 1982; see also Hay 2006; Schein 2010). As such, the field of mobile media invites both competition and collaboration among its players (Van de Ven et al. 2008 [1999]; Chan-Olmsted 2009; see also Feldmann 2005; Groebel et al. [eds.] 2006). For established institutions with legacies from traditional markets, it is a uniquely fraught business arena.

Second, the field of mobile media invites analyses concerning how well-established institutions from traditional markets—telecom, broadcasting and the press in particular— *perceive the changes currently taking place*, and in particular how they make sense of the mobile phone as a new and potentially pivotal media platform. As an analytical term, "sense making" addresses meaning production within groups, organisations or society more generally (Weick 1995). Like studies of industry perspectives (Mintzberg 1998) or industry assumptions (Schein 1984, 2010), studies of sense making have been applied to organisations with regard to the ways

in which people attach meaning to experiences, frame them, and then, through a collaborative process, share their awareness and understanding of them (Weick 1995, 2001; see also Gabriel 2000). The analysis of industry perceptions, working notions and sense making offers important insight into the market's ability to "structure the unknown" (Waterman 1990:41), particularly around technology as unfamiliar and promising as mobile media.

Change, of course, sharpens our need to make sense of things (Weick 1995; see also Brown & Humphrey 2003), and much has now been written about the ways in which digitalisation, convergence and new-media platforms have transformed today's media and telecom industries by introducing new technology, user patterns and business models (see, for example, Shapiro & Varian 1999; Benkler 2006; Anderson 2006; Jenkins 2006; Storsul & Stuedahl [eds.] 2007; Castells 2009). Within these discourses, various scholars and industry players have framed this change differently—some have drawn parallels to evolutions, others to revolutions. From an evolutionary perspective, we are perpetually reckoning with gradual but persistent change. From a revolutionary perspective, we have been rocked by a much more radical shift whose impact upon the industry and its key players makes "existing experiences and knowledge in the market more or less worthless" (Roos et al. 2002:118, my translation). Both perspectives are probably valid, to a degree; the process of making sense of new-media platforms and developments is less about gathering information than about interpreting the information that is available (Weick 1995; see also Schein 1984; Choo 2006). In the field of mobile media, executives within established institutions must thus work out the implications of the changes currently taking place, whether they find them to be evolutionary or revolutionary, in terms of what they currently do and what they might do differently in the future (see also May & Hearn 2005; Dunnewijk & Hultén 2007; Orgad 2009; Schuurman et al. 2009).

Third, the field of mobile media invites consideration of the ways in which established institutions within traditional markets transform their perceptions and working notions into knowledge creation and decision making—in other words, how they *translate their notions of change into actual strategies and actions*. Here, the perceptual process of sense making moves in a more practical direction, towards making plans and putting them into action (Choo 2006; Porter 2011 [1996]; see also Miles & Snow 2003 [1978]). While notions of the future can be visionary, idealistic and over-hyped, strategies and actions are typically more grounded and based on calculations of risks and costs (see, for example, Doyle 2002; Chan-Olmsted 2006; Küng 2008). Also, while those notions of the future are often based upon technical possibilities (Robins & Webster 1999), strategies and actions are more often based upon economic opportunities, including estimated income potential or a particularly advantageous business model (Aaker 1988; Porter 2008). For instance, many notions related to mobile media have emphasised the importance of being at the forefront of development, due to early mover advantages (Bijwaard et al. 2008). At the same time, these markets have at times been held back by the lack of standardisation that results when too many players are too far in front of one another in terms of technological solutions (Steen 2009; see also Shapiro & Varian 1999: chap. 9). Media and telecom

institutions aiming to succeed in the mobile-media market therefore have had to balance the benefits of being an early mover with the potential disadvantages of choosing the "wrong" standard (see also Flichy 2006).

Balancing these perspectives, this thesis addresses how established institutions within the Norwegian media and telecom industries act in times of change, using the first decade of the 2000s (2000–2009) as its time frame. As an emerging field that has inspired high expectations but also much uncertainty, mobile media has been my chief subject of study. Throughout this thesis, I argue that the field of mobile media is particularly well suited to such an analysis, since the mobile phone represents the most recent potentially transformative media platform (see also Katz & Aakhus 2002:7; Ling 2004: chap. 2). Further, I see the emerging mobile media market as constituted of a number of specific institutions, all with unique interests, strategies and legacies (Hatch 2001; see also Miles & Snow 2003 [1973]).[1] In particular, I seek to analyse how well-established institutions, with their legacies from the traditional media and telecom industries, make sense of the mobile phone as a media platform, as well as how they translate their perceptions into concrete mobile-media strategies and actions. Furthermore, I connect the development of mobile media to other, more far-reaching developments—technological, cultural and economic—within the media and telecom industries. Hence I consider how the perceptions and facilitations of mobile media are related to the more general developments of media convergence, changing audience relations and challenging new-media business models (see chapters 4, 5 and 6).

Defining mobile media

Ever since the mobile phone was invented, it has been celebrated (or denigrated) for its profound impact upon society—in terms of both the way we communicate and the way we organise our everyday lives (see, for example, Katz & Aakhus et al. [eds.] 2002; Rheingold 2002; Ling 2004, 2008; Castells et al. 2007). Like the multifunctional Swiss Army knife, the mobile phone has been called a "vehicle for multimedia per excellence" (Hjorth 2008:91) and held up as a successful example of media convergence. According to Rich Ling and Jonathan Donner (2009), the many uses of the mobile phone make the task of simply defining what it actually is a matter of some debate. For example, mobile calls clearly resemble fixed-line telephony and classic telecommunication (see de Sola Pool 1973). Yet text messaging evokes other communication forms, such as e-mail and instant messaging (see Goggin 2006: chap. 4). Mobile web browsers imitate, however poorly, traditional web experiences (see Ishii 2004), while MMS (Multimedia Messaging Services) photos suggest aspects of popular photography (see Prøitz 2007). In the same way, music applications can make the mobile device act like a portable music player, along the lines of the original Sony Walkman (Hemmet 2005; see also Nag 2010). Mobile games answer

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[1] Analytically, the term "institution" can be used in multiple ways. First and foremost, we must distinguish between an understanding of the institution as either a sphere—which brings together a number of organisations, discourses and practices in the media or telecom industry at large—or as a specific organisation, defined in a more limited way (Moe & Syvertsen 2007), which is the case in this thesis (see also March & Olsen 2006).

perfectly well to theories of online gaming (see Hjorth 2007), and mobile television can be seen as an extension of regular television and can likewise inspire studies of television aesthetics, style and narratives (see, for example, Dawson 2007; Ok 2008; Orgad 2009). Lastly, the mobile phone can be made to serve as a small personal computer, with text, programming and analytical capacities. Thus the act of simply making sense of the mobile phone clearly depends on the angle (and discipline) chosen (see Ling & Donner 2009).

This thesis is not about mobile phones or mobile communication in general; it is about *mobile media*, a term that has been used in a variety of ways. Some writers have focused on the *mobile* aspect, addressing in particular how the mobile phone can be used in new ways (see, for example, Andersson et al. 2006: chap. 1); others have focused on the *media* aspect, addressing how media content can be expanded to this new-media platform (see, for example, Feldmann 2005:9).

In this thesis, I will simply define mobile media as media content and services designed to be distributed to a mobile phone. Such a broad definition allows me to address a variety of services (for example, SMS-based content services, WAP, mobile Internet and mobile applications), content categories (for example, news, entertainment and sports) and distribution networks (most importantly, mobile telecom networks, wireless broadband networks and mobile broadcasting networks). In this way I hope to cover a range of industry players and their content provision when addressing the emergent field of mobile media. Such a broad definition is also useful in terms of accommodating the sometimes diffuse industry notions of "mobile media", as industry executives do not always state clearly which services, technologies or networks they are referring to. Ultimately, however, my use of "mobile media" here will refer specifically to media content distributed through mobile telecom networks for reception on a mobile phone. As a media platform, the mobile phone can be characterised as being portable, personal, constantly connected and small-screened (see also article I).[2]

The Norwegian mobile-media landscape

This thesis addresses the development of mobile media within a Norwegian context. The Norwegian market is a particularly attractive object of study for several reasons. First of all, it has traditionally prioritised developments in mobile technology and mobile-media services. Together with its Nordic counterparts, the Norwegian telecom incumbent was one of the entrepreneurs behind NMT (Nordisk Mobiltelefonisystem) mobile technology and played a key role in developing GSM (Global System for Mobile Communication) technology as well (see Agar 2004: chaps. 4, 6; Bastiansen 2006: chaps. 2, 3). Since then, key players in the Norwegian media and

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[2] Certainly the term "media" is rather complex of its own accord. The *Oxford English Dictionary* (2010) defines "media" in terms of mass communication (newspapers, radio and television) and "mass media" as "the main means of mass communication, such as television, radio and newspapers, considered collectively". In a lexical sense, these definitions fail to accommodate many new-media services, which are based on "some-to-some", "some-to-many" or "one-to-some" communication models and often described as "social media" (see Rettberg 2009), "new media" (see Silverstone 1999; Gitelman & Pingree 2003) or "personal media" (see Lüders 2007). In this thesis, I will apply the term "media" to both traditional mass media *and* new-media services, communication forms and institutions (cf. Deuze 2007).

telecom industries have been steadily engaged in developing a range of new-media services in which the mobile phone has played an important role—for instance, premium-rate SMS services (Nilsen 2005) and interactive television based on text and multimedia messages from mobile phones (Enli 2007; Beyer et al. 2007; see also Kjus 2009). The small size of this market, combined with the Scandinavian welfare model, a high GDP and a highly media-literate population that also ranks among the world leaders in new-media penetration and use, has made Norway a productive test case in the area of mobile-media developments (see also Karlsen et al. 2009). By 2009, for example, the penetration of mobile phones in Norway was close to universal, and fully 87 percent of the population had access to so-called "turbo-3G" service, which allows for high-speed download of data packages through mobile telecom networks (The Norwegian Post and Telecommunication Authority 2010). In addition, over 90 percent of the population had Internet access at home, which further accommodated mobile-media usage through wireless broadband networks (SSB 2009).

A second and closely related feature of the Norwegian market is that it collectively applauds notions of technological progress and innovation; though it is small and in a sense peripheral, it is markedly future oriented in the best sense. In both political and industry discourses, innovation and new technology in general, and mobile communication technology in particular, are consistently framed in terms of increasing economic growth and ushering Norway towards the long-term goal of becoming an "information society".[3] In particular, expectations about the benefits of mobile technology have long been high for both Norwegian industry players and policy makers (see, for example, NOU 1999:26, St.meld. nr. 30 [2006–2007], Meld. nr. 8 [2010–2011]). This, of course, does not mean that Norway actually succeeds in being innovative, but it does highlight such ambitions. Further, due to its high GDP, highly penetrated distribution networks and media-literate population, Norway has, at least in theory, both the economy and the infrastructure to pursue such ambitions.

The Norwegian mobile media market is comprised of a variety of industry players—both national and international ones—ranging from the old telecom incumbent (Telenor) to new mobile phone operators (such as Chess), mobile phone producers (such as Nokia), new Internet players turned mobile platform providers (such as Google's Android), large consumer electronic and software companies turned smartphone and tablet providers (first and foremost, Apple, with its iPhone and iPad), technical providers (such as Aspiro) and a variety of media companies (such as VG and NRK), to mention only a few (see also Chan-Olmsted 2009). This thesis focuses on a particular type of institution: well-established players from traditional markets, including primarily telecom, broadcasting and the press. I have positioned my discussion from the perspective of these "old" media and telecom players—the incumbents—in relation to the "new" players (such as Skype, Google or Facebook) or the established players from other markets (such

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[3] See, for instance, the green paper on convergence (NOU 1999:26), Reports to Parliament on innovation and the information society (St.meld. nr. 17 [2006–2007], St.meld. nr. 7 [2008–2009]) and the "eNorway-plan" (The Norwegian Ministry of Modernisation 2005).

as Apple). I further tend to combine the perspectives of media and telecom institutions, which represent, respectively, the two sides of the concept of "mobile media".

Although I address a number of media and telecom institutions in this thesis, I devote particular attention to five specific companies: the incumbent telecom operator Telenor, the public service broadcaster NRK, the tabloid newspaper VG, the commercial television channel TV 2, and the commercial radio channel P4 (see chapter 2). These five institutions are the most relevant to this study, for at least three reasons. To start with, they are all market leaders and hold the number-one position in their core markets (telecom, broadcasting, newspaper, commercial television and commercial radio, respectively). Further, they also each have a legacy from the old "regime" of mass media and mass communication that informs their work in new-media markets, and, except for VG, they were all launched as monopolies, though none have survived as such.[4] Lastly, they have all expanded extensively into the emerging media markets, including the field of mobile media. As such, they are provocative subjects of study that can be addressed in two ways. On the one hand, they are incumbents that must meet the competition of several new entrants into the convergent media market, and specifically the threat these new entrants represent to the "old" institutions' business areas and market positions. On the other hand, these "old" institutions are also entrants themselves in the new-media markets, including the emerging field of mobile media. This dual approach will inform my study of the selected institutions and their working notions, strategies and actions in the field of mobile media.

My analysis largely concerns the first decade of the 2000s (2000–2009), a crucial period of strategic positioning within the field of mobile media during which several important developments took place regarding key players, networks, terminals, services and business models. This represents the era during which the well-established media and telecom institutions in the Norwegian market began to make sense of the developments taking place around them, specifically in terms of applying their working notions to concrete mobile media–related strategies and actions. Over the course of ten years, obviously, these things changed as well, which suggests the presence of trends that invite further analysis. In 2000, mobile media was generally a synonym for simple SMS-based content services such as ringtones, wallpapers and icons that were distributed through second-generation mobile networks using the GSM standard. In the media and telecom industries, the mobile phone was seen primarily as a new media platform suitable for generating new sources of revenues, and a key strategy involved determining the ways in which simple, SMS-based services could be used to do so. Just four years later, in 2004, the launch of the third generation of mobile network, using the UMTS (Universal Mobile Telecommunication System) technology, promised "rich" media content such as mobile video and mobile television, which was believed to alter the landscape profoundly. Following the

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[4] Telenor had a monopoly in the telecom market until the market was liberalised in the mid-1990s. NRK had a monopoly in the broadcasting market until commercial national television and radio competition was introduced in 1992 and 1993, respectively. TV 2 had a monopoly in the nationwide commercial television market until the digital terrestrial network allowed for more national channels in 2007. P4 had a monopoly in the nationwide commercial radio market until a second national commercial radio channel was introduced in 2004.

UMTS launch, many media institutions relaunched their WAP pages and began to experiment with this new content. The results were mixed, however, as many of these services failed to reach a larger audience, and the industry revised its expectations about mobile media downward. By the end of the decade, the situation had changed yet again. Since 2007, industry notions of mobile media have been linked to the new set of smartphones and mobile operating systems led by Apple's iPhone and Google's Android platform, which gave rise to developments in mobile Internet and mobile applications. These new smartphones—and the new set of services they accommodated—increased both mobile-media usage and industry expectations about the technology and platform (see chapter 3).

The ten selected years also involve some important technological shifts. As illustrated in figure 1, the penetration of mobile phones went from 68 percent of the population in 2000 to 97 percent in 2009. Thus, in only ten years the mobile phone had become an almost universal media device in Norway. In the same period, the share of the population having access to broadband at home went from only 2 percent in 2000 to over 80 percent in 2009, increasing the possibilities for mobile browsing through wireless networks. Consequently, during the analysed period, the infrastructure that is necessary for mobile media consumption has become almost universally accessible within the Norwegian market.

Figure 1. Share of Norwegian population (9-79) with access to different types of electronic communication tools at home, 2000–2009 (percent)
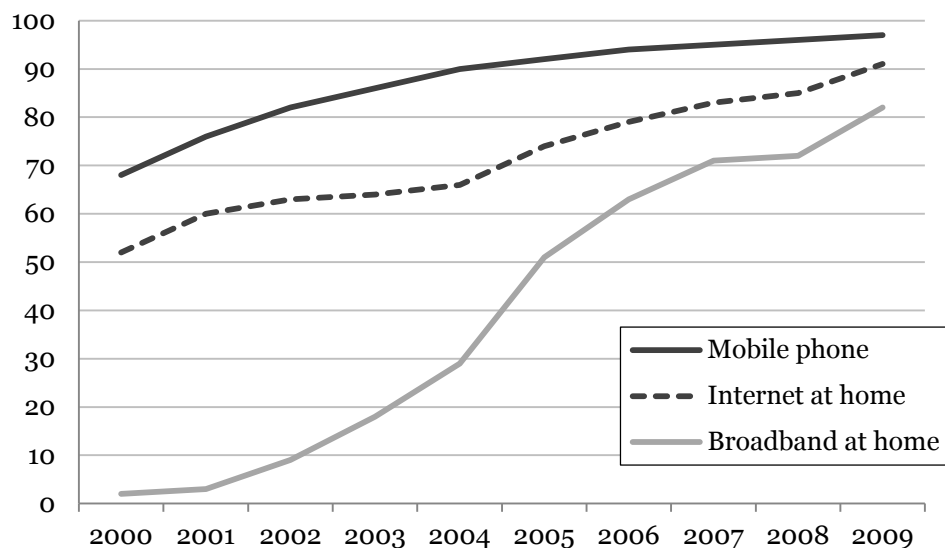
Source: SSB 2009: 80.

Research questions

Based on the framework outlined above, I have arrived at two key research questions. The first is defined in the following terms:

> How did well-established media and telecom institutions, with their legacies from traditional markets, perceive and facilitate mobile media during the first decade of the 2000s?

As mentioned, this thesis investigates the ways in which *well-established institutions* from the media and telecom markets (Telenor, NRK, VG, TV 2 and P4, in particular) approach the field of *mobile media*, here defined as media content and services designed to be distributed to a mobile phone. In order to investigate how the selected institutions *perceive and facilitate* mobile media, I will first borrow Henry Mintzberg's multiple definition of the term "strategy", in which the term indicates, respectively, a plan, a ploy, a pattern, a position and a perspective (Mintzberg 1998; see also Mintzberg 1994; Roos et al. 2002).[5] In this thesis, "strategy" will be used in three ways: first, to reflect an established institution's *plan* for approaching the mobile-media market, as stated in annual reports and strategy documents (referred to simply as a "strategy" or "plan"); second, to reflect *patterns*—in other words, what evolves from an institution's actual actions within the mobile-media market (referred to as "actions" and "services"); and third, to reflect a *perspective*, in terms of how collective ideas, thoughts and working notions within an institution influence its intentions and actions towards the emerging mobile-media market (referred to as "perceptions" or "working notions") (see also Schein 1984, 2010; Weick 1995). Table 1 summarises my adaptation of Mintzberg's three strategy terms.

Table 1. Strategy as perspectives, plans and patterns

Mintzberg's use of the term strategy	My use of Mintzberg's strategy terms
Strategy as perspectives	What key executives in institutions think, believe and perceive: perceptions and working notions
Strategy as plans	What they decide: strategy documents and plans
Strategy as patterns	What they do: actions and services

Based on Mintzberg (1998).

The second research question is:

> How are mobile-media working notions, plans and actions related to more general developments of media convergence, changing audience relations and new-media business models?

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[5] When "strategy" is used as a *plan*, the term refers to the guidelines needed in a given situation; as a *ploy,* it refers to a specific manoeuvre intended to outwit an opponent or competitor; as a *pattern,* it refers to the actual strategy itself; as a *position,* it refers to the organisation's relationship to its environment; and as a *perspective,* it refers to the collective ideas and thoughts to be found within the organisation (Mintzberg 1998).

Whereas the first research question is centred on mobile media itself, the second research question looks at how mobile-media working notions, plans and actions relate to more overreaching developments within the media and telecom industries. During the first decade of the 2000s, three such developments were particularly crucial to the emerging field of mobile media, reflecting technological, cultural and economic change, respectively: the development of media convergence, changing audience relations and new-media business models. Regarding the first development, the concept of *media convergence* has been used to label the ways in which the same digital media content can move freely among different media platforms, networks and user modes, transforming the established media and telecom "ecosystem" along the way (see Lowe & Hujanen [eds.] 2003; Jenkins 2006; Storsul & Stuedahl [eds.] 2007; Fransman 2010; see also Bechmann 2009). Regarding the second development, *changing audience relations* refers to the shift in interaction between the media and its audience, as digital technology, mobile communication and new user-friendly tools and services allow the audience considerably more freedom in choosing how, when and what to consume while giving users the ability to produce and share content with each other as well (see Syvertsen 2004a; Siapera 2004; Jenkins 2006; Enli 2007). Regarding the third development, *new-media business models* refers to the way digitalisation, convergence and new-media platforms bring hopes for a new digital economy but also challenges from new media players whose innovative services and business models compete for positioning previously held by the established institutions (see Doyle 2002; Picard [ed.] 2005; Küng et al. [eds.] 2008).

Institutional working notions, plans and actions in times of change

Both of the research questions relate to the concept of change, and Roos and colleagues (2000) helpfully distinguish between two very different types of industry change: turning points and breaks. An *industrial turning point* characterises gradual change within an industry (Roos et al. 2000:121); in terms of media and telecom, this is when established institutions have been forced to adjust to a new technology, new user patterns or new business models. The industrial turning point has parallels to biology and evolution, in that something preexisting is adjusted to enhance its usefulness or relevance. An *industrial break*, on the other hand, is a more fundamental shift with a greater impact: "An industrial break is characterized by a change in the industry that is sudden and radical, and that changes the basic structure of the industry" (Roos et al. 2002:118, my translation). After an industrial break, an existing institution's previous experience becomes less valuable: "At times of industrial breaks, the growth rate in a given industry will make a jump or fall, the competitive rules will change, market shares will shift owners, and companies will be reorganized" (ibid.; see also Schumpeter 2003 [1943]).

Several developments can lead to industrial breaks, but two in particular are relevant to the subject of this thesis, in that they can lead to radical shifts by outperforming existing technologies, products or services. The first involves *radical or disruptive innovations*—that is, a

new kind of product or service with the capacity to alter an entire industry as well as create an entirely new market (Christensen 2005 [1997]; see also Christensen & Overdorf 2011 [2000]; Godø 2008). According to Clayton M. Christensen, disruptive innovation leads to industrial breaks, yet in a way that the big firms often fail to recognise. They act upon what they believe are industrial turning points and misinterpret the need for more radical shifts. The second development involves *substitutes*, a term introduced by Michael E. Porter (1979; see also 1987, 2008). According to Porter, a substitute "performs the same or a similar function as an industry's product by a different means" (Porter 2008:8). Substitutes are often present but easy to overlook, "because they may appear to be very different from the industry's product" (ibid.). Yet they merit close attention, as they can have a major impact on industry profitability: "Substitute products or services limits an industry's profit potential by placing a ceiling on prices" (ibid.).

The emerging field of mobile media is a good example of industry change and the complications that arise when interpreting it: whether it represents a disruptive innovation or a substitute, that is, or more simply an extension of existing technologies or products. On the one hand, mobile media could be seen as an improvement that forces established media and telecom institutions to adjust to it, and that represents a substantial opportunity if properly exploited. On the other hand, mobile media could be seen as a potentially disruptive innovation, or substitute, that will lead to an industrial break that in turn fundamentally changes the entire media and telecom industries and hence represents a greater danger for established institutions.

Conceptualising working notions

Simply assessing a process of change—is it a turning point or a break?—is not an easy task and depends, at least partly, on the perceiver, as Roos and colleagues emphasise:

> For companies who are early in the process of change, a radical change is perceived as a turning point developed by the industry itself. For companies that are not as innovative, and follow the leading players in an industry (impersonators), the same technological change is perceived as an industrial break. (Roos et al. 2002:121, my translation)

Certainly "change" is not a fixed concept but something both defined and made sense of by the players in the market. In this process of knowledge construction (see Berger & Luckman 2006 [1966]), institutional *working notions* play a key role, and they are part of my study as well. In this thesis, "notion" refers to the basis for a belief, opinion or view that is held by an individual or a group of people and that is likely to be developed or improved upon later. "Working" in turn signals not only that these notions are not fixed but constantly constructed, negotiated and adjusted but also that they are part of a professional discourse—they are something executives do.[6] The process of negotiation draws attention to the fact that different subcultures in a given institution often will develop unique working notions that reflect their particular professional or institutional practices (see also Schein 2010). As such, the working notion is a crucial component

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[6] The *Oxford English Dictionary* defines a "notion" as "a conception of or belief about something", while the term "working", used in relation to a theory, definition or title, is "the basis for work or argument and likely to be developed or improved later". Source: http://oxforddictionaries.com/.

of professional discourses, and it can be used as leverage when analysing the link between notions and strategies, and between beliefs and interests (see also Syvertsen 2004a; Siapera 2004; van Dijk & de Vos 2005; Fagerjord et al. 2010). It is in fact strongly linked to expectations, hopes and fears, and it can be based on strategic calculations or emotions and gut feelings.

The term "working notion" evokes what Henry Mintzberg labels "strategy as perspective", when he describes the ways in which key ideas and observations are shared among managers in a company—or in an industry more generally—and how this kind of "collective mind" (1998:19) in turn impacts intentions and actions (Choo 2006; see also Berger & Luckmann 2006 [1966]). Along the same lines, Edgar H. Schein uses the term "basic assumption" to label the underlying reasons for organisational behaviour. "If we really want to decipher an organization's culture", he argues, "we must dig below the organization's surface—beyond the 'visible artifacts'—and uncover the basic assumptions, which are the core of an organization's culture" (Schein 1984:3; see also Schein 2010).

Mintzberg and Schein's labels further evoke Karl E. Weick's (1995, 2001) use of the term "sense making", in that each addresses an aspect of the cognitive activity of groups as they frame experiences and make them meaningful. Building on the sociology of knowledge production, Weick describes the task of sense making as a collaborative process, in which participants create and share understandings of a given situation, event or development. This process involves several activities, according to Weick, such as defining it, prioritising it, constructing frameworks, highlighting some aspects (and neglecting others) and interpreting its significance. As Weick argues, this process is not so much about accuracy as it is about plausibility:

> If accuracy is nice but not necessary in sense making, then what is necessary? The answer is, something that preserves plausibility and coherence, something that is reasonable and memorable, something that embodies past experience and expectations, something that resonates with other people, something that can be constructed retrospectively but also can be used prospectively, something that captures both feeling and thought, something that allows for embellishment to fit current oddities, something that is fun to construct. (Weick 1995:60–61).

Weick thought of sense making as a retrospective act, because the sense-making process itself arises from the outcome of the situation that demands it (Weick 1995:24ff; see also Simon 1955). Alternatively, I apply my own concept of the "working notion" to ongoing and even future processes as well—that is, to those that inform the future and those that are informed by the past (see also Huang et al. 2006; Toffler 1970, 1980). In fact, the term not only includes the ideas and perceptions that eventually were translated into plans and actions but also the ideas and perceptions that were never acted upon, either because executives changed their minds or because they did not find the resources to pursue these ideas. Thus, the analysis of working notions allows us to analyse more of the decision-making process than what is visible at first glance or what can be deduced from specific plans and patterns. We are, in short, given a peek into the hidden parts of the decision-making process, which includes negotiation, disagreements, doubts, hopes and fears. Still, I do support Weick's argument that the perception of a

phenomenon will be informed by its outcome, and that past experiences guide those to come (see also Simon 1955).

The terms "basic assumptions", "sense making" and "working notions" have many similarities, in that they all emphasise an interpretative process within groups or institutions. Yet they also have some important differences. The term "basic assumption" relates to relatively stable perceptions of organisational characteristics (Schein describes them as the organisation's cultural DNA [2010]). These are quite fundamental to an organisation's self-understanding and therefore difficult to change. Weick's (1995) "sense making" covers a wider scope of interpretations, including those that are more volatile. The term is largely associated with the process through which we interpret, why we do so, and under which occasions we do so. My concept of "working notions" is primarily used in relation to executives' interpretations of more external conditions, among them the development of innovations and the introduction of new technologies. The term is also less essential to defining an organisation's identity, as is the case with Schein's "basic assumptions", and perhaps more substance-driven than Weick's "sense making". Still, the three terms are not contrary but rather emphasise different aspects of the process of interpretation.

The working notion is a particularly useful tool in my approach to the emerging field of mobile media. To start with, an institution's business and cultural environment is generally so complex that industry leaders and executives cannot expect to grasp it all and instead *must* rely upon certain principles regarding the present as well as the future. Hence, working notions often directly inform decision making. In addition, the concept of the working notion suits the analysis of industry perceptions towards new-media technology, because this new technology represents a "form" that needs to be filled with meaning (Thorburn & Jenkins 2003). While different media technologies facilitate different types of services—think of Marshall McLuhan's famous phrase "the medium is the message" (1997 [1964]; see also Kelly 2010)—these "forms" do not define themselves as such from the start but must be realised in the interplay among the technology itself, its users and its developers (Williams 2005 [1974]; see also Bolter & Grusin 2000; Pingree & Gitleman 2004; Godø 2008). Thus it is no surprise that the emerging field of mobile media has often been addressed by studies that rely heavily upon industry perspectives, or working notions. In one of the early collections on mobile communications, for instance, James E. Katz and Mark A. Aakhus (2002) argue: "The everyday epideictic discourse about the mobile phone suggests a struggle to make sense of mobile communication and the technology that makes it possible" (Katz and Aakhus 2002:7; see also Ling 2004: chap. 2; Goggin & Spurgeon 2007; Orgad 2009; Westlund 2012). In a context sometimes characterised by confusion, then, the working notion rewards the scholar's close attention.

Although working notions play a key role in my study, it should be noted that the term does not alone cover the subject of interest. While it is valuable when analysing "soft" issues related to institutional change—an organisation's culture, perceptions and motivation—it is less fruitful for revealing the "hard" facts—economic value, incentives and corporate success (see

Beer & Nohria 2011 for a discussion of "soft" and "hard" approaches to organisational change; see also Sirkin et al. 2011). Hence, in order to fully understand established institutions in times of change, the analysis of working notions should be combined with "harder" perspectives on strategy as plans and actions.

Conceptualising change and innovation processes

Regardless of how one considers moments of industry change—either as turning points or as breaks—established institutions will, at regular intervals, have to change. Studies of innovation processes (Poole & Van de Ven [eds.] 2004; Godø 2008; Van et al. 2008 [1999]) and organisational culture (Weick 1995; Schein 2010; Kegan & Lahey 2011) have illustrated that institutional change—in particular in established institutions—is often difficult and further met by resistance, for several reasons. To start with, it can be difficult for an institution and its members to see why and how it should change, as signals from users and the market are often ambiguous and conflicting. As this process involves interpretations, existing frames of references will be activated that may not recognise the need for action (Weick 1996; Schein 2010; see also Christensen 2005 [1997]).

Furthermore, institutional change often involves unpleasantness, which is another reason for resisting it. For instance, change often involves restructuring, learning new skills or mastering new tasks, changing working conditions or budget cuts, which for many executives result in a worse work situation. Therefore, quite naturally, change might be fought from the inside, if the benefit of the process is not clear. Also, on a more psychological level, change might be fought because it implies new cognitive processes, where members not only have to learn new ways of doing things but also have to unlearn the old ways. As emphasised by Schein, the most difficult part is often the unlearning, in particular when it involves basic assumptions, because what we have learned becomes "embedded in various routines and may have become a part of our personal or group identity" (2010:310; see also Kegan & Lahey 2011).

This brings us to a third reason for the difficulty of institutional change, namely that organisational culture is in its nature "a stabilizer, a conservative force, and a way of making things meaningful and predictable" (Schein 2010:265; see also Weick 1995). As institutions develop their cultures, they internalise norms and rules that guide their actions according to how things are normally done. The stronger the organisational culture, as is the case with the established institutions I discuss in this thesis, the more conservative the institution. This conservativeness, which is an enormous asset in many situations, is thus an equally potent obstacle when change must be managed, as explained by Schein:

> If an organization has had a long history of success based on certain assumptions about itself and the environment, it is unlikely to want to challenge or re-examine those assumptions. Even if the assumptions are brought to consciousness, the members of the organization are likely to want to hold on to them because they justify the past and are the source of their pride and self-esteem. Such assumptions now operate as filters that make it difficult for key managers to understand alternative strategies for survival and renewal. (Schein 2010:289)

If institutional change is so hard, then, how might one initiate it? Studies of both innovation and organisational culture point to the importance of establishing a "shock", or something that disrupts the regular "flow" of affairs (Weick 1995), grabs people's attention, and motivates them for action (Van de Ven et al. 2008 [1999]; see also Schein 2010). Creating shock—or a "burning platform", as John P. Kotter (2008) puts it—implies convincing people that "the organization is truly on its deathbed" and that "radical change is required it if is to survive and thrive" (Garvin & Roberto 2011:18). As explained by Van de Ven and his colleagues: "When people reach a threshold of sufficient dissatisfaction with existing conditions, they initiate action to resolve their dissatisfaction" (2008 [1999]:10). Schein describes this as constructing "survival anxiety", where organisations must endure what is virtually a life-or-death experience: "Unless we change, something bad will happen to the individual, the group and/or the organization" (2010: 301). In short, "shock" serves to concentrate attention and motivate for change. It is therefore not to be understood as an entirely negative term: it is instead a constructive force that can define problems needed to be solved and make change happen. "Shocks serve this function in stimulating innovation", as Van de Ven and colleagues (2008 [1999]:30) put it.

Clearly, different divisions or groups within the same organisation will often have different perceptions of whether there is really a crisis going on, or how that crisis should be solved. According to Schein, it is useful in this regard to distinguish between the overall corporate culture—the dominating culture of the organisation—and the different subcultures based on, for example, operating functionality, education or a given level of hierarchy. These various subcultures often develop different "world views" that influence the ways in which they interpret events and conditions, and in turn the ways in which a given situation will be seen as representing a "shock" or not (Schein 2010:55).

However, simply constructing "shock" is not enough to force an institution to change, as the institution also needs to be given hope that the situation or problem is manageable, if forces are joined. "Hope" in this context often comes in terms of visions or plans that will guide future actions or innovations (Weick 1995; Van de Ven et al. 2008 [1999]; Kotter 2011). According to Schein, constructing sufficient organisational hope implies establishing "psychological safety", a process through which its workers "believe that the organization will be better off if they learn the new way of thinking or working" (2010:305). Hence, creating hope means regaining control and joining forces for action (see also Van de Ven et al. 2008 [1999]; Garvin & Roberto 2011).

Many scholars have even argued that these visions or plans do not necessarily need to be realistic or true. Instead, they have to be *convincing*, in such a way that they motivate broadly within the group or organisation. In fact, according to Van de Ven and colleagues (2008 [1999]), plans for innovation will in their very nature be over-optimistic, as they are generally made by entrepreneurs in order to convince leaders and stakeholders. Based on many longitudinal case studies of innovation processes, they conclude: "The initial project plan and budgets, coloured as they were by optimism, were used more as vehicles to obtain resources commitments from investors or corporate sponsors than they were to develop realistic alternative scenarios of business creations" (2008 [1999]:31). Further, even a bad or overoptimistic plan may be better

than no plan at all when the organisation must make sense of a phenomenon, because it will produce some sort of action that again will offer clues as to how to interpret the situation anew (Weick 1995; see also Fagerjord et al. 2010).

Conceptualising plans and actions

The work of making plans and visions is often described as developing a *strategy*. While institutional media studies tend not to explore the concepts of sense making, basic assumptions and working notions explicitly, "strategy" is well used, almost to the given study's detriment: without a clear definition for this catch-all term, the reader is not able to distinguish among the scholar's interests in, respectively, strategic plans, ploys, patterns, positions or perspectives (Mintzberg 1998).

In this thesis I am also interested in the work of making strategic plans and putting them into action. Because mobile-media plans and actions are related to larger plans and actions concerning the expansion into any new-media market (see chapter 4), developing audience relations (see chapter 5) and coming up with business models (see chapter 6), this thesis will attempt to address them all. The investigation of a matrix of interrelated plans and actions illuminates the ways in which institutions perceive their environments as well as the relative weights they assign to various working notions. Clearly, while several working notions might flourish within the same institution, operating with multiple simultaneous plans is less likely to succeed (Porter 1998 [1989]). Thus devising a strategic plan is really about making *priorities*.

The work of Raymond E. Miles and Charles C. Snow (2003 [1978]) is extremely relevant to bridging working notions and institutional strategy making. Mainly, these scholars investigate how organisations adapt to changing environments and find that while a new environment might present multiple opportunities and accommodate several strategies (here understood as plans), it will not invite an *endless* number of strategies. As such, Miles and Snow argue, the organisation must "choose" among several different strategies, and the strategy adopted would depend on how the organisation perceives the changing environment and its opportunities in this environment.

According to Miles and Snow (2003 [1978]:21–25), an organisation needs to address three issues in times of change that impact how it perceives both its environment and its position within that environment. First, it needs to decide whether it should remain within its historical domain or exploit new opportunities (the *entrepreneurial problem*). Second, it needs to settle on an appropriate business model as well as the technology for producing and distributing its products (the *engineering problem*). Third, it needs to decide how to structure and implement these changes (the *administrative problem*). The assumption underpinning Miles and Snow's typology is that a successful company needs to ensure consistency across its strategic plan, its business model, and its organisational capability. Based on typical responses to these issues, Miles and Snow are able to further distinguish among three different types of organisations: *the defender*, which focuses on a well-defined and narrow market; *the prospector*, which searches for

new market opportunities; and *the analyser*, which combines aspects of the defender and the prospector by operating in both relatively stable and more dynamic markets.

Miles and Snow also note that different types of organisations apply their strategies differently. While the defender will develop plans that improve efficiency and productivity, the prospector will be more flexible and entrepreneurial in its search for innovation, and the analyser will do some of both. Miles and Snow even include a fourth type of organisation, *the reactor*, which is characterised by either having no strategy at all or lacking consistency among multiple strategies (see also Ghoshal 2003; Krumsvik 2009).

We must further note that organisations can adapt in response to a change in the environment, often by transitioning from a defender to an analyser or even a prospector. Studies of institutions facing change indicate, however, that plans and actions that arise from novel situations are typically institutionalised through structures, rules and routines that derive their strength in turn from long historical experiences (March & Olsen 2006). Those experiences translate into an "institutional personality" that will incline towards some sets of actions over others in novel situations. Schein's term "basic assumption"—again, the organisation's cultural DNA—resonates well with this perspective.

The power of institutional legacy acts upon future priorities and strategies according to the principle of *path dependency* (see also Nelson & Winter 1982). Economic historian Paul A. David (1985) introduced this term in an article tracing the process through which the organisation of letters (QWERTY) on the typewriter keyboard became standardised. Here, path dependency describes how "a small initial advantage or a few minor random shocks along the way could alter the course of history" (Page 2006:87). In institutional studies, path dependency likewise describes the way in which previous experiences guide future plans and actions. According to Douglass C. North, "Path dependency is a way of narrowing conceptually the choice set and linking decision making through time" (North 2009 [1990]:98). Thus, on an economic level, path dependency would (hopefully) lead to processes of increasing return, self-reinforcement, positive feedback and lock-ins (Page 2008).[7] On a conceptual level, path dependency would guide the ways in which executives perceive their opportunities and challenges (see also March & Olsen 2006; Schein 2010).

For the selected institutions in this study, this implies that their track record in established markets naturally informs their actions in emerging markets. As in the case of mobile media, this indicates that the selected institutions, despite their many similarities, will translate and act towards this emerging market somewhat differently, depending upon, among other things, their size, production routines and business models (see chapter 2). By analysing their working notions, plans and actions, I seek to investigate how and why this is so.

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[7] "Increasing return" refers specifically to the process by which the more a choice is made or an action taken, the greater the benefits that accrue from it. '"Self-reinforcement" refers to the way that making a choice or taking an action might put into place a set of forces or complementary institutions that sustain that choice or action. "Positive feedback" refers to the fact that an action or choice will be validated when others make that same choice. Finally, a "lock-in" refers to the evident supremacy of one choice or action over another because a requisite number of others have already done the same (Page 2006:88).

Overview of the articles

Before turning to chapter 2, which presents the research strategy and methodological foundation for the thesis, I will present brief summaries of the six articles, as they form the basis for my overall PhD project. They are presented here in a fairly chronological order, to reflect both the context in which they were written and the development of the analyses and key concepts within them.

Article I: The Dream of Mobile Media

Published in Tanja Storsul & Dagny Stuedahl (eds.) (2007) *Ambivalence towards Convergence: Digitalization and Media Change*, **pp. 87–113. Götenborg: Nordicom.**

Article I investigates how and why the four selected media institutions (NRK, VG, TV 2 and P4) perceive and accommodate mobile media, in particular regarding their WAP portals, during a given period of time (2004–2006). It was one the first articles I wrote, and it is exploratory in the sense that it tries to map the field of mobile media through the lens of the selected media institutions. As it is an early work, it does not explicitly use the term "working notions", yet it is concerned with industry perceptions of new-media technology in general and the mobile phone as a media platform in particular. Using interviews with key informants as well as document analysis, I find that the four institutions use more or less the same reasons to legitimise their mobile-media strategy, which is generally informed by the perception that media convergence demands platform expansion. Hence, the article illustrates how work on mobile-media services relates closely to more overarching developments around media convergence, as well as changing audience relations and new-media business models. Through its analysis of WAP portals, the article further illustrates how all four institutions frame the exploitation of mobile media in terms of their online activities, mainly by facilitating for the redistribution of already produced content. Hence, while the institutions' perceptions of media convergence take into account rather radical changes (related to the fear of losing market position, audiences and traditional business areas), their mobile-media actions are in fact more moderate. This relates well to theories highlighting the need for industry "shock", where fear is used to legitimate change. It also indicates a general dilemma that established institutions have with regard to new-media expansion—namely, how to make the most of their opportunities while minimising their risk. Furthermore, although the selected institutions express their perceptions of change and stress the importance of platform expansion in similar terms, they adapt somewhat different approaches to their mobile-media services and business models. This shows that working notions of mobile media often operate on a more general level than actual strategy plans and actions, which are framed to a much greater extent by unique institutional characteristics and legacies.

Article II: Because They Deserve It

Full title: "'Because They Deserve It': Audience Participation as a Strategic Development Area in the Media Industry". Written together with Arnt Maasø and Trine Syvertsen. Published under the title "'Fordi de fortjener det'. Publikumsdeltakelse som strategisk utviklingsområde i mediebransjen" in *Norsk medietidsskrift*, vol. 14:2; 126–154 (2007).

Article II relates developments within mobile media to more general media developments in audience participation. Based on interviews with fifty-one executives from various media institutions mostly conducted in 2005, the article explores the most important reasons why Norwegian media institutions encourage (and provide for) audience participation, including audience participation via the mobile phone. The article finds that this industry drive is strongly linked to the goals of increasing audience loyalty, generating new sources of revenues and pursuing innovation, and it is thus attached to more general strategies around securing one's position in a changing media market. The article finds that media executives profess an unshakable faith in the mobile phone as a media platform that can both generate new revenue streams and reacquaint established media institutions with the "disloyal" and hard-to-get youth audience segment. Like article I, this article does not use the term "working notion" explicitly. Yet it does focus on how perceptions of convergence and new-media platforms influence arrangements for audience participation. In this respect, the article points to the close connection between working notions of the audience and strategies concerning various participatory services. Furthermore, the article addresses the implications of the media industry's increased focus on active audiences and argues that the industry, by accommodating new participatory services, is becoming more like a service industry, giving the audience what they want at the expense of all other business priorities.

Article III: Working Notions of Active Audiences

Full title: "Working Notions of Active Audiences: Further Research on the Active Participant in Converging Media Industries". Written together with Espen Ytreberg. Published in *Convergence: The International Journal of Research into New Media Technologies*, vol. 15:4; 383–390 (2009).

Article III investigates more closely the relationship between industry perceptions and strategies, understood as plans and actions. It is the first article to introduce the concept of "working notions" to an analysis of the ways in which the media industry thinks about its audience, as well as the role of strategic interests in the formation of action plans. While article II addressed the media industry's motivations behind arranging for audience participation and new-media services, article III addresses the audience's motivations for participating, as media industry executives imagine them. Furthermore, the article illustrates how some very general and widely accepted ways of seeing audiences come to inform some very concrete and central strategic purposes around the development of brands, the attainment of audience loyalty and the continual introduction of new platforms and services. The interest in approaching audience members as active participants, the article argues, is at least as much a result of the established media institutions' strategies of self-preservation and expansion as it is a response to the

audience's demands, whatever the industry itself claims. Hence, this article contributes to the thesis's overall analytical framework by illustrating that the relationship between working notions and strategies as plans and actions is not one way only—working notions impact strategies as much as the other way around.

Article IV: Innovation and Creativity at NRK

Full title: "Innovation and Creativity at NRK: An Analysis of Platform and Genre in the Rubenmann Project". Published under the title "Innovasjon og nyskaping i NRK. En analyse av platform- og sjangerbruk i Rubenmann-prosjektet" in *Norsk medietidsskrift*, vol. 15:4; 282–307 (2009).

Article IV investigates in detail how NRK, one of the thesis's selected media institutions, perceives and facilitates mobile media through an analysis of its first exclusively made-for-mobile video series, the *Rubenmann video blog* (launched in 2007). Based on interviews with key informants, document analysis and an analysis of the *Rubenmann* service itself, the article explores the ways in which NRK's approach towards mobile media was both fuelled and legitimised by working notions that strongly emphasise the need for platform expansion, new audience relations and innovation. Thus, it illustrates how a life-or-death rhetoric was used by NRK to gain legitimacy for its expansion towards new-media platforms. The article is important to my thesis because it presents an analysis of mobile-media production and looks at benefits and drawbacks. Further, it relates the more general industry notions of mobile media to NRK's mobile-media plans as well as the specific mobile-media service. It draws attention to the fact that various NRK departments operated with somewhat different perceptions of the mobile phone as a new-media platform, and that they seemed to vary depending upon the department's previous experience with media production as well as the various strategic functions the mobile video series was intended to fulfil. Thus it becomes clear that institutional legacies and path dependency operate not only at the institutional level but also within smaller departments and work groups. Lastly, article IV emphasises how the mobile video series—and the multi-platform universe that was constructed around it—blurred the boundaries between what was regarded as media content and what was regarded as promotional material. This, in turn, reveals the economic rationale underlying many new-media services, even within a publicly funded institution such as NRK.

Article V: Approaching the Mobile Media Market

Full title: "Approaching the Mobile Media Market: An Analysis of Strategic Perspectives, Plans and Patterns in Telenor's Mobile Football and Mobile Music Service". Submitted to *The International Journal on Media Management* in February 2011, accepted for revision and re-submission.

Article V applies Henry Mintzberg's multiple definitions of the term "strategy" to investigate Telenor's strategic plans, patterns and perspectives towards mobile media. Based on interviews

with key informants, document analysis and an analysis of two mobile services—mobile football and mobile music, respectively—the article first finds that these services developed along quite different paths, reflecting their origin in different Telenor departments. While the mobile football service was managed by Telenor Broadcasting and hence informed by legacies from the pay-TV market, the mobile music service was managed by Telenor's department for mobile communication and hence informed by legacies from a premium-rate mass market. The article finds that though institutional working notions certainly impact strategic plans and actions, they are themselves informed by past experiences, indicating the prospect of path dependency in this process. Thus article V further develops the analytical framework of this thesis. It also illustrates that the development of a mobile-media market not only reflects media institutions' expansion into the telecom market (through mobile-media services) but also telecom institutions' expansion into the media content market.

Article VI: Established Media and Their Preconditions for Profitability

Full title: "Established Media and Their Preconditions for Profitability: A Comparative Analysis of Competition Conditions in the Norwegian Newspaper, Radio and Television Industries". Written together with Arne H. Krumsvik. Published under the title "Etablerte medier og deres forutsetninger for fortjeneste: En komparativ analyse av konkurranseforholdene i norsk avis-, radio- og fjernsynsbransje" in *Norsk medietidsskrift*, vol. 14:3; 188–216 (2011).

The final article, article VI, investigates the ways in which so-called substitutes impact established media institutions' opportunities for profit. It analyses the newspaper, radio and television industries using Michael E. Porter's "five forces" model for industry analysis. The article finds that mobile-media services and technologies in all three industries represent potential substitutes, but that the respective threats they bring with them differ. Whereas new-media substitutes constitute a significant threat to the newspaper industry, the radio and television industries are more threatened by other competitive forces, including rivalry among existing competitors and the entry of new competitors. Thus article VI illustrates the fact that the challenges of new-media platforms—including the mobile platform—are not the same for all types of established institutions. This has two main implications with relevance to this thesis. First, it indicates that the Norwegian media market has not developed into *one* convergent market, an industry perception documented in several of the previous articles here. While established media institutions have expanded extensively during the first decade of the 2000s, their opportunities for profits, and the degree of competition they have encountered, have varied considerably. Second, it stresses the need for operating with a *nuanced* concept of "established institution" in discussions of their future prospects, as the term clearly addresses institutions with very different competitive conditions.

Chapter 2. Research strategy and methodology

Based on my interest in how well-established media and telecom institutions perceive and facilitate mobile media, as well as how they relate these working notions, plans and actions to more general technological, cultural and economic developments within the industry, I have adopted a twofold research strategy. First, I have investigated the field of mobile media through the lens of *five key media and telecom institutions* (Telenor, NRK, VG, TV 2 and P4) during the period from 2000 to 2009. A key objective has been to identify similarities and differences as well as developments and shifts over time. Second, I have investigated the field of mobile media from *a larger industry perspective*, analysing how the newspaper, radio, television and telecom industries make sense of and make use of mobile media. Here, a key objective has been to relate mobile-media developments to the more overarching tendencies of media convergence, changing audience relations and challenging new business models (see also chapters 4, 5 and 6).

Within this twofold research strategy, I employ three key methods: *interviews with key informants*, *document analysis* and *analysis of services*. To some extent, the three methods are employed to address the various stages in the decision-making process. Interviews with industry executives, experts and decision-makers are a particularly fruitful way to investigate *working notions and industry discourse*, as well as the assumptions behind particular plans and actions. As Steinar Kvale observes: "If you want to know how people understand their world and their life, why not talk to them?" (1996:1; see also Andersen Consulting 2002; van Dijk & de Vos 2005; Huang et al. 2005). Analysis of industry documents, on the other hand, is a particular fruitful way to investigate how institutions *plan* for change in general and mobile media in particular, because such documents contain specific institutional expressions of goals and strategic plans for the future (Syvertsen 2004b:215; see also Dahl 2004; Østbye et al. 2007). Finally, analysis of services is a particular fruitful way to investigate how institutions put their perspectives and plans into *actions*, through the facilitation of actual services (see also Kjus 2009). Obviously, the fact that each method has a unique application does not mean that it cannot be used to shed light on the others: interviews with key informants represent an important resource for understanding strategic planning, while industry documents can be used to identify working notions as well.

Together, these three methods comprise my methodological approach, which I use in both my six articles (part II) and my final contribution (part I). While my main empirical investigation is reflected in the articles, the final contribution (and chapters 3–6 in particular) is based on the analysis of that empirical material as well. Thus, although this thesis is presented as

an integrated whole, it is in actuality composed of several different studies, with somewhat different objectives and methodologies (see figure 2 for an overview of my general methodological approach).

In this chapter I will elaborate upon my three main methods—including how I processed and analysed my data—as well as the main strengths and weaknesses of my methodological approach. First, however, I will introduce the five selected institutions and explain their relevance to my work.

Table 2. Overview of the thesis's methodological approach

Texts	Object of study	Methodology
Article I (The Dream of Mobile Media)	Comparative case study of VG, TV 2, NRK and P4's mobile-media approaches (2004–2006)	Interviews, document analysis and analysis of mobile-media output
Article II (Because They Deserve It)	Analysis of the Norwegian media industry's use of new-media platforms to achieve audience participation (2003–2005)	Interviews and document analysis
Article III (Working Notions of Active Audiences)	Analysis of the Norwegian media industry's perceptions of the audience (2005)	Interviews
Article IV (Innovation and Creativity at NRK)	Single case study of NRK's *Rubenmann* project (2007)	Interviews, document analysis and analysis of the *Rubenmann* universe
Article V (Approaching the Mobile-Media Market)	Embedded case study of Telenor's mobile football and mobile music service (2004–2009)	Interviews, document analysis and analyses of mobile-media services
Article VI (Established Media and Their Preconditions for Profitability)	Analysis of competitive forces within the newspaper, radio and television industries (2000–2009)	Document analysis
The final contribution	Comparative case study of Telenor, NRK, VG, TV 2 and P4's perceptions and facilitation of mobile media (2000–2009)	Interviews and document analysis

Key institutions

In order to investigate how well-established media and telecom institutions perceive and facilitate mobile media, as well as how these institutions' legacies influence their approaches to emerging markets, I chose to focus upon five key players: the telecom operator Telenor, the public service broadcaster NRK, the tabloid newspaper VG, the commercial television channel TV 2, and the commercial radio channel P4. As described in the introduction, these five institutions are the most relevant to this study, for at least three reasons: they are all market leaders with a number-one position in their core markets; they all possess significant legacies from different eras of mass media and mass communication; and they have all expanded into emerging markets, including the field of mobile media.

Telenor: the incumbent telecom operator

Telenor controls several key positions in the mobile-media value chain. Most importantly, it is one of only two mobile network owners in Norway, as well as the largest mobile operator there.[8] As such, Telenor's actions strongly influence the developments of the Norwegian mobile-media market, in terms of network infrastructure and capacity as well as service provision and appropriate business models. In addition, Telenor is an important supplier of mobile-media working notions to the industry, both through its descriptions of what the new communication network can be used for and its visions of what the future mobile-media landscape will look like.

The company was originally established in 1855 as a state-operated telegraph. Since then, it has expanded extensively into other markets, including fixed and mobile communication, broadband and broadcasting. Since 2001, Telenor has adopted a dual business plan through which it seeks first to increase value in its core markets and second to facilitate new activities in emerging markets (Telenor 2001:5). Mobile communication is at the heart of both plans. Starting in 2003, Telenor increased its international activities, and in 2004 it formulated a new business plan to "maintain the company's leading position in Norway and develop profitable international mobile operations in emerging markets" (Telenor 2004a:6). In the relatively mature market represented by Norway, Telenor sought to actively exploit revenue and cost synergies to improve operational performance. Through this process, new "rich" mobile services were deployed to generate growth and counterbalance the price pressure that Telenor was experiencing in its basic voice communication market (Telenor 2004a:9).

Among the institutions selected for this thesis, Telenor is the largest, measured in operating revenues, number of customers and number of employees (see table 3). It is also one of the most "business oriented": Telenor was privatised and listed on the stock market in 2000 and has since grown to become a key player in the Norwegian (and international) financial market.[9] Furthermore, the company is clearly an international presence: as of 2009, Telenor had operations in fourteen countries around the world (and mobile operations in thirteen of them), and it served more than 174 million subscribers worldwide (Telenor 2009a). As such, Telenor's actions within the Norwegian market in fact constitute only a small part of its overall mobile approach.

NRK: the public service broadcaster

The national public service broadcaster NRK (Norsk Rikskringkaster) holds the highest-rated radio and television channels (P1 and NRK1) in Norway and is for that reason alone an important institution for this study.[10] As NRK produces most of its content in house, it also occupies a

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[8] Even though the Norwegian telecom market was liberalised during the 1990s (Skogerbø & Storsul 2003), it is still highly centralised, as only two operators (Telenor and NetCom) own mobile networks. These two vertically integrated mobile operators have a market share of over 70 percent, and Telenor holds more than 50 percent by itself (The Norwegian Post and Telecommunication Authority 2010:28–29).

[9] Even though the company is privatised, it is still partly state owned; the Norwegian Ministry of Trade and Industry holds a majority of its shares.

[10] Through its many different platforms, NRK reached more than 80 percent of the population daily in 2010 (TNS Gallup 2010a), reflecting its key position in the Norwegian market.

unique position as a content provider in the Norwegian broadcasting market. Lastly, as a state-owned and publicly financed public service broadcaster, it is perhaps *the* most important instrument for national media policymakers seeking to fulfil certain objectives.[11]

Like Telenor, NRK applies a dual strategy plan to its business practices, in which it seeks to protect its leading position in its core markets (radio and television) while expanding into new emerging platforms (Internet and mobile). As stated by NRK in 2000: "NRK seeks to defend its strong position as a broadcaster in the new digital media landscape as well, through a combination of basic channels, thematic channels and interactive services" (NRK 2000:4, my translation). NRK has come a long way in securing political endorsement for its inclusion of new-media services, and since 2007, online and mobile services have been an official part of NRK's mission (St.meld. nr. 6 [2007–2008], chap. 4). The approach of promoting new technology and services is not new to NRK, which has historically been an initiator in several technological shifts, ranging from the introduction of television in the 1960s to colour television in the 1970s, digital distribution in the 1990s, and finally the exploration of new-media platforms in the 2000s (Enli et al. 2010: chap. 3; see also Syvertsen 2008; Moe 2009). In terms of mobile media, NRK has played a key role in exploiting the opportunities it has had (see articles I and IV), and during the first decade of the 2000s, it was actively engaged in developing several mobile-media services, including SMS-based content services, SMS interactivity, WAP portals, mobile applications, mobile television and podcasts.

VG: the tabloid newspaper

The tabloid newspaper VG (Verdens Gang), first established as a national newspaper in 1945, is the publisher of the most-read printed newspaper (VG), online newspaper (vg.no) and mobile-media portal (VG Mobile) in Norway. Through its number-one position in these three media markets, VG clearly influences both the actual development of the means of news production on various platforms and common industry notions concerning the ways in which new-media markets, including the mobile-media market, might be explored. Furthermore, VG is one of only a few traditional mass-media players that have succeeded commercially with their new-media activities (The Economist 24.08.06), most of them organised within its subsidiary VG Multimedia.

Like Telenor and NRK, VG also employs a dual business plan, through which it seeks to "strengthen and further develop the VG newspaper and simultaneously generate growth and an economic foundation within VG Multimedia" (VG 2000:8, my translation). As for mobile media, VG Multimedia has been a leader in developing mobile-media services, including SMS-based content services, WAP, mobile applications, and ultimately a portable iPad version of its printed newspaper (VG+). While VG has succeeded in its new-media activities, it has faced substantial challenges in the printed newspaper market: by 2009, VG had lost more than 33 percent of its

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[11] NRK was originally developed as a radio broadcaster in 1933, under the same principles as the BBC and many other public service institutions in western Europe (Dahl 1991; Syvertsen 1999).

printed newspaper circulation since its peak year of 2002 (Høst 2009:6; see also figure 2).[12] Although VG has been able to recoup a number of lost newspaper readers through its online and mobile news services, the transition is still a dramatic one for the company, as revenues per user are less with digital platforms than with paper (see article VI). VG has therefore expanded into new-media markets through necessity to a greater degree than the other established media companies, which are less dramatically threatened in their core markets.

Figure 2. Average readership for VG paper and VG online, 2000–2009 (percent)
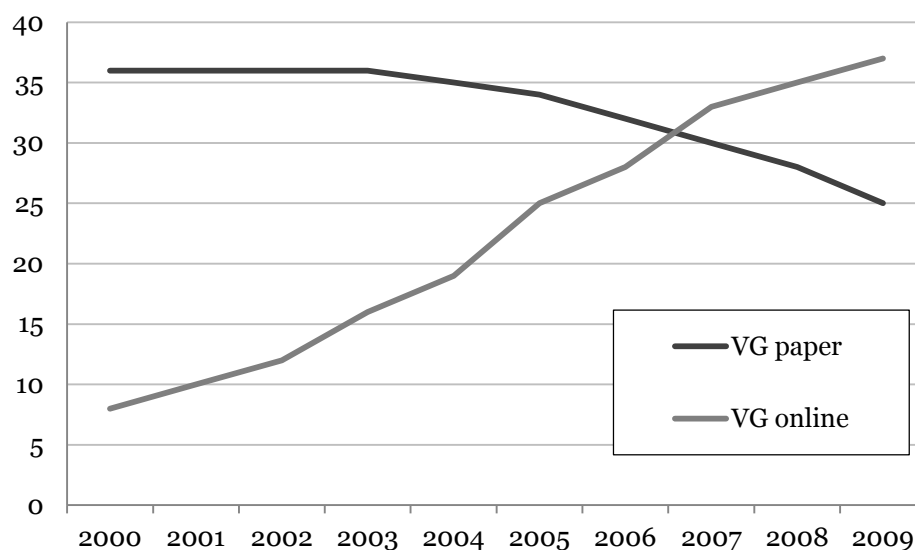
Source: www.medienorge.uib.no (accessed 01.01.12), based on numbers from TNS Gallup.

TV 2: the commercial television channel

TV 2 is the largest commercial television channel in Norway. It was originally launched as the first national commercial television channel in 1992, and it was regulated through public service obligations (see Syvertsen 1997; Enli et al. 2002). Since then, TV 2's position has changed, both because it has gone from a single television channel to a multimedia company and because it has lost its privileged position in the commercial television market, thanks to the digital distribution of an increasing number of national television channels.

Like Telenor, NRK and VG, TV 2 applied a dual business plan in the name of transforming itself from a television channel alone to an "electronic media house" (TV 2 2000b, my translation). TV 2's strategic plan was reformulated several times during the period under analysis, with various implications. In the early 2000s, TV 2's strategic plan was aimed at legitimising its service expansion into new-media platforms, mostly via the subsidiary TV 2 Interaktive (TV 2 2001a). Since 2005, TV 2 has focused its expansion drive upon *electronic* media

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[12] Since 2007, vg.no has reached more readers than the printed newspaper VG (VG 2007). According to TNS Gallup (2010a), vg.no reached 35 percent of the population on any given day in 2010, while the printed paper VG reached 27 percent and VG Mobil reached 3.5 percent. In sum, however, the VG Group reached 50 percent of the population daily through its various media platforms combined.

services (TV 2 Group 2005), and since 2007, TV 2's approach towards new-media platforms has been centred upon the launch of a host of pay-TV niche channels; the organisation also turned its main channel, TV 2, into a pay-TV channel (see Enli et al. 2010). By 2009, the TV 2 Group had stated a goal of creating a multiplatform presence for the company; however, all new-media activities were to be closely related to TV 2's core activity of television.[13] As a result, TV 2's interest in and priorities within mobile media varied during the analysed period, depending on the operative new-media strategic plan. Even so, TV 2 facilitated several mobile-media activities during the period of analysis, most importantly SMS-based content services, SMS interactivity, WAP portals, mobile television, mobile applications and somewhat limited experimentation with, for instance, exclusive mobile sports rights.

P4: the commercial radio channel

Finally, P4 (P4 Radio Hele Norge) represents the largest commercial radio channel in Norway. Like TV 2, it was introduced in 1993 as the first national commercial radio channel and thereafter regulated through public service obligations. P4 first met with national commercial competition in 2004, when Kanal4 (later Kanal 24 and Radio Norge) was given the license previously held by P4 (Enli & Sundet 2007). However, P4 shortly thereafter secured a new license agreement and more or less managed to maintain its position in the radio audience and advertising arenas (P4 2005; see also article VI).

Though P4 likewise has a multiplatform presence, its expansion into new-media platforms has been less extensive than its peers in this study. P4 had a rather ambiguous new-media business plan in 2000 (P4 2000; see also chapters 3 and 4) but then further reformulated and downscaled the plan the year after, to focus on its goal of becoming the largest radio channel in Norway (P4 2001:4). One explanation for P4's reaffirmation of its core market at the expense of new platform opportunities may be its shareholders' lack of willingness to take risks in the years after the bursting of the dotcom bubble. Another explanation may be that P4 is relatively small, in terms of both production and number of employees; thus it has less content and fewer people to spare for new-media innovations. A final explanation, and the one most stressed by P4 executives, was the shaky market situation that P4 dealt with as its licence was renegotiated, which influenced P4's ability to make plans for the future (see article I). Since 2006, however, P4 has slowly started to explore new-media activities, but only those strongly related to its activities as a radio broadcaster (P4 2006).

Table 3 summarises the five institutions' key features. Reading from the table and the presentations given, Telenor, NRK, VG, and to some extent TV 2 could be said to represent the analyser in Raymond E. Miles and Charles C. Snow's typology (2003 [1978]; see also chapter 1), operating both in relatively stable businesses and in others that are more dynamic, while P4 take the form of the defender, focusing mainly on its tasks as a radio broadcaster. Clearly, this does not mean that the analysers face the same threats. For instance, whereas the three broadcasters

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[13] Within a given day, the TV 2 Group reaches 67 percent of the population through its various media channels and platforms (TNS Gallup 2010a).

(NRK, TV 2 and P4) during the period in question all operated in industries were user figures were relatively stable, both Telenor and VG experienced more radical drops in their core areas of fixed-line telephony and newspaper reading, respectively. These—and other—differences are important to bear in mind when analysing how these five institutions perceived and facilitated mobile media.

Table 3. Overview of the five selected media and telecom institutions as of 2009

	Telenor	**NRK**	**VG**	**TV 2**	**P4**
Launched	1855 (state-operated telephone monopoly)	1933 (public service radio)	1945 (national newspaper)	1992 (licence-regulated commercial TV channel)	1993 (licence-regulated commercial radio channel
Ownership	Private: Listed	State	Private: Schibsted	Private: Egmont and A-pressen	Private: MTG
Main source of income	Subscriptions and traffic	Licence	Advertising and newspaper sales	Advertising and pay-TV	Advertising
Employees[14]	40,300 worldwide, 10,400 in Norway	3,568	360	819	104
Operating revenues	97.7 bill. NOK	4,500 mill. NOK	1,961 mill. NOK	2,437 mill. NOK	288 mill. NOK
Operating profits	13.3 bill. NOK	-20 mill. NOK	323 mill. NOK	150 mill. NOK	51 mill. NOK
Activities in core markets	Fixed and mobile telecom, broadband and broadcasting (Canal Digital, Riks-TV, NTV)	Radio (P1, P2, P3) and television (NRK1, NRK2, NRK3/Super)	Newspaper (VG)	Television (TV 2, TV 2 Zebra, TV 2 Filmkanalen, TV 2 Nyhetskanalen, TV 2 Sport)	Radio (P4)
New-media activities	Various websites (telenor.com, startsiden.no, abcnyheter.no); Telenor also owns 40 percent of A-pressen, one of the large media houses in Norway	NRK New Media: various websites (most importantly nrk.no, yr.no), communities, technology blog (NRKbeta), web-TV, web-radio, podcasting, digital TV operator (NTV, Riks-TV)	VG Multimedia: online newspaper (vg.no), various websites (e24.no, dinepenger.no), communities (vektklubben.no, nettby.no), web-TV (VGTV), football service	TV 2 Interaktive: various websites (tv2.no), communities, web-TV (TV 2 Sumo), digital TV operator (NTV, Riks-TV)	P4 New Media: various websites (p4.no), traffic services, web radio and digital radio channels
Mobile-media activities	Mobile music (Wimp)	NRK Mobile (SMS services, SMS interactivity, WAP, mobile applications), podcast, mobile television	VG Mobile (SMS services, WAP, mobile applications)	TV 2 Mobile (SMS services, SMS interactivity, WAP, mobile applications), mobile television	P4 Mobil (SMS services, WAP)

Sources: Telenor (2009), NRK (2009c), Schibsted (2009), TV 2 Group (2009) and P4 (2009).

Interviews with key informants

A very important method in my study has been to interview "key informants"—that is, people with a particularly good overview of and insight into the topic at hand (Andersen 2006:279). Like the so-called company "elites" (Hartz & Imber [eds.] 1995), key informants comprise a group of people with a particular position, status or competence who are not easily replaced (see also Thomas 1995; Hirsh 1995; Osterander 1995). In this study, a total of seventy-three interviews with sixty-four informants (some of whom were interviewed more than once) were conducted

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[14] Measured in man-labour years.

during the period from 2003 to 2007 (see appendix I for an overview of the informants). All of the interviews were conducted in conjunction with the specific studies reported in the various articles. The overall corpus of seventy-three interviews was therefore conducted at somewhat different times and with somewhat different objectives. Still, all the informants were media and telecom executives—that is, directors, leaders, managers, consultants and strategists from the top and middle levels of the organisations. They were all actively involved in facilitating mobile-media and new-media developments, either on a general, overarching level (for example, the director of NRK Broadcasting), at the level of specific departments (for example, the director of NRK Development & New Media), or at a more hands-on, decision-making level (for example, the director of mobile services within NRK Development & New Media). The informants were selected to cover the most important "personas" (see Thomas 1995) who were making decisions on mobile-media and new-media developments within these established Norwegian institutions during the period under discussion. In order to map executives' working notions and industry discourses, the interviews were all qualitative in design (see Kvale 1996) and based on structured and semi-structured, open-ended questions. All of the interviews were conducted either face-to-face or by telephone, depending on the informant's schedule and location.

Forty-five of the interviews were part of a large-scale interview study conducted in 2005 that was designed and directed by the author in collaboration with other researchers from the research group *Participation and Play in Converging Media* in the Department of Communications, University of Oslo (for more about the research group, see Ytreberg & Syvertsen 2006). These interviews followed the same questionnaire in order to facilitate comparison among them (see appendix II); the interview template focused, unsurprisingly, on how new-media platforms, including the mobile phone, SMS-based content services and SMS interactivity, could be used to facilitate audience participation, convergent media services and new business models. This was the first empirical study that was conducted in this area, and it was important for my thesis because it demonstrated the high priority that industry executives attached to mobile media and the mobile phone as a new-media device. Articles II and III (and some of article I) are based on this interview material.[15]

While my comparative case study of NRK, VG, TV 2 and P4 (article I) was partly based on the large-scale interview study, here I also interviewed one executive working with mobile media from each of the institutions, drawing upon a similar interview guide to facilitate comparison between them (see appendix III for an example of the interview guide).[16] The interviews, all conducted in 2006, engaged informants on their views about the mobile phone as a media platform and about mobile-media users in general, as well as on the strategic plans and business models that resulted from those views. Hence, while the large-scale interview study broadly

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[15] Along with the articles included in this thesis, several other book chapters and articles were also based on material from this study (see Ytreberg 2007; Ihlebæk 2008; Fagerjord et al. 2010).

[16] The four informants were Gunnar Garfors, Director of Mobile Services at NRK Development & New Media; Gunnar Stavrum, Director and Chief Editor at TV 2 Interaktive/TV 2 Nettavisen; Morten Holst, Head of Development at VG Multimedia; and Rune Hafskjær, Head of Format and Development at P4. In addition, I used seven interviews from the 2005 interview study.

mapped industry notions and strategic plans, this study went deeper and asked executives who were working specifically with mobile media follow-up questions regarding how they both perceived and planned for this emerging field.

The comparative case study showed that although four of the selected media institutions perceived the strategic benefits of mobile media in similar ways, they approached the field somewhat differently. To follow up on this finding, I looked more closely at one particular institution, as well as one of its key mobile-media experiments, in the single case study of NRK's *Rubenmann* project (article IV). For this study, I interviewed five informants working with the project, all in 2007. I asked them how the project had evolved from an exclusively mobile video series to a multi-platform media production, and then I compared the ways in which informants from different NRK departments perceived the same developments (see appendix III for an example of the interview guide).[17] As the article shows, their different roles within NRK meant that they had somewhat differing perceptions as well. For instance, while my informant from NRK Entertainment regretted the mobile phone's limited screen size and lack of user base, my informant from NRK Promo celebrated the mobile phone as a platform well suited to promoting innovative new services. This discrepancy highlights the importance of interviewing more than one informant when seeking to map industry working notions.

This was also true of the embedded case study of Telenor's mobile football and mobile music services (article V), in which I interviewed six informants from four different Telenor departments in 2007 specifically concerning the company's approach towards mobile media. Here as well, I drew upon a similar interview guide to facilitate comparison among the informants; however, in each interview some of the questions were changed to reflect the various department the informants represented (see appendix III for an example of the interview guide).[18] As that article shows, informants from various departments tended to highlight or favour different aspects of the mobile phone as a media platform, depending on which mobile features they required for their specific services as well as their operative sub-institutional legacies.

Although the interviews were all conducted for use in the articles, they have also been an important resource for the analysis that comprises the final contribution. Here, the overall corpus of the seventy three-interviews fell into two main categories. The *base set* consisted of thirty-five interviews with thirty-one informants working at the five selected institutions. Although this set is based on interviews conducted at different times with somewhat different interview guides, I compiled it specifically to address issues such as how the informants perceived the development of mobile media during the years of analysis (chapter 3), the mobile phone as a media platform (chapter 4), mobile-media user situations (chapter 5), and mobile-

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[17] The five informants were Anders Hofseth, Producer at NRK Promo; Asbjørn Aga, Project Manager at NRK Events; Cathrine Brekka, Journalist at NRK Desk of Broadcasting; Charlo Halvorsen, Project Manager at NRK Entertainment; and Gunnar Garfors, Director of Mobile Services at NRK Development & New Media.
[18] The six informants were Anne-Lise Katle, Head of Mobile Content at Telenor Nordic; Christan Victor Bernau, Director of Football at Telenor Broadcast; Erik Nord, Senior Vice President at Telenor Media and Content Services; Hilde Lovett, Project Leader at Telenor Research & Innovation; Klaus M. Sørland, Head of Music at Telenor Nordic; and Pearse Connolly, Vice President of Football at Telenor Broadcast.

media business models (chapter 6). The *supplementary set* consisted of thirty-eight interviews with thirty-three informants from other key institutions within the convergent Norwegian media market. These interviews were used to contextualise statements taken from the base set (see appendix II for an overview).

All of the interviews were tape recorded and transcribed (either fully or partly), so that I would be able to go back and review what had been said. In addition, I also wrote short "interview summaries" after conducting the interviews, in order to reflect both main findings (regarding mobile-media working notions, plans and actions) as well as other things of relevance not reflected on the taped record (for example, whether the informant was particularly enthusiastic about certain issues). When I started to analyse the material, in particular if it was several years after the actual interview took place, these short interview summaries proved very helpful.

In addition, I also conducted a preliminary analysis of the transcribed interview material before starting to write the actual analysis. In the various articles, these preliminary analyses obviously reflected the specific research questions at hand. In the final contribution, four such preliminary analyses were made, reflecting interview perspectives on the development of mobile media in general (chapter 3), media convergence and the mobile phone as a media platform (chapter 4), audience participation and mobile-media user situations (chapter 5), and business models and mobile-media revenue streams (chapter 6), respectively. Hence, although I collected all of the interviews in one file (to make it possible to search the entire corpus as necessary), I also grouped the interviews for analytical reasons. These preliminary analyses were also helpful when deciding whether a particular interview statement represented a general industry view or not.

Obviously, interviews with key informants have represented an important component to my overall study. However, although this kind of interview is a rich and fruitful method when investigating industry working notions (as well as plans and actions), it is also has some weaknesses. To start with, interviews happen "here and now" and only apply to a limited degree to either the past or the future. In my study, it is an admitted weakness that the interviews do not reflect the entire period of analysis (2000–2009) but instead centre upon the middle period (most of the interviews were conducted between 2005 and 2007). The reason for this is mostly practical: it was not possible to conduct interviews *before* the study started or to continue after it was supposed to be finished. However, the chronological limitations of the interviews are the main reason why document analysis was such an important method as well.

In addition, doing interviews is time consuming, in terms of making interview appointments, doing the interviews themselves and transcribing them. Although I only transcribed the interviews in meaningful sentences (eliminating pauses, repetition and incomplete sentences), a considerable amount of time was spent transforming the interviews to written text.

Finally, interviews with key informants also necessitate basing one's empirical material upon executives' ways of presenting reality (and the object of study). Like everyone else, industry

informants of course seek to present themselves (and the institution they represent) in a favourable way and thus will highlight some aspects of the matter at hand over others. In my study, it has therefore been important to critically assess the strategic interests that might be behind certain interview statements as well as to counterbalance this methodology with other empirical sources.

Document analysis

Document analysis was the second key method in my study, both as a supplementary method in my six articles and as the main method for the final contribution. In the articles, I drew upon different types of documents (institutional documents, policy documents, press coverage, statistical summaries), depending upon the purpose of the particular study.[19] In the final contribution, I relied upon document analysis to produce an accounting of the various institutions' perspectives, plans and patterns during the entire period of the study. Here, the documents fell into two main categories that were similar to those used for the interviews. A *base set* consisted of Telenor, NRK, VG, TV 2 and P4's annual reports, annual accounts and strategy documents from 2000 to 2009. Here, the intention was to analyse and compare corresponding and regularly occurring documents, both among the selected institutions and over time. Annual reports and annual accounts are particularly relevant in this respect, because they are produced annually by the institutions themselves, present key figures, strategy plans and information, and demonstrate a more or less standardised manner of presentation that accommodates comparison, both over time and among the selected institutions (Syvertsen 2004b).[20] A *supplementary set* consisted of other relevant documents from the selected institutions (for instance, press releases or service information) as well as policy documents, consultant reports, press coverage, statistical reports, documents from other media institutions and so forth. I used these documents to contextualise and supplement the base set of documents and further investigate key issues that arose.

The base set of industry documents was processed analytically in ways similar to the interview material, including several preliminary analyses—I both went through the material several times and ultimately divided it into more manageable parts. To start with, I used the base set to make an overview of the institutions' chronological development from 2000 to 2009, regarding both their perceptions and descriptions of mobile media and other key technological, cultural and economic developments. Hence I was able to trace both institutional differences and developments over time. This analysis was important to my formulation of the three market

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[19] For instance, the study of the strategic function of audience participation (article II) derives from a review of media policy documents that elaborate upon political assumptions about media's role in society. Similar, the industry analysis presented in article VI uses a wide range of statistical and policy documents to analyse the degree of competition—and the threat from "substitutes"—in the various media industries.

[20] The most important documents were Telenor's annual reports, 2000–2009; NRK's annual reports, 2000–2009; NRK's annual accounts, 2001–2009; VG's annual reports, 2000–2008 (VG did not publish a report for 2009; see instead Schibsted 2009); TV 2's annual reports, 2000–2002, TV 2 Group's annual reports, 2002–2009, and TV 2's public service accounts, 2004–2008; and P4's annual reports, 2000–2005, and annual accounts, 2006–2009.

phases to be described in chapter 3. Afterward, I used the base set to make more detailed preliminary analyses of how the selected institutions described, respectively, media convergence and the mobile phone as a media platform (chapter 4), audience participation and mobile-media user situations (chapter 5), and business models and mobile-media revenues (chapter 6). As with the similar preliminary analyses of the interviews, this means of processing the material was important for identifying institutional differences as well as deciding on whether a description evoked a general trend or merely a specific institutional stance.

In both the base and the supplementary sets, I used the documents in two ways: as "reports" and as "remnants" (Dahl 1991 [1967]:37–38). As a *report*, a document tells something about a certain case or set of circumstances—for instance, the various ways in which different institutions approached the emerging field of mobile media, their plans and activities. As a *remnant*, a document is found to relate in a specific, often significant way to its original position or author—for instance, the various ways in which the discourse about mobile media changed over the first decade of the 2000s (see chapter 3). As such, it is not the text in the document per se that is interesting but what the text says about the person/position/institution/situation that produced it (ibid.; see also Dahl 2004). Hence, the documents were used to reflect strategies as plans and patterns (reports) and to reflect institutional perspectives (remnants). In both cases, institutional documents are often thought to represent institutions' "collective memories" (Enli et al. 2010:96), both by explicitly presenting strategies, services and key developments and by implicitly saying something about organisational routines, experiences and working notions.

As with the interviews, the document analyses represented an important method in my overall study, assisting in particular with a systematic investigation of industry perceptions, plans and patterns during the entire period from 2000 to 2009. Document analysis, however, also manifests certain weaknesses. To start with, the five institutions do not report publicly in the same way, which is apparent from their documentation. In general, NRK (followed by TV 2) produced the richest and most accessible documents, whereas P4 and VG produced the least accessible documents. As for Telenor, it provided rich annual reports; however, as mobile media only constituted a small amount of its overall service provision, these descriptions were often unfortunately spare in content. This limitation are the main reason why I supplemented my base set of documents with a supplementary set.

In addition, it must be remembered that institutional documents do not represent an *objective* picture of the institution or its internal or external conditions. On the contrary, they play a key part in the institution's self-presentation, to its competitors, owners, policy makers, and even customers and audiences. They are less about information than about *branding*, and "real" strategic plans are not necessarily presented in publicly available documents. Researchers conducting institutional analyses therefore need to approach these documents with detachment and validate them where possible using other sources. In this study, I have tried to overcome this complication by analysing several key institutions rather than only one, while cultivating a

supplementary set of documents in order to contextualise (and contrast) statements and notions in the base set.

Analysis of services

Interviews with key informants and document analysis were clearly the two most important methods in my overall study. However, I also analysed a selection of mobile-media services using three case studies (Yin 1994).[21] The first resembles what Robert K. Yin (1994) calls a "comparative case study"—an analysis of NRK, VG, TV 2 and P4's mobile-media services, particularly their WAP portals, between 2004 and 2006 (see article I). I approached the WAP portals in terms of their content categories, their degree of reuse of existing content, and their application of various business models. This analysis was important both to describing the four institutions' particular mobile-media services and to understanding what this type of service looked like at this particular time.

The second case study involved NRK's first exclusively mobile video series, the *Rubenmann* project, which was launched in 2007 (see article IV). This is a single case study (Yin 1994) of one particular mobile-media service as it was designed and put forward by NRK. A key issue in the study involved how the *Rubenmann* project developed from an exclusively mobile video series to a cross-media format with its own blog, a Facebook profile, and appearances on well-known online sites such as YouTube and eBay. In this case, it was important for me to follow the actual service and investigate how it was presented on the various media platforms.

The third case study is an embedded case study (Yin 1994) of two of Telenor's highest-priority mobile-media services during the first decade of the 2000s: the mobile football service and the mobile music service (article V). The mobile football service was launched in 2006 as an exclusive service for Telenor's paying customers. It arose from Telenor's exclusive rights to Norwegian elite football and stopped in 2009 when Telenor's term as a rights owner expired. The mobile music service was first introduced in 2004 as a made-for-mobile service but was later extended into a digital music service with global ambitions. In these two services, I investigated how the mobile phone was used as a platform for media content, as well as what business models were adapted in relation to it.

An analysis of services contributes significantly to studies of how established institutions perceive and facilitate new media because it supplies important knowledge about the related services themselves, and because it supplies insights into the strategic choices and working notions that lie *behind* the service (Schein 1984). In order to fully comprehend how the selected institutions exploited mobile media, we cannot base our analyses entirely on what they thought or what they said they intended to do; we must also look at what they actually *did*.

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[21] The analysis of services relates to the more established traditions of production analysis (see Gitlin 1994 **|**1983**|**; Caldwell 2008; Mayer et al. [eds.] 2009), programme analysis (see Gripsrud 1995) and analysis of texts more generally (see Bakøy & Moseng [eds.] 2008).

Relationship to Telenor

Before concluding this chapter, I will briefly elaborate upon my relationship to one of the selected institutions. Telenor Research & Development financed my PhD project as one of three projects on mobile services and applications that were hosted by the University of Oslo. The company was a generous but distant financier. Except for some e-mail contact and a few meetings and midterm presentations, there was little collaboration as such. Originally, I welcomed this independence, as I felt I needed to clarify the scope of the project for myself and determine which analytical perspectives to explore without interference from my sponsor. I also wanted to preserve my independence as a researcher, particularly when interviewing media executives who might have viewed Telenor as a competitor.

Looking back, however, I realise that it might have been fruitful to cultivate closer contact with Telenor, as its executives possess a truly unique knowledge and data set concerning the mobile-media market. I did not request or access any such information in particular for this project and enjoyed no special privileges regarding Telenor's corporate records. Both Telenor informants and Telenor documents were selected, approached and analysed in the same way as any others. On the up side, Telenor certainly respected the independence of my study. On the down side, I was not able to take advantage of my connection to the company.

Conclusion

In this chapter I elaborated upon my twofold research strategy, which combined the perspectives of the selected five institutions with a larger industry perspective. I described those institutions and indicated their most relevant characteristics regarding their perceptions and facilitation of mobile media. Except for P4, all of the selected institutions had adopted a dual business plan of strengthening and developing core activities while expanding into emerging markets such as mobile media. In chapter 4, this expansion strategy, and the issue of media convergence, will be discussed in closer detail.

I also presented my three main research methods: interviews with key informants, document analysis and the analysis of services. While all of these methods could be used to satisfy several purposes, I found them to be particular suitable to analyses of industry working notions, plans and actions. I further argued for the necessity of including all three levels of strategic decision-making (perspective, plan, and patterns) in any consideration of how the Norwegian mobile-media market has developed during the first decade of the 2000s. Furthermore, I have in this chapter illustrated how my analysis of industry perceptions, plans and patterns was conducted through the lens of several studies, situated in different time periods. While this methodological approach accommodates a variety of institutions and topics during a defined period of time, it was a challenge to synthesise everything as a cohesive whole. In particular, the lack of a single overall interview design meant that, in the final contribution, I had to conduct more comprehensive document analysis in order to map the object of interest and the selected institutions in a systematic way. Based on this analysis—and in order to

contextualise the various studies and the empirical material—I will in the next chapter analyse how the Norwegian mobile-media market developed during the first decade of the 2000s.

Chapter 3. Towards a Norwegian mobile-media market

In general, it is not easy to pinpoint precisely when a new market occurs for the first time or what exactly causes it to develop. An awareness of the historical development of a new market, however, is important in order to understand why industry players thought, planned and acted as they did when faced with it. In this chapter I will describe how the Norwegian mobile-media market developed during the first decade of the 2000s. I will distinguish among three discrete market phases (2000–2003, 2004–2006 and 2007–2009) according to certain key developments regarding distribution networks, terminals, service provisions and business models. Besides giving a historical backdrop, this review will contextualise the analysis to come (see chapters 4–6) as well as all of my articles. While the delineation is helpful for analytical purposes, it is obviously not entirely clear-cut—these phases both overlap and intermingle. Furthermore, developments in the mobile-media market in fact begin before 2000, so I will preface my discussion with a summary of this "prehistory". First, however, table 4 will present key developments within the Norwegian mobile-media market in the selected period from 2000 to 2009.

Table 4. Key developments within the Norwegian mobile-media market, 2000—2009

Phases	Networks	Terminals	Services	Business models
Prehistory	NMT is introduced in 1981, GSM in 1993.	The first WAP phones are launched in 1999.	SMS services are introduced in 1995, WAP in 1999.	The Norwegian telecommunications market is liberalised and opened for competition beginning in 1998. The CPA agreement is introduced in 1999.
Phase I: 2000–2003	GSM and GPRS (the latter from 2001). Telenor is awarded the UMTS (3G) licences in 2000 and conducts the first trials in 2002.	Mostly simple phones with SMS functionality. The first mobile phones with a camera are put on sale in 2003.	Mostly simple SMS- and WAP-based services (e.g. ringtones, wallpapers) and SMS interactivity. GPRS allows users to access the Internet from 2001. MMS and Java applications are introduced in 2002.	The CPA agreement soon becomes the main business model for SMS and WAP services. GPRS allows users to pay only for the amounts of data transferred.
Phase II: 2004–2006	Telenor officially opens its UMTS network in 2004. Telenor also starts upgrading its GSM network with EDGE.	The first mobile phones with a web browser are launched in 2004.	Real tones are launched, representing the predecessor for mobile music. There are high industry expectations for "rich" media services (music, games, videos and television).	The CPA agreement is still important, yet "rich" mobile-media content demands new business models.
Phase III: 2007–2009	GSM, GPRS, EDGE and UMTS. Telenor is granted a license for 4G in 2007. Trials with mobile-TV using DMB from 2008.	A new set of smartphones is introduced: the iPhone is launched in the US in 2007, in Norway in 2008. Early developments towards tablets and ebooks take place.	Experiments with "rich" mobile-media content continue, including mobile football, mobile music, mobile television services. Mobile applications launched from 2007.	The CPA agreement is still used. However, new players are entering the field (e.g. Apple's iTunes) and gain key positions in the global mobile-media value chain.

Sources: NRK, Telenor, TV 2 and VG's annual reports from 2000 to 2009.

1980s–1990s: The prehistory of mobile media

This particular history will chart the path by which the previously separated telephone and media markets came together with the common goal of realising a convergent mobile-media market during the period of interest to this study. It begins with the telecom industry's earliest attempts to accommodate a mobile communication network and its attendant devices, the mobile phones. Such phones are by no means a novel technology—various notions of and experiments with "movable" communication technologies have existed since the early 1900s. For instance, Jon Agar (2004) describes how a voice-based mobile radio system was introduced in Detroit already in 1928 (see also Bastiansen 2006). Value-added phone services likewise have a long history—British telecommunication engineers, for example, developed a "speaking clock" already in 1936 (Googin & Spurgeon 2007:757). Still, mobile media as we know it today has a rather more immediate past. In Norway, the first step towards a mobile-media market was the opening of the first mobile telecommunication network (Nordisk Mobiltelefonisystem, or NMT) in 1981. This first-generation (1G) mobile technology was developed through collaboration among the incumbent Nordic telecoms, in the hopes of establishing a common standard for mobile communication services.[22] The technology was a huge success and was adopted by over twenty countries around the world. During the 1980s, then, the Nordic countries were at the forefront of mobile technology developments.

Despite the NMT network's success, however, the mobile phone did not appeal to most consumers until the arrival of the second-generation (2G) mobile network. In Norway, this technology shift took place in 1993, with the launch of the GSM (Global System for Mobile Communication) standard.[23] At the same time, a new set of smaller, cheaper mobile phones was introduced, and these became popular consumer devices in Norway, as elsewhere, during the 1990s (Bastiansen 2006; see also Castells et al. 2007). To illustrate: while there were less than 200,000 mobile subscribers in Norway in 1990, there were more than 3.2 million subscribers in 2000, and more than 5.2 million in 2009.[24] Further, the GSM standard allowed not only for voice calls but also for text messaging (SMS, or Short Message Services), mobile content services and Internet surfing using the WAP (Wireless Application Protocol) standard.[25] In Norway, SMS was introduced in 1995, while the first WAP phone was launched in 1999.

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[22] The earliest move towards a shared Nordic standard occurred in 1969, when the general managers of the Nordic incumbents decided to aim for a common Nordic mobile network (Bastiansen 2006:62ff).

[23] Work towards a GSM standard had begun already in 1982 with initiatives from the European Telecommunications Standards Institute (ETSI) and the Confederation of European Post and Telecommunications (CEPT). In 1984, the EU Commission supported their plans. The GSM standard was first launched in Finland in 1991 and soon became the global standard. As of 2009, it had been adopted in more than two hundred countries and territories worldwide.

[24] Source: www.medienorge.uib.no (accessed 10.01.11), based on numbers from the Norwegian Post and Telecommunication Authority.

[25] Briefly, WAP is an international standard for wireless communication that can be used to access mobile websites from a mobile phone.

Given the capabilities of the GSM network, the ever-increasing number of mobile subscribers, and the liberalised telecommunication market (Skogerbø & Storsul 2003), a fullblown mobile-media market in Norway was inevitable. Early initiatives towards this end arose primarily with policy makers as well as companies within the telephone industry. The two Norwegian mobile network owners, Telenor and Netcom, started providing mobile content services to their customers in 1997, based on exclusive agreements with content providers. As demonstrated by Peter Nielsen (2006), the primary purpose of these mobile services was to increase traffic as well as brand and differentiate the two mobile operators in the minds of their customers. Though many exclusive deals were made, however, Telenor and Netcom were still forced to collaborate with many of the same content providers and media players, which made their content offerings less unique and their industry relationships more tangled. For instance, in 1998 the broadcaster TV 2 promoted itself as the largest independent provider of mobile content services based upon its collaborations with *both* Telenor and Netcom (TV 2 1998:25).

The operator-driven mobile-media market soon proved to be both too complex and too expensive for the respective mobile operators to administer (Nielsen 2006), and in 1999 the "walled-garden approach" was superseded by a so-called CPA (Content Provider Access) agreement. This allowed content providers to sell their services through mobile operators' networks and thus enter a market previously occupied entirely by those operators. The CPA agreement represented the first real step towards a convergent mobile-media market by allowing for the coming together of both media and telecom players with their sets of media and telecom services (see also NOU 1999:26). Because of the CPA agreement, the Norwegian mobile-media market entered the new millennium far more open to competition (and to mobile-media service providers) than its peer markets in most other European countries, which remained typically more controlled by incumbent telecoms and their partnerships with major players (Nielsen 2006). More importantly, as media and telecom institutions during the 1990s operated largely in two distinct markets, with distinct players, services and networks, the CPA agreement heralded the arrival of a different kind of market altogether, one in which both media and telecom institutions and their services managed to belong.

2000–2003: Ringtones, wallpapers and SMS interactivity

The year 2000 therefore marked the beginning of a new phase within the Norwegian mobile-media market. To begin with, it was the first full year of the CPA agreement, and a variety of mobile content providers promptly entered into this emerging convergent market by developing simple mobile content services, such as logos, ringtones and wallpapers. Generally, customers downloaded these services by SMS and paid for them on their phone bill via the CPA agreement. Small, specialised companies (for example, Aspiro, Inpoc and Tellus) with niches in the growing and soon lucrative SMS market drove overall mobile-media market developments at this early stage (see Nielsen 2006; see also Rao 2005; Ballon 2009). However, established media institutions, including NRK, VG, TV 2, and P4, had been paying attention as well, and by 2000 all

four had launched some kind of mobile content services, including a variety of content-based SMS and WAP services (see, for example, NRK 2000:21; VG 2000:2; TV 2 2000a:41; P4 2000:8).

One of the reasons why established media institutions like these started approaching the new mobile-media market in this early phase is that they all underwent similar reorganisational processes to face the "digital millennium". For all of them, this included the installation of new-media departments (see also chapter 2). NRK launched NRK Futurum to develop and produce new-media services. In addition, NRK restructured its existing divisions to accommodate increased new-media expansion and cross-media production (NRK 2000; see also Erdal 2008)—beginning in 2001, new-media services were included in NRK's strategy statement, to "complement and support core activities" (NRK 2001a:4, my translation; see also NRK 2001b). Similarly, VG expanded its new-media department, VG Multimedia, into a subsidiary, empowering it to explore new-media services—most importantly, the online newspaper vg.no—outside the realm of the printed newspaper. TV 2 embarked upon an ambitious new digital strategy for transforming itself from a single television channel into an electronic media company (TV 2 2000a:27; see also TV 2 2000b). Along the way, the subsidiary TV 2 Interaktiv was given the key task of using TV 2 content to "develop new revenue streams on all potential platforms" (TV 2 2000a:34, my translation). P4's strategy closely resembled TV 2's, in that the company sought to grow from a "radio channel to a digital media provider" (P4 2000:5, my translation). It was reorganised to accommodate cross-media production through a new content department, Byrå P4, that was intended to negotiate among P4's radio channel, website and "SMS, WAP and PDA-based services" (P4 2000:6, my translation). In addition, a new subsidiary, P4 Instant Media, was launched to try to increase audience interaction online and on mobile terminals (P4 2000:7). Although P4 downscaled its new-media strategy already the year after (P4 2001), it entered the new millennium with the same enthusiasm as the other four institutions.

The placement of new-media activities with whole separate companies made quite visible the value of those activities to the market, which in turn increased the value of the owner's share in that market. Interestingly, while traditional-media departments continued to be driven by the goal of improved efficiency, new-media departments began to cultivate a motivational spirit of entrepreneurship (see Krumsvik 2006; Küng et al. 2008b). In short, during this first phase, strong expectations were attached to new-media platforms, and these expectations were strongly manifested through the opportunities seen for the mobile phone.

The year 2000 was likewise important for Telenor, which was privatised and listed on the stock exchange. Before the listing, Telenor underwent several reorganisations, to make the company more competitive and financially sustainable. Also in 2000, Telenor was awarded a third-generation (3G) mobile licence using UMTS technology. Telenor's 3G plans ramped up industry expectations regarding the emerging mobile-media market, as the company expected the network to radically improve capacity and thereby allow for new types of services as well (Telenor 2000:23). By 2003, in fact, Telenor named its new strategy "The Mobile Way" and

pointed to mobile communication as its "principal focus area for future growth" (Telenor 2003:30).

Telenor's mobile optimism was generally shared by all of the selected media institutions. In 2000, for instance, NRK stated:

> The production of content for mobile devices is an important part of the development towards media convergence. NRK aims to explore modern mobile communication techniques as a way to reach new user groups, in particular youths, where NRK is otherwise losing ground. (NRK 2000:21, my translation)

Using similar terms, P4 published the following: "The explosive growth of mobile-media services provides P4 with unique opportunities to develop and introduce new concepts to the market" (P4 2000:8, my translation). The commercial media players—VG, TV 2 and P4—also all stressed the potential of mobile-media services for generating new streams of revenues (VG 2000:20–21; TV 2 2000a:43; P4 2000:8; see also chapter 6). And SMS-based content services soon proved to be profitable. In 2001, VG reported that VG Online's strong focus mobile-media services "now accounts for a relatively significant proportion of the company's total economic turnover" (VG 2001:32–33, my translation).

Paralleling the development of simple SMS-based content services, Norwegian media companies also started using SMS as a return channel for audience participation. In the television industry, SMS was applied to reality programmes such as *Big Brother* (TVNorge, 2001–) and *Idol* (TV 2, 2003–) as well as so-called SMS-based programmes such as *Mess-TV* (TVNorge, 2002–2009) and *Svisj* (NRK, 2002–), the latter of which typically aired late at night or otherwise outside of the regular programme schedules (see picture 1 for illustration). In those programmes, SMS became central to the content (see Beyer et al. 2007; Enli 2007), while in debate or entertainment shows, for example, SMS was simply an additional service that brought interactivity to the programme (Kjus 2009; see also Karlsen et al. 2009). In both types of programme, the use of premium-rate telephone services introduced a new form of return-path economics; audiences who responded through SMS and call-ins brought income directly to the programmes, as opposed to the indirect income of advertising and the like (see article II; see also Goggin & Spurgeon 2007). In 2003, TV 2 claimed that income from phone activities had become "one of the most important revenues for TV 2 Interactive" and referred to European studies that stressed the potential of the mobile phone as a return channel in interactive television in the time to come (TV 2 Group 2002:14, my translation).

Picture 1. Example of SMS-based television (*Svisj*) with SMS vote, MMS pictures and chat

Picture of unknown origin, published by Karlsen et al. (2009) in *Nordicom Review,* vol. 30:1; 31.

Although the selected media institutions have been disinclined to give out detailed mobile-media user and sales numbers, aggregated figures do give an indication of mobile media's development. Based on the numbers reported from the Norwegian Post and Telecommunication Authority, the growth of sent mobile content messages more than tripled during this first phase, from 80 million in 2001 to 271 million in 2003 (see figure 3).

While SMS-based content services and SMS interactivity represent one of the first phase's most notable successes in terms of both usage and income, the development of WAP had a narrower application. The industry first introduced WAP phones in 1999, and within the next couple of years, WAP browsers became a common feature of most mobile phones. Often branded as the "mobile Internet", WAP browsers provided—at least technologically—many of the basic services of a computer-based web browser but adjusted them to the limitations of a mobile phone (see article I). During the early 2000s, many well-known brands, including the media and telecom companies selected here, launched WAP sites. Yet the fate of WAP in this early phase remained unclear. Media players noted that the 2G network was not ultimately efficient enough for this type of service, but that WAP might in fact succeed when the 3G network was finally realised. Some media companies also felt that the mobile operators were too manipulative and greedy to facilitate a healthy WAP market: "When WAP technology collapsed, it had a clear correlation with the operator's unwillingness to share revenues generated by new content with the content providers", TV 2 argued (TV 2 Group 2002:15, my translation). Clearly, the coming

together of media and telecom players in an emerging mobile-media market was not without dispute.

Figure 3. Totals of sent mobile content messages, 2000–2009 (in millions)[26]
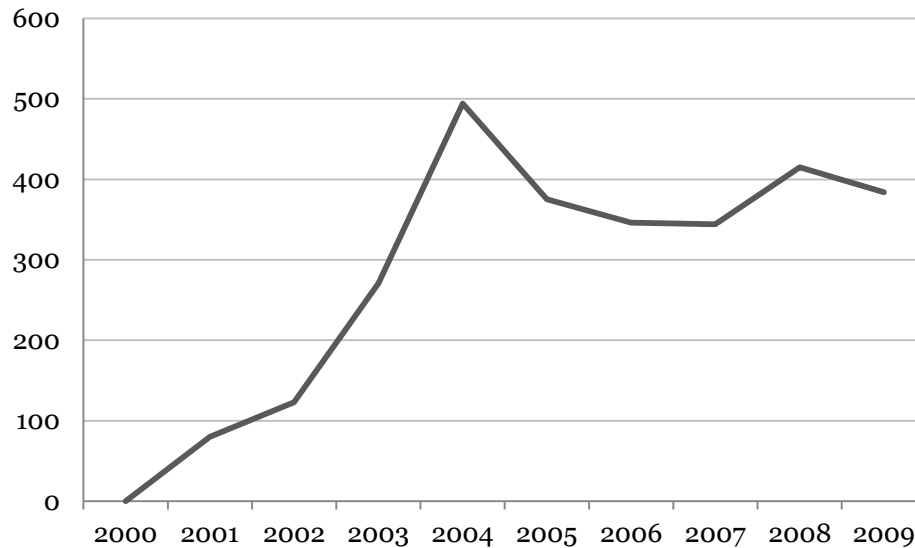
Source: The Norwegian Post and Telecommunication Authority 2010.

Summary of key characteristics of phase I: 2000–2003

- *NRK, VG, TV 2 and P4 are all reorganised as digital media companies and develop "new media" departments within their organisations.*
- *Telenor is privatised and listed, and it defines mobile communication as its future growth area. Telenor present plans for launching 3G.*
- *The CPA agreement becomes a critical business model, allowing as it does for a more open and competitive mobile content market.*
- *Simple SMS-based content services (e.g. ringtones, wallpapers, logos) and SMS interactivity (e.g.* Big Brother, Mess-TV*) become a profitable new source of revenue for many media institutions.*

2004–2006: 3G, WAP and podcasts

In 2004, the beginning of my second phase of market development, 3G was introduced in Norway. This network allowed for increased capacity and "rich" media content as well as the possibility of mobile video and even television. Telenor noted: "The new network offers higher speeds and will involve opportunities for new content and more advanced services" (Telenor 2004a:15). The development of 3G raised great expectations within the media and telecom industries, as it was expected to finally realise many of the early scenarios regarding a revolutionised mobile-media market (see Orgad 2006; Informa Telecoms & Media 2006). Telenor, for instance, promptly exploited this improved capacity by launching a mobile music service (Telenor 2004b; see also article V). Players in the industry also hoped that 3G

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[26] Mobile content messages are here defined as ringtones, wallpapers, votes, etc. The Norwegian Post and Telecom Authority does not have numbers for the year 2000.

technologies would produce profitability for WAP and mobile Internet in the same way that GSM had for SMS-based services. These high industry expectations were also reflected in the fact that 3G licences in many European countries were handed out through expensive auctions, based upon the profits that were expected to accrue from them (Dunnewijk & Hultén 2007; see also Maitland et al. 2002). In Norway, three UMTS licences were assigned, following an application process, though only two of the applicants (Telenor and Netcom) in fact constructed 3G networks.

Except for P4, which again reorganised in 2001 to focus on its "core" priorities (P4 2001), all of the selected media institutions expressed high hopes for the "new" mobile-media market, driven by 3G technology and more advanced mobile phones. According to NRK, for instance, mobile-media services had now become a truly important area for expansion:

> Mobile services are now in full swing, and NRK was the first in Europe to send signals from TV channels for reception on a mobile phone. NRK believes that mobile services will become increasingly important. […] In the future, sound and picture in this medium will become stronger, and NRK intends to be the most important player in Norway when this happens. (NRK 2004b, my translation)

Obviously, NRK had high hopes for mobile television and video. It launched its mobile television series in 2004, through which it transmitted all of the in-house programming then appearing on its main television channel (NRK1). In 2005, NRK began to explore exclusively mobile video, creating, among other things, a made-for-mobile drama series of eleven episodes based on the television series *Deadline Torp* (NRK 2005b:6; see also articles I and IV). Along the same lines, VG continued to develop its mobile-media services and, most importantly, its WAP portal, VG Mobil, which soon became the largest such portal in Norway. It was created as an extension of VG's online newspaper (vg.no) and reused highlights from its online services as well (see article I). TV 2 likewise expressed fresh hopes for mobile media. In particular, TV 2 stressed how the establishment of the UMTS network and increasing use of 3G mobile phones provided "new revenue opportunities" for the company (TV 2 Group 2004:28, my translation). TV 2 also had, like NRK, high expectations towards mobile television, which can be illustrated by the fact that TV 2 in 2004 purchased the exclusive rights to transmit Premier League to mobile devices (ibid.).

As mentioned above, P4's mobile media approach was generally more reserved as a result of their ongoing restructuring process. On their WAP portal, P4 offered a limited news service and redistribution of the P4 radio channel, thus expanding into the mobile platform without prioritising it to the extent that the other selected media institutions had (see article I). The organisation wrote: "To a limited degree, the company facilitates for other publishing services, via Internet, SMS, as well as resale of content. Virtually all the publishing services are derived from the radio channel" (P4 2004:7, my translation).

The pioneering years of simple SMS services had already been very profitable for many players in the mobile-media market, as described above. The move to "rich" mobile media services—WAP, mobile Internet and mobile television—was a more costly prospect, however,

not least because users seemed less interested in them than in the more user-friendly SMS services. Soon this reality set in among the selected institutions:

> Expectations towards the mobile phone as a platform for rich media content differ substantially. The technology is already a success, but mobile optimists keep company with an equal number of pessimists who believe 3G mobile phones will flop commercially. (TV 2 Group 2005:21, my translation)

The more pessimistic view of the mobile phone as a platform for rich media content was even more in evidence the next year. TV 2, for instance, saw itself as well positioned in the market for mobile Internet but noted that both user numbers and profits were growing "at a slower pace than most market participants had expected" (TV 2 Group 2006:18, my translation). In fact, while the public use of SMS, MMS and SMS-based content services continued to increase during the second phase of development (The Norwegian Post and Telecommunication Authority 2010), the use of rich mobile-media services, here understood as mobile internet (3G) and WAP (but not SMS-based content services), remained level and even declined overall during the second phase: from 2005 to 2006, for example, the share of the population reporting weekly use of mobile media decreased from 11 to 9 percent (TNS Gallup 2010b). Other surveys, including those conducted by Telenor, claimed to measure an increase in mobile-media usage in this period, but these numbers were neither made public nor used by media companies. From the media industry's perspective, then, the numbers provided by TNS Gallup—which showed a decrease in usage—represented the official numbers for mobile-media usage in Norway during this second phase. These numbers were also used to arrive at mobile-media advertising prices, and, importantly, they were used in-house to prioritise the various new-media platforms and services. As "rich" mobile media failed to "deliver", then, it soon became less of a priority. Clearly, "rich" mobile-media content fell short of industry expectations during the second phase of this market's development (see also Kampanje 15.08.06, 03.11.06), while SMS-based content services and SMS interactivity continued to generate substantial revenues for many media and telecom institutions (see TV 2 Group 2006:32; VG 2006:12).

Another development proved to have some impact on the second phase as well—namely the possibility of "podcasting" media content to mobile phones and other portable devices using distribution networks other than mobile networks.[27] According to Richard Berry (2006), what really distinguished podcasting from other mobile-media services was its mode of delivery, which was neither downloading nor streaming but rather a form of web feed. In this way, podcasting resembled classic newspaper subscriptions dropped "through the door", yet wrapped in a new technology (ibid.:145). Soon enough, the podcast had become very popular among broadcasters, especially public service broadcasters like the NRK, which saw it as an effective

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[27] The term "podcasting" was first used in 2004 by a *Guardian* journalist who was trying to label the new fad for audio content created for portable media devices (Berry 2006). The journalist combined "iPod" and "broadcasting" to characterise the new mode of delivery. A podcast can be defined as "a digital audio or video file that is episodic, downloadable, and program-driven, mainly with a host and/or theme; and convenient, usually via an automated feed with computer software" (Gil de Zúniga et al. 2010:47).

means of making their content more accessible to their users (see NRK 2005b:97, 2006b:51; see also Murray 2009).

The platform's association with Apple's digital music player (the iPod) was more than simply a reason for its clever name as well. Though podcasting was never limited to iPods, the device played an important role in its success. The first iPod came out in 2001, and during the second phase of my market analysis here, new and improved iPods arrived as predecessors for the iPhone that was yet to come. As a digital music player, the iPod was strongly linked to a host computer for downloading, organising and synchronising its content. As such, the iPod signalled the arrival of a new set of mobile-media services that were not limited to mobile telecommunication networks or mobile operators. This represented an important step towards opening up the mobile-media market, and it weakened the market grip of mobile operators and mobile network owners. Richard Berry elaborates:

> No one person owns the technology and so it is free to listen [to] and create content [on], thereby departing from the traditional model of "gate-kept" media and production tools. As word spread, people who had never thought about broadcasting were suddenly recording their voices and posting the results online for the rest of the world to hear. (Berry 2006:145–146)

Parallel to the development of podcasting, the distribution of other mobile-media content via wireless networks and broadband increased during the second phase as well. One of the reasons for this was the overall increase in broadband access: from 2004 to 2006 the share of the Norwegian population with access to broadband at home more than doubled, from 29 percent to 63 percent (SSB 2009:8; see also figure 1). Using broadband and other wireless networks, mobile phones could act like computers for surfing, streaming and downloading content. Typically, wireless networks did not have the same distribution reach as mobile telecommunication networks, but they did allow for mobile surfing that was not subject to the traffic costs associated with the mobile operators. Overall, the impact of podcasting, iPods and new wireless technologies contributed to making the mobile-media market more diverse and available to players other than mobile operators. Thus, during this second phase, the simple notion of what mobile media really was and how it could be distributed was in fact greatly expanded.

Summary of key characteristics of phase II: 2004–2006

- *The first 3G network is launched in 2004 and is met with high industry expectations.*
- *SMS services continue to be profitable, while WAP, mobile Internet and mobile television fall short of industry expectations.*
- *Mobile-media usage via mobile telecom networks stagnates overall—in 2006, less than 9 percent of the population uses mobile-media content weekly.*
- *Podcasting arrives in 2004 and together with new portable devices begins to converge mobile and desktop computer arenas. Apple also enters the mobile-media market value chain with its iTunes business model.*

2007–2009: Mobile Internet, mobile applications and MiniTV

The third phase began as the second had, with a Norwegian mobile-media market that was once again not living up to the industry players' high expectations for its revenues. Furthermore, as the result of new rules by the Norwegian Gaming and Foundation Authority, many of the television channels had to change their practices with SMS interactivity, which caused a decline in income for new-media departments. As a result, TV 2 described its mobile media future in a grim tone: "We conclude that mobile as an audio-visual distribution channel has not taken off as many players envisioned just a few years ago. With the exception of some countries in Asia, this opinion is shared around the world" (TV 2 Group 2007:28, my translation). While TV 2 did not at the time expect to prepare any major new initiatives for the mobile phone, hope was not lost: "We still believe that this market is becoming more important in the long run, and we aim to increase interactivity on the mobile phone and to be the preferred provider of information and entertainment services to a platform that will hopefully be described as the 'third screen'" (ibid.).

Despite an apparent slowdown, 2007 marks the beginning of a new phase because of a very important international development regarding the mobile-media market: Apple's launch of the iPhone. This device represented a leap forward regarding smartphone technology (such as the touch screen), business models (based upon the already existing iTunes) and content provision (the rise of the mobile application).[28] Even though Apple did not introduce the iPhone to the Norwegian market until 2008, rumours about its impact upon the American mobile-media market began to affect things in Norway right away in 2007 (see Kampanje 27.09.07). Furthermore, while several other smartphones were launched at approximately the same time, the iPhone was unique and promptly became the global market leader and innovator. According to Wikipedia, which summarises Apple sales figures from its quarterly reports, more than fifty-one million phones were sold worldwide between June 2007 and June 2010, and the total was close to seventy-four million phones by the end of 2010.[29] Apple's quick ascent to industry prominence in the mobile communication market demonstrates how fast things happen sometimes in the wake of an innovative product.

Following the launch of the iPhone—and other similar smartphones—the mobile-media market changed. To start with, the new set of smartphones allowed for much easier access and navigation online through the use of the mobile device. Hence, instead of drawing upon WAP and made-for-mobile sites and services, the new generation smartphones could be used to access regular Internet services. As mentioned, the iPhone also further reinforced a new business model based upon iTunes. Apple launched iTunes in 2003, and it soon became the leading digital music store in Norway. During the mid-2000s, iTunes expanded to become a digital *media* store for music but also other audio files, television programmes, games and applications. Thus the iPhone had a phenomenal resource (and a profitable business model) already waiting for it. Though

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[28] The first iPhone (the iPhone Original) was launched in the United States in June 2007. The year after (June 2008), the first iPhone optimised for 3G (the iPhone 3G) was launched; it was followed by a revised version (the iPhone 3GS) the year after that (June 2009). In June 2010, the iPhone 4 was launched.

[29] Source: http://en.wikipedia.org/wiki/iphone (accessed 10.01.11).

iTunes controlled every purchase done on any of Apple's devices, Apple did not provide the services themselves but derived its service offerings from collaborations with third-party developers. These developers were free to set any price they liked for their content, but the services themselves needed Apple's approval, and Apple took a 30 percent share of all purchases (Apple 2011). With the huge success of the iPhone and the unique prominence of the iTunes store, Apple managed to secure a key position in a market that had previously been more or less entirely controlled by the mobile operators.

In addition, the iPhone allowed for a whole new range of mobile content services to be developed through mobile applications. By 2008, media institutions, third parties and others started developing applications that could be downloaded either for free or for a fee paid through iTunes or other similar app stores. For example, NRK launched its weather service, yr.no, as a free mobile application in 2009 (NRKbeta 2009; see picture 2 for illustration). Its functionality was described in the following terms on NRK's technology blog:

> The iPhone YR application will, in good YR tradition, have a search box located on the top of the page. In addition, you will be able to use the built-in GPS to find the forecast for the place you're in, to show the four last visited places on the front page and to get the forecast for 11,000 places in Norway and around the world. (NRKbeta 2008, my translation)

Picture 2. Illustration of NRK's mobile weather application

Screenshot from iTunes Store (accessed 03.03.2011).

Similarly, TV 2 launched a mobile football application (TV 2 2009), while VG launched several mobile applications, including a TV guide (Schibsted 2009:12). Following the launch of the iPhone—and the other similar smartphones that followed—the Norwegian media industry seemed to perk up again regarding mobile media. NRK even developed a made-for-mobile video series, *Rubenmanns video blog*, that was (at first) exclusively distributed for the mobile phone

(see article IV). Even P4 reported an increase in activity aimed at new-media platforms, including the development of services using the mobile phone (see, for example, P4 2007:1). Soon, of course, mobile-media usage started to increase as well. As illustrated in figure 4, the share of the Norwegian population reporting weekly use of mobile-media content increased from 10 percent in 2007 to 15 percent in 2009 (and to 34 percent in 2011). Hence, despite a slow start, usage of "rich" mobile-media content did increase rather dramatically in the third phase and the time that followed.

Figure 4. Share of Norwegian population (twelve years old and up) who report using mobile-media content, fourth quarter, 2005–2011 (percent)[30]
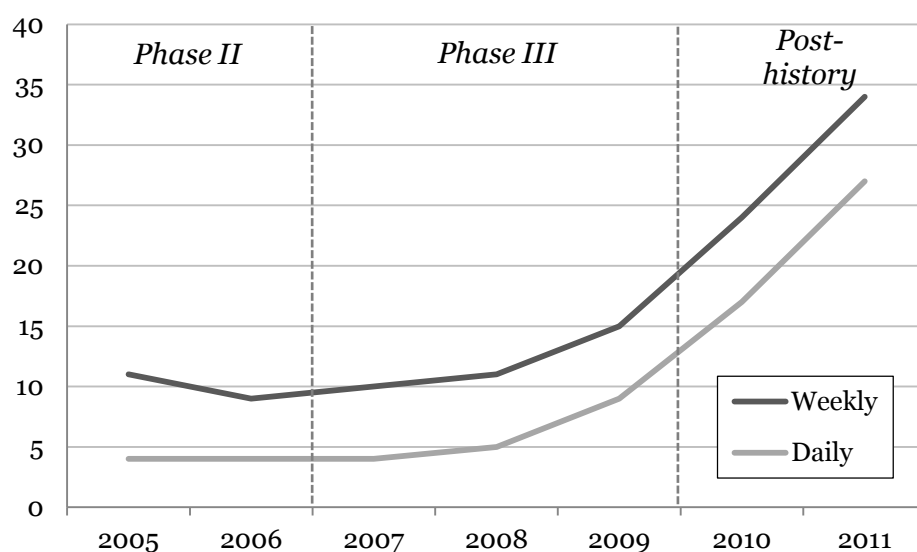
Source: TNS Gallup 2012:12.

In addition to the new smartphones—notably the iPhone but also others—and the new business models that went along with them, the third phase of mobile-media market development was also characterised by new initiatives regarding mobile television. In 2009, Norway's first mobile broadcasting network was launched in Oslo, introducing a third type of distribution possibility for mobile services. Unlike both mobile telecommunication networks and wireless broadband, which are based on one-to-one communication, mobile broadcast networks are based on one-to-many distribution, which mean higher capacity but less interactivity. Like regular broadcasting networks, these networks are based on the transmission of a defined number of channels or "content packages". In Norway, the first mobile broadcasting service, launched in 2009, used the DMB technology.[31] The company Norges Mobil-TV AS, which was owned by NRK, TV 2 and MTG

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[30] TNS Gallup's survey is based on a nationally representative number of interviews among the Norwegian public. The survey was first conducted in 2005. Mobile media content is defined as mobile Internet (3G etc. and WLAN), WAP and applications but not SMS-based content services (e.g. ringtones and wallpapers).
[31] Mobile broadcasting distribution can be based on a variety of different technologies and standards, making a global market for mobile broadcasting devices difficult. The most common standards are DVB

(Modern Times Group) together, operated the service, which was branded as "MiniTV" (as opposed to, for example, "Mobil-TV"). MiniTV offered six television channels for free to any owner of a MiniTV receiver in Oslo (NMTV 2009; see also NRK 2009c:17). However, because MiniTV required a special receiver, it could not be used on a regular mobile phone and failed to attract a large number of users in the period under analysis here (Meld. St. 8 [2010–2011]).

It is worth noting that none of the large telecom players, including Telenor and Netcom, took part in the MiniTV project. While these telecom companies generally control mobile telecom networks, this was not necessarily the case with mobile broadcasting networks, which many broadcasters in fact saw as a virtue (see Garfors at NRKbeta 2011). The MiniTV project is therefore important to mention in this historical review even though it did not succeed, as it illustrates the potential for tension between telecom operators who want mobile-media services on their mobile telecom networks and broadcasters who want those services on mobile broadcasting networks.

The third phase of the Norwegian mobile market's development was thus characterised by media players and business models that introduced mobile-media services outside the control of the mobile operators and mobile network owners. But players already ensconced within the telecommunications industry also explored new means of distributing their content. For example, in 2009 Telenor relaunched its mobile music service, first introduced in 2004, under the new brand name WiMP (Telenor 2009; see picture 3 for illustration). In contrast to the "old" music service, which was a mobile-only service, WiMP was branded as a "music service accessible through the Internet giving users full, legal access to millions of songs with their PC or mobile phones"; it was thought to be an alternative to iTunes and "Norway's answer to Spotify" (Telenor 2009b; see also Nag 2010; article V). This shows not only that the media industry was expanding towards the telecom market, for instance through services such as MiniTV, but also that the expansion was going the other way, as the telecom company Telenor was experimenting with content services (see also article V). All in all, the borders between the previously separated media and telecom markets became more diffuse during the ten years of this analysis, and the mobile-media market did develop into a truly convergent media market consisting of many different actors, services and business models.

(Digital Video Broadcasting), DMB (Digital Multimedia Broadcasting) and the proprietary standard MediaFLO (St.meld. nr. 30 [2006–2007], ch. 2.2.5; see also IBM 2006; Schuurman et al. 2009).

Picture 3. WiMP's self-promotion

Screenshot from: www.wimp.no (accessed 03.03.2011).

Summary of key characteristics of phase III: 2007–2009

- *New players enter the mobile-media market, notably Apple with its iPhone, iTunes and mobile applications.*
- *Media institutions again embrace the mobile phone as a media platform.*
- *Mobile-media usage increases.*
- *NRK, TV 2 and MTG launch MiniTV.*
- *Telenor's previously unique gate-keeping position in the mobile-media market is undermined, and the company responds by expanding its services in digital markets.*

Conclusion

This chapter, importantly, describes the ways in which the mobile-media market has transformed from an offshoot of the telephone industry into a truly convergent media market that has introduced new user patterns and business models. The three-phase history I have presented here links mobile-media developments to more overarching developments around media convergence, changing audience relations and challenging new business models, all of which will be addressed further in the next three chapters. It also supplies an important context for the six articles in the second part of this thesis.

The three phases presented are distinguished by the development of networks, terminals, service provision and business models. Whereas the first phase (2000–2003) was dominated by simple SMS-based content services (such as ringtones, wallpapers and icons) and SMS interactivity (such as voting in *Big Brother* and chatting in *Svisj*), the second phase (2004–2006) was characterised by the (perhaps unrealistically) high expectations for the new 3G network in Norway. A flourishing mobile-media market did finally arrive in the last phase of development discussed here (2007–2009), through mobile Internet surfing, podcasting, mobile applications and digital music delivery.

Further, the chapter illustrates how industry expectations towards the emerging mobile-media market persisted at a generally high level even in periods when user figures were low. Instead of giving up on mobile media, the selected institutions put their mobile-media plans on hold and claimed that better times were yet to come. Thus, although the selected institutions'

mobile-media plans and actions were both revised and upgraded during the period of analysis, the field of mobile media was always clearly driven by strong expectations, even in troublesome times.

The chapter also demonstrates some of the more general aspects of the innovation process. To start with, it illustrates how one simple idea (the idea that the mobile phone could be used as a platform for simple content and media services) over time expanded into a variety of services with different applications and functionalities. Van de Ven and his colleagues (2008 [1999]) label this process "proliferation" and find it to be one of the reasons why innovation processes are complex to manage: "After the onset of a simple activity path to develop an innovative idea, the initial ideas that served to stimulate the innovation efforts branch out into many parallel and interdependent activity paths" (2008 [1999]:34). In addition to challenging the innovation process, the tendency towards proliferation also challenges our perception of what mobile media really is (this will be addressed in more detail in the next chapter).

Lastly, and closely related, the chapter also illustrates that the first decade of development in the Norwegian mobile-media market was characterised by trials and errors, successes and failures. Although such a market did develop during the period of analysis— whether measured by the variety of services or the user numbers—this development was not without setbacks or disappointments. This finding, of course, fits well with innovation theories that describe the innovation process as nonlinear, dynamic and ultimately "chaotic" (Van de Ven et al. 2008 [1999]:5–6; see also Godø 2008:96).

Chapter 4. Media convergence and platform expansion

The development of a Norwegian mobile-media marked is, as illustrated in chapter 3, connected on various levels to the development of media convergence, as this market has emerged from an unprecedented integration of industry players, networks, terminals, services and business models. Thus any approach to this market must incorporate notions of not only how the mobile phone might work as a media platform but also how any given mobile-media service might fit into the larger context of media convergence. In this chapter, I ask how well-established media and telecom institutions, with their legacies from traditional markets, perceived and facilitated the mobile phone as a media platform during the first decade of the 2000s. Based on the analysis in the previous chapter, it is natural to assume that mobile-media working notions, plans and actions changed somewhat over time, in line with the actual market development. Theories about institutional legacies and path dependency further indicate that various institutions will operate with somewhat different notions, plans and actions, depending upon, among other things, their previous experiences and particular organisation. First, however, I will discuss how the field of mobile media is related to more general developments in media convergence.

Media convergence as an argument for mobile-media expansion

Just as the term "mobile media" allows for different interpretations (see chapter 1), the term "media convergence" is also ambiguous and used in different ways (for a useful discussion, see Ytreberg 2011). In the *Oxford English Dictionary* (2010), "convergence" is defined as "movement directed toward or terminating in the same point" or a "coming or drawing together". The term first appeared in media studies in the 1980s to describe the already blurring lines between various media, and even between media and the act of communication itself (de Sola Pool 1983). Since then, it has been broadly used in the context of the digitalisation process as well as in the context of various new-media developments (see Lowe & Hujanen [eds.] 2003; Jenkins 2006; Storsul & Stuedahl [eds.] 2007; Staiger & Hake [eds.] 2009; Bruhn Jensen 2010; Dweyer 2010).[32]

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[32] As Asa Briggs and Peter Burk (2005) note, the term "convergence" has taken on somewhat different meanings over time. During the 1970s, it was used to describe the coming together of computers and telecommunication technologies in the context of early visions of a network society. From the 1980s onwards, it was more typically applied to the development of digital technology and to the integration of text, numbers and images (see, for example, de Sola Pool 1983). Since that time it has also been used by scholars, industry executives, policy makers and others to describe certain developments specifically within the media and telecom industries (see, for example, Baldwin et al. 1996; Negroponte 1996; COM [1997] 632 Final; Skogerbø 1998; McQuail & Siune 1998; NOU 1999:26).

It has been applied to the coming together of networks, terminals, services, markets and media technologies (see Fagerjord & Storsul 2007), as well as to the changing culture of media production (Jenkins 2006). It has also been used to describe how media organisations transfer content across media, from one format or platform to another (Abercrombie & Longhurst 2007:216–217; see also Perryman 2008; Bechmann 2009).

The broad application of the term "convergence" has led to its association with *both* developments causing change and the consequences of that change—that is, it has been seen as both a *force* making change within the media and telecom industries and a *result* of other technological, cultural and economic developments. This dual positioning might be one of the reasons why the term itself is so hard to define. Still, Anders Fagerjord and Tanja Storsul (2002:28) argue for its usefulness in analyses of new-media developments, for at least two reasons. To start with, the term *simplifies* the complexity associated with media and technological change, making those processes more available and understandable. As such, the concept of convergence has been important to raising awareness about the impact of digitalisation and new-media platforms during the first decade of the 2000s (including an understanding of the mobile phone as just such a new-media device). In addition, the term functions as a *rhetorical tool* that can be used to explain and justify changes and reforms within the media and telecom industries—that is, to legitimise new-media plans and actions.

My empirical investigation show that the term "media convergence"—despite its potential ambiguity—during the first decade of the 2000s was applied most frequently (and to greatest effect) as part of the more overarching argument for *expansion* into new-media platforms, markets and services. In short, the selected five institutions all described media convergence as the main reason for expanding. This line of argument was found in the institutional documents analysed (annual reports, press releases and strategy documents) but also expressed in many of the interviews with key informants (see chapter 2). In both cases, convergence was presented as an indisputable fact—as something that was happening whether one liked it or not (see also articles I–VI).

The selected media and telecom institutions justified expansion in two ways, either as something that *had* to be done in order to survive or as something that *could* be done in order to exploit the new opportunities given. Interestingly, Lucy Küng and her colleagues uncover a similar dual perception in their analysis of the media industries' strategic response to the "first Internet" era: on the one hand, shareholders and executives were "worried by predictions of the death of their existing businesses"; on the other hand, they were "thrilled by the high valuations placed on the 'dotcoms'" (Küng et al. 2008b:126; see also Schein 2010).

The more radical notion (expansion as a life-or-death affair) arose from the basic reality that the same content could be distributed to various media platforms, which indicated that the different media markets were becoming more interwoven, even integrated, and that media and telecom institutions were increasingly stepping into each other's "walled gardens". According to the Norwegian Media Businesses' Association, which represented over three hundred member

businesses, convergence changed the entire media landscape during the first decade of the 2000s, creating a unified market (see also article VI):

> Previously, we had a separate newspaper market, a separate radio market and a separate television market with companies that largely operated exclusively in their respective markets. […] Today it is impossible to maintain such an understanding of different media markets. Several media market*s* have become *the* media *market*. (The Norwegian Media Businesses' Association 2010, my translation)

Following this line of argument, media convergence not only disturbed the balance between established media institutions and various media sectors but also allowed for new players to enter and occupy positions previously held by the established institutions (see articles I, II and IV). Some informants even indicated that they viewed new-media platforms as likely successors to established media platforms, so that the expansion into those platforms was quite literally a life-and-death matter. New-media services thus came to be viewed as potential "substitutes" (Porter 2008) that had the potential to outperform traditional media services (see also article VI). In this regard, VG stated: "The time people spend on media will switch from printed media and television to the Internet and mobile phones" (VG 2008:11, my translation). Similarly, Gunnar Garfors, Director of Mobile Services in NRK Development & New Media, wondered: "If we don't expand online and to mobile phones, what's left of NRK in, let's say, ten to fifteen years?" (interviewed 28.10.06, quoted in article I; see also NRK 2000:24, 2009b:7). In the eyes of the established institutions, then, they *had* to expand into new-media markets with new-media services in order to retain their key positioning (see, for example, NRK 2000:24; VG 2000:19; TV 2 2000:27). To a large degree, this meant providing for services that might "cannibalise" on their existing media services, but even this was seen as preferable to allowing others to do the same through their own inaction (see Krumsvik 2006).

The more moderate industry notion (expansion as an opportunity) highlighted the benefits of expanding and experimenting with new-media platforms. Following this line of argument, expansion was not something that had to be done but something that was desirable to do (see also articles I, II and V). In particular, the selected institutions highlighted how media convergence and new-media platforms allowed for new and innovative services, increased accessibility and new user modes (see also chapter 5).

The literature on media expansion strategies (see Doyle 2002; Picard 2002) often distinguishes between vertical, horizontal and diagonal expansion.[33] As illustrated in chapter 2, the selected institutions all decided on the same dual expansion strategy, which involved increasing their value in core markets as well as expanding into new-media markets (see also articles I, IV and V). For the four media institutions (NRK, VG, TV 2 and P4), this mostly involved diagonal expansion, but for Telenor it also implied vertical expansion. As different types of

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[33] *Vertical expansion* involves expanding either forwards or backwards along the multiple stages of the supply chain, as for example when a mobile network owner becomes a mobile operator as well. *Horizontal expansion* involves expanding further into activities already partaken of, as for example when a television company creates more channels. *Diagonal expansion* involves expanding into an entirely new business area, as for example when a newspaper launches SMS-based content services.

expansion strategies are driven by somewhat different logics, this meant that the four selected media institutions (NRK, VG, TV 2 and P4)—aiming to expand diagonally—had a somewhat different starting point than Telenor when approaching new-media markets including the mobile-media market.[34]

Obviously, industry notions of media convergence and its impact on various media and telecom markets were not simply the result of industry executives' random impressions or wild guesses. During the ten years under analysis in this thesis, some very fundamental changes were taking place (see also article VI). For one thing, the actual usage of traditional media services (printed newspapers, radio, television) did drop during the period of analysis, while the use of Internet and mobile-media services increased (see figure 5). The perceived *necessity* of expanding, however, varied among the industry players: whereas Telenor and VG experienced a rather dramatic drop in the usage of their traditional core services (fixed-line voice telephony and a printed newspaper), NRK, TV 2 and P4 did not experience a similar drop in audience figures in the broadcasting market (see also article VI). For Telenor, the decrease in revenues from fixed-line telephony was replaced by an increase in revenues from mobile communication and Internet services (see figure 6 for total turnover in the telecommunication industry by type of service). Also, for VG, the decrease in readers of the printed newspaper was replaced by an increase in readers of the online news service (see figure 2). However, both advertising and user revenues were generally lower online than on paper, so here the digital shift represented a challenge, at least economically. While changes were obviously taking place, then, the selected institutions were left to individually interpret their implications and decide upon the degree to which they represented only a threat or also an opportunity.

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[34] Horizontal and vertical expansion are typically about securing control, gaining economies of scale and scope, and increasing cost efficiency, while diagonal expansion is more about finding new business areas that will either complement existing business areas or—if the core business areas are threatened by a disruptive technology or substitute—make them somewhat less crucial to the company's overall success (see also Picard 2002).

Figure 5. Share of Norwegian population (9-79) who report using different media daily, 2000–2009 (percent)
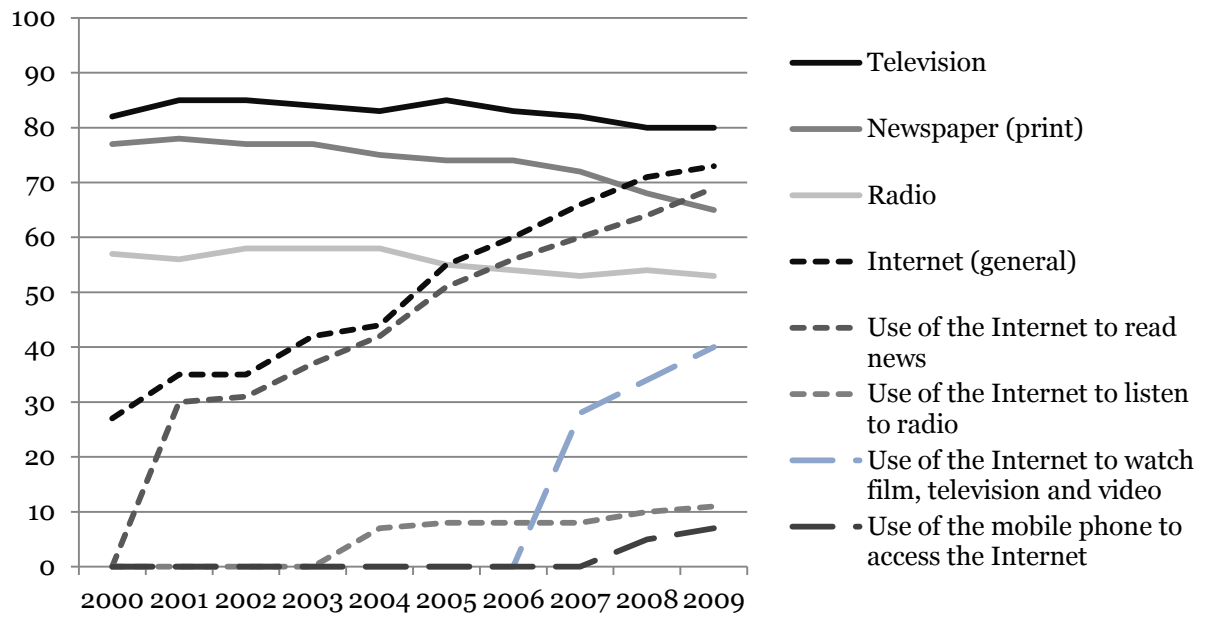
Source: SSB 2011: 11, 65, 73.

Figure 6. Total turnover in the telecommunication industry by type of service, 2000–2009 (in million NOK)[35]
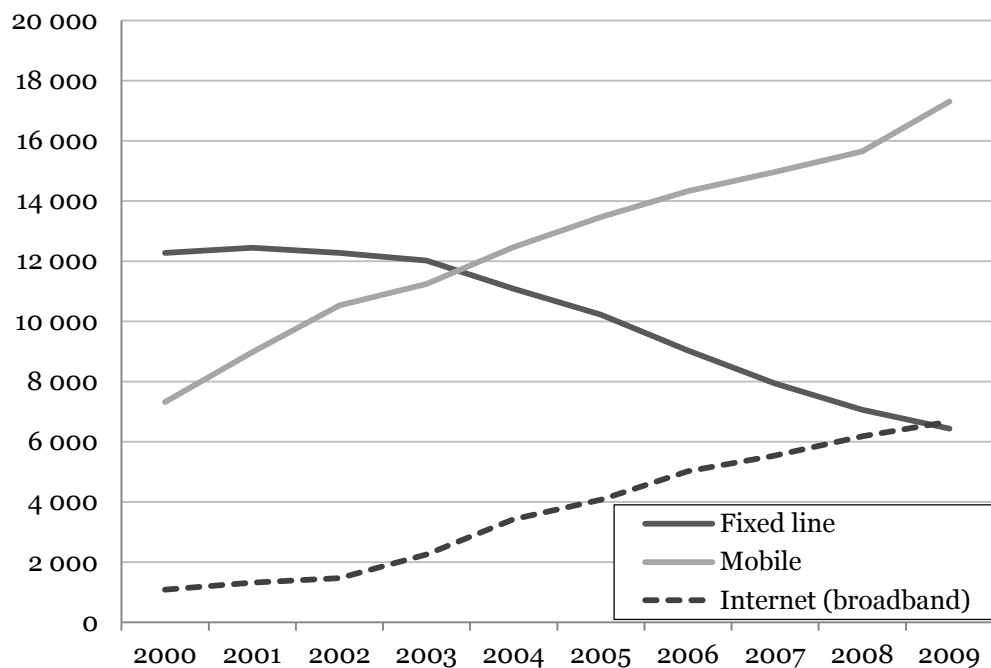
Source: www.medienorge.uib.no (accessed 01.01.12), based on numbers from the Norwegian Post and Telecommunication Authority.

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[35] Turnover excluding VAT. Figures for mobile include mobile broadband.

Although platform expansion persisted as a key approach during the ten years of my analysis, the ways in which new-media platforms were accommodated and related to core activities differed. For one thing, the fruits borne by expansion became more self-evident during the period—all of the selected institutions had in fact become multi-platform companies by the second and third phases of the mobile-media market development (see also chapter 3).

In addition, there was a clear shift in the function that new-media platforms were perceived to have for the overall brand during the ten years of analysis. In the first and second phase, expansion was primarily used to create a "closed" branded universe. This "media centralisation approach" (see also article II) was clearly present in my large-scale interview study from 2005, where informants strongly emphasised the importance of constructing branded multi-platform universes to keep the audience from "escaping" to other new-media services. During the third phase, however, new-media platforms were used to expand the given brand *beyond* its original domain, via third parties such as Facebook, YouTube and Twitter. This "third-party exploration approach" was evident in both annual reports and interviews, including those with NRK informants working on the *Rubenmann* project (see article IV), who highlighted the goal of reaching the audience regardless of the platform or service in question. Gunnar Garfors of NRK explained: "If more people watch YouTube than NRK's web-TV, why not post things on YouTube?" (interviewed 08.05.07). Similar, Charlo Halvorsen, Project Manager at NRK Entertainment, stated: "If eighteen-year-olds prefer to sit on Facebook, we may as well place our content of interest to them there. [...] Where it is seen is irrelevant to me. It is no big deal if people see it on a cell phone, a PC or a TV screen" (interviewed 15.05.07, my translation). This shift—from media centralisation to third-party exploration—might indicate that the selected institutions over time gave up the somewhat naive belief that they were able to conquer and control new-media platforms with their services and instead took a more submissive but also more realistic approach in which the institutions' role was to provide compelling content and services in alliance with other parties on the new platforms.

Working notions of the mobile phone as a media platform

Central to the selected institutions' expansion plans was the notion that the mobile phone represented an important new-media platform that would be increasingly relevant or viable in the future (see also chapter 3). Whereas media convergence was—at least partly—described as a potential threat, the emerging field of mobile media was often presented as a potential lifeboat. This finding stands out in both my analysed documents and my interviews. For instance, my interview study of forty-five Norwegian media executives from 2005 indicated a shared and unshakable faith in the mobile phone in terms of their new services and future business models, and this faith persisted in the years that followed (see article II; see also Fagerjord et al. 2010). In addition, my investigation of the four selected media institutions (NRK, VG, TV 2 and P4) revealed that they were motivated to address the mobile phone in their plans by similar fears as well, including losing income, losing audiences, and losing market position (see article I).

Furthermore, they all worked with the same diffuse perception of the "necessity of being mobile"—that is, the benefits of moving in that direction were potentially concrete but certainly rhetorical, in terms of the institution *appearing* to be appropriately innovative or cutting edge.

Still, while the selected institutions expressed a desire to expand into the emerging mobile-media market and exploit the mobile phone as the leading new-media device, they were not entirely sure how best to go about it. This is not surprising, as innovations and new technology seldom come with only one possible application (Godø 2008; see also Pingree & Gitelman 2004:xv). Because innovation processes tend to proliferate into a family of related products and procedures (Van de Ven et al. 2008 [1999]; see also chapter 3), this further allows for various interpretations of them. Thus during the period under analysis here, mobile media and the mobile phone as a new device for media consumption were together subject to several accepted "readings" (Thorburn & Jenkins 2003; see also Williams 2005 [1974]). Making sense of the mobile phone as a media platform was therefore in fact really about "framing" it in the right context.

Based on the empirical material I have analysed, there were two main working notions at play regarding how the mobile phone was perceived as a new-media device: it was either an *independent new-media platform* or a *subordinated media platform*—that is, something "new" *or* something "old". In addition, a third, less explicitly stated notion saw the mobile phone as *a supplementary media platform*, to be used in addition to other media. These three working notions generally coexisted, and none of the selected media and telecom institutions operated with only one of them. In fact, there were diverse working notions of the mobile phone as a media platform even *within* the selected institutions (see articles V and IV).

The mobile phone as an independent new-media platform

As an independent new-media platform, the mobile phone boasted distinct features that distinguished it from other, more established media technologies: it was portable (it could be used independent of any fixed location), constantly connected (it was free of traditional deadlines and schedules), personal (it related to people instead of locations) and small-screened (it had limits to the amount of content that could be shown at the same time). Some of my informants also emphasised its role in peer-to-peer communications, thus highlighting its social and communicative aspects (see articles I and V; see also Feldmann 2005; Orgad 2006; Ito et al. [eds.] 2005). In short, within this first working notion, the mobile platform was perceived to be a completely new media form that would impact the way we consume media more generally. Although this notion can be identified during the whole period of analysis, it was expressed most strongly in the first and second phases—that is, in association with the development of simple SMS-based content and "rich" mobile media services, respectively.

This working notion of the mobile phone can be found within all five selected institutions. However, three particular groups of informants highlighted it most often. First and foremost, informants working in the telecom industry stressed the mobile phone's uniqueness, as elaborated by Anne-Lise Katle, Head of Mobile Content at Telenor Nordic (see also article V):

> The mobile phone has something unique about it. It is personal—you always have it with you and you never lend it out. […] It is a mobile wallet—you have an invoice with you and you can pay directly. And it allows for position—we know where you are. (Anne-Lise Katle, Head of Mobile Content in Telenor Nordic, interviewed 12.11.07, my translation).

Obviously, the mobile phone and mobile communication had already transformed the telecom industry (see, for example, Ling 2008), so the fact that these informants highlighted the transformative aspect of the mobile phone is not surprising.

Secondly, informants within new-media departments (NRK Development & New Media, VG Multimedia and TV 2 Interaktiv) seemed to promote this notion as well, to an extent. These informants were situated *outside* the frame of the traditional media in departments dedicated to cultivating "new media". It is therefore perhaps not surprising that this group of informants highlighted the new and unique aspects of mobile media. In particular, they described the mobile phone as a platform well suited to an entirely new set of services, genres, forms and aesthetics, including that content made exclusively for it. For instance, several informants highlighted "mobisodes" as a new genre of video content created especially for the mobile phone (see articles I and IV; see also Feldmann 2005; Orgad 2006; Dawson 2007). These findings fit well with organisational studies that highlight how different subcultures within an organisation often develop distinct frames of reference that influence the way their members perceive the world. Edgard H. Schein explains: "These subcultures share many of the assumptions of the total organization but also hold assumptions beyond those of the total organization, usually reflecting their functional task, the occupations of their members, or their unique experiences" (2010:55).

The third group of informants supporting the notion of the mobile phone as an independent new-media platform was comprised of people from departments working with traditional mass media who had practical experience in mobile-media production. Hence, this third group of people had learned by experience. The following quote is from a project leader from NRK Entertainment, which was part of NRK's made-for-mobile *Rubenmann* experiment:

> Just look at the mobile telephone. […] The mobile phone has its expression, and it is quite pragmatic in relation to the screen size. […] This is the first time I have produced a made-for-mobile video. Previously I've been cutting things we already had produced, and it was quite unsuccessful in many ways. (Charlo Halvorsen, Project Leader, NRK Entertainment, interviewed 15.05.07, my translation)

The mobile phone as a subordinated media platform

An entirely contradictory working notion of the mobile phone characterised it as a subordinated media platform, to be used in support of existing media, generally through the redistribution of already produced content. Hence, while the first working notions stressed the mobile platform as a new-media *form or technology*, this second notion primarily perceived it as a new means of *distributing* media content. This is an important difference, as the first notions imply the possibility of made-for-mobile content, while the second implies only the redistribution of "existing" content. Although the second working notion appears during the entire period of research here, it was expressed most strongly in the second market phase. My interviews from

this period clearly reflected it, particularly in the context of the relationship between web and WAP. For instance, Gunnar Stavrum, Director of TV 2 Interaktiv, claimed: "Our idea is that what we offer online should also be available on the mobile phone. I guess we believe the two channels over time will converge" (interviewed 19.09.06, my translation). Similarly, Morten Holst, Head of Development at VG Multimedia, stated: "I find it hard to envision services only to be found on a mobile phone and not online" (interviewed 13.09.06, my translation).

The working notion of the mobile phone as a subordinated media platform arose especially among executives working with traditional mass media (the press, radio and television), and among executives toward the top of the organisation, where the pressure to generate profits is highest. Here, the prospects of the mobile phone as a means of redistributing already produced content appeared to be very good in terms of synergies and economies of scale. Thus the mobile phone was favoured for its economic opportunities instead of its technological or creative aspects (which were pointed to more often in the first [and third] working notions of the mobile platform).

Furthermore, the working notion of the mobile phone as a subordinated media platform placed it at the lower end of the media hierarchy, beneath established media forms such as television, radio and the paper press, but also newer ones such as Internet services. As such, the mobile phone had little value as a media platform on its own but did represent an additional distribution channel for the more valuable media forms. As Christina Victor Bernau, Director of Football at Telenor Broadcasting, put it: "We know television is the preferred media platform to see a football match, followed by the web and finally the mobile phone" (interviewed 29.10.07; see also article V). Similar, Charlo Halvorsen from NRK Entertainment observed: "If you make something for television, it is possible to adjust a bit up or down. But, if you make something particular for the mobile phone, there is absolutely no guarantee that it can be used on television" (interviewed 15.05.07, my translation). According to Shani Orgad (2009), players in established media institutions will naturally view new-media platforms through the lens of established media platforms. She notes that the rhetoric of mobile television has been characterised by an emphasis on that technology's relationship to "familiar technological worlds" (Orgad 2009:209; see also Williams 2005 [1974]; Bolter & Grusin 2000):

> Mobile TV will offer television as viewers know it and understand it. Users will be able to watch content with which they are familiar from traditional broadcast television on their mobile device. The main differences are that they will be able to watch it on the go, instead of "going to" the information as they do with television, radio and Internet, and that instead of a big screen they will watch it on the personal small screen of their mobile device. (Orgad 2006:3)

Thus, describing mobile media services in relation to "old" technologies and established services—for instance, "mobile television", "mobile Internet" or "mobile music"—also has the benefit of linking a novel technology to one that is more familiar. Here, mobile-media services tended to be promoted as versions of well-known, popular and successful services, but with an added mobile component. According to David Thorburn and Henry Jenkins (2003), emerging

media will in their *nature* imitate earlier media forms, and this process is not technological but rather cognitive or psychological: the first cars looked like horse-drawn buggies, as the earlier aesthetic continued to inform the later one (2003:7; see also Pingree & Gitelman 2004).

The mobile phone as a supplementary media platform

The two working notions of the mobile phone as, respectively, an independent new-media platform and a subordinated media platform were clearly the most dominating ones during the period I have analysed. As already stated, however, a third identifiable working notion positioned the mobile platform somewhere between the previous two—that is, as something that could be exploited for its distinct features but would be best employed in relation to other, more established media forms. This notion is to be found in the selected institutions' descriptions of "cross-media formats", whereby a particular format or service would unfold across multiple platforms, "with each medium making distinct contributions to our understanding of the world" (Jenkins 2006:20–21, 293; see also NRK 2004b:88). As NRK stated in 2003: "In recent years, we have seen that people's media habits and usage are changing. Internet and mobile phones are turning into both rewarding and *supplementary* ways to reach our users, listeners and viewers" (NRK 2003b:60, my translation and italics). Similarly, a Telenor informant emphasised that their mobile football service was improving the total value of their overall sport service: "One of the things that increases the overall interest in football is the use of new-media platforms like the Internet and mobile phone. The more you can build the overall football product, the more you get back from the football rights" (Christian Victor Bernau, Director of Football, Telenor Broadcasting, interviewed 29.10.07, my translation).

This third working notion also highlights the communicative aspect of the mobile phone, given its obvious utility as a return-channel for audience participation (see also chapter 5). Although this notion was found among all of the selected media institutions, it was perhaps expressed most strongly by the three broadcasters (NRK, TV 2 and P4), who saw the mobile phone as a new means of communicating with their audiences. For example, TV 2 highlighted how the mobile phone was giving television programmes something extra, in the form of an interactive add-on (TV 2 Group 2002:15).

Something new, something old or something in between?

This review of the ways in which the selected media institutions and their industry executives tend to perceive the mobile phone as a media platform highlights how the process of making sense involves the interpretation of often ambiguous trends and tendencies (Weick 1995; Schein 2010). According to Rick Altman, any new-media development undergoes an "identity crisis" that is "precipitated […] by the uncertain status of the given medium in relation to established, known media and their functions" (Altman, quoted in Pingree & Gitleman 2004:xii). This "crisis" passes when the new medium—and its practical uses—is made sense of and otherwise "defined" by the market and the public (see Pingree & Gitleman 2004).

As shown above, the notion of mobile media as "new media" was more often than not adopted by executives working in new-media departments who were trying to fit it into their existing worldviews. On the other hand, executives working with traditional mass media tended to describe mobile media more as an extension of established media forms. Karl E. Weick (2001) describes this as a perfectly predictable "selection process" through which something new is interpreted via the truisms of the past. Although it is understandable why it would be so, it is not desirable. According to Lucy Küng and colleagues (2008a), this type of path dependency should be avoided; otherwise, the incumbent might end up "trapped by its track records in existing markets" (2008a:36). This further means that the incumbent will be stuck on the competencies and cognitive frame of reference that proved successful *before* rather than motivated to pursue innovative services and business models that might prove successful *now* (see Levitt & March 1988; Christensen 2005 [1997]).

With regard to the question of whether the media and telecom industries were at this time undergoing a period of industrial turning points or industrial breaking points, these three working notions of the mobile phone as a media platform have quite different implications. If one perceives the mobile device as an *independent* new-media platform, it will imply the production of new mobile-media services for itself, in turn requiring investments of content, money and organisational competence. This notion also implies that the field of mobile media does not "belong" to established media and telecom institutions but will likely embrace other industry players as well, hence threatening the positions of the incumbents. On the contrary, if one perceives the mobile device as a *subordinated* media platform, it will be amenable to traditional media forms and to the reuse of existing content and services. This is obviously a working notion with far less radical implications for established institutions. Lastly, as mentioned, if one perceives the mobile device as a *supplementary* media platform, the established institutions would need to approach it in new ways but would be able to remain comfortably within their core domains.

Three mobile-media expansion plans

Turning from strategy as perspective to strategy as plans and patterns (see Mintzberg 1994), we must now examine the ways in which these various working notions informed mobile-media plans and actions. Based on document analysis, interviews with key informants and the analysis of mobile-media services, I have identified three unique strategy plans in the period in question, whereby the mobile phone was used to facilitate (1) new-media services; (2) the redistribution of already produced content; and (3) cross-media formats. It should be stressed that the selected institutions seldom operated with one explicitly stated mobile-media plan—at least such plans were not publicly stated or available. However, during the period, mobile media was described in annual reports as well as my interviews as an area to explore, and the way it was described did differ both among the institutions and over the period of analysis.

Facilitating made-for-mobile services

To start with, the selected institutions stated the aim of exploring the unique characteristics of the mobile phone through services and content designed especially for it. This approach was particularly viable during the first and third phases and was characterised by the development of simple SMS-based content services and rich mobile-media content services, respectively (see chapter 3). In addition, the selected institutions, and notably Telenor and NRK, also pursued more experimental made-for-mobile services. For example, Telenor launched a mobile-only music service in 2004, whereas NRK launched the *Rubenmann* mobile video blog in 2007, specifically to explore "how to make content exclusively for the mobile phone" (Gunnar Garfors, interviewed 08.05.07, my translation; see also articles IV and V).

This particular exploration of the mobile phone as a media platform mattered in at least two ways. To start with, it was a means of exploring the potentially pivotal new mobile-media market using services that were custom made for it. Hence, this approach was part of a more general diagonal expansion plan. In addition, there was a more creative or experimental consequence: the selected institutions prioritised the new opportunities, which in turn invited new and innovative ways of making, distributing and consuming media content (see also article IV). Following this line of argument, facilitating made-for-mobile content was a means of exploring the opportunities offered by media convergence.

All of the selected institutions pursued this approach to an extent, and the development of these made-for-mobile services represented an important potential source of income, particularly early on. However, during the period under analysis, it never became a *key* approach, in the sense that significant resources were allocated to its implementation or in the sense that the selected institutions transformed or reorganised their businesses to fulfil it. One obvious reason was that the made-for-mobile services were more costly to produce than simply redistributing already produced content, particularly at times when mobile-media user numbers were low.

Facilitating the redistribution of already-produced content

A second approach resides in the manner in which the selected institutions explored the mobile phone as a platform for redistributing already-produced content and services. Most prominently, this approach informed the selected institutions' launch of WAP services, as the WAP portals were used to distribute already-produced content, mainly from the selected institutions' websites (see article I). This was a key approach for P4, as elaborated by Rune Hafskjær, Head of Format & Development: "So far, what we have done is simply to further exploit already-produced content. We have a very good system for cross-media publishing, which makes it easy to push content onto multiple channels" (interviewed 07.09.06, my translation). Similarly, mobile television was intended to satisfy the broadcasters' goal of making existing programmes and channels more available. The high expectations for mobile television were fuelled by "best-case" examples from Asia, in particular South Korea and Japan, where mobile television was a common and popular service (see, for example, Do et al. 2009; Ito et al. [eds.] 2005; see also Peltokorpi et

al. 2007). Several mobile television trials were therefore conducted in Europe during the second phase of my analysis (see Schuurman et al. 2009 for an overview; see also Södergård [ed.] 2003; Orgad 2006; Informa Telecom & Media 2006; IBM 2006). In Norway, NRK began offering television service via mobile networks in 2004, and VG and TV 2 launched similar mobile television and video services soon thereafter. In 2006, NRK conducted its first mobile television trial using mobile *broadcasting* networks, and it eventually launched MiniTV through a collaboration with TV 2 and MTG in 2009 (St.meld. nr. 30 [2006–2007]; see also NRK 2004d; TV 2 Group 2004; NMTV 2009; chapter 3; see picture 4 for illustration).

Picture 4. MiniTV's self-promotion

Screenshot from www.minitv.no (accessed 03.03.2011).

This particular exploitation of the mobile phone mattered in at least three ways. To start with, it obviously increased the availability of existing media services, because audiences and users could access content on yet another platform. Along these lines, industry executives described WAP as "Internet on the go" and mobile television and podcasting as services that furthered the reach of already popular radio and television programmes (see, for example, NRK 2005b:97, 2006b:51; see also chapter 3). In particular, this use of the mobile phone was believed to be useful for attracting younger age groups, which were considered to be at the forefront of the digital revolution and to be leaving traditional mass media beyond (see articles I, III and IV; see also chapter 5).

In addition, it represented another way to maximise content rights and thereby generate new revenue streams. Because media content is costly to produce but cheap to reproduce, its redistribution across multiple platforms represents a means of gaining in the economy of scale (see Shapiro & Varian 1999; Doyle 2002; Nörback 2005; see also articles I and II). Gunnar Garfors, Director of Mobile Services in NRK Development & New Media, observed in this regard: "We are working to bring out the synergies and make this as cost efficient as possible" (interviewed 27.19.06, my translation). As the prices for attractive media content steadily increased during the period of analysis, the distribution of content rights across a range of

different platforms became a key strategy within the convergent media market (Kletvang 2010; see also chapter 6).

Lastly, though the selected industry players often lacked aggressive plans for moving into the new mobile-media market, they nevertheless saw that market as driven by first-mover advantages (see Küng 2008). Therefore the redistribution of already-produced content seemed like a cost-effective strategy to open with, giving the institution the appearance of action at relatively little cost (see also article I).

Facilitating cross-media formats and interactivity

Thirdly, the mobile phone was harnessed to facilitate cross-media formats and interactivity, often simply as a return channel. In the television industry, the use of SMS proved to be a profitable return channel for several television programmes—it was used to involve the audience, generate income and even determine the outcome of certain entertainment formats. In the early 2000s, SMS interactivity in television was a strategy generally confined to niche channels and their reality programmes (*Big Brother*) or to programmes aired outside of peak times (*Mess-TV*). Yet it grew to become a key element in most primetime entertainment shows on both private and public channels during the analysed period (see also Kjus 2009). In the radio industry, SMS was used as a return channel to add interactivity, facilitate for audience participation and build loyalty (see also chapter 5). In the press, both SMS and MMS were used, mostly to allow users to send in news tips and pictures in the role of "truth witnesses" (see article II).

In addition to these general examples, some of the selected institutions, including particularly NRK, experimented with cross-media formats and new ways of telling their stories. The concept of cross-media underpins both the creative and the economic sides of media production. Regarding the former, it encompasses the exploitation of different platforms in the handling of both users and storyline (see also Perryman 2008). Regarding the latter, it represents a way to transfer franchise logos to multiple platforms and in this way strengthen brands and user loyalty (Murray 2005; Ytreberg 2007). The *Rubenmann* project evolved as such, even though it was originally intended to be an exclusively mobile video series. During the project period (April to June 2007), the format flourished across different platforms (television, the mobile phone and the Internet), and each platform contributed something different to the format (see article IV). Clearly, then, this third use of the mobile phone as part of a cross-media format was important in that it allowed for participation, which again could be used to increase audience loyalty (see chapter 5).

Conclusion

This chapter has discussed how the selected media and telecom institutions perceived and facilitated for the mobile phone as a media platform during the first decade of the 2000s (cf. my first research question), as well as how these mobile-media working notions, plans and actions

are related to more general developments of media convergence (cf. my second research question).

Regarding media convergence, this chapter illustrates how the five selected institutions translated the phenomenon of media convergence into a need for platform expansion, including expansion to the mobile phone. Although media convergence was perceived to represent both a threat and an opportunity, its potential negative impacts have been highlighted and used within the industry as an argument for change. Within this context, this chapter further illustrates how the high expectations that greeted mobile media were presented as a lifeboat in troublesome times.

Regarding mobile-media working notions, plans and actions, I further argue that the mobile phone as a media platform during the period of analysis allowed for several different "readings" (see Thorburn & Jenkins 2003). Three key working notions concerning the mobile phone gave rise to unique sets of plans and actions. First, the selected media and telecom institutions shared a working notion of the mobile phone as an *independent new-media platform* that could be used to accommodate distinct new-media services, particularly those that were "made for mobile". This notion characterised the early development of SMS-based content services as well as rich mobile-media content in the first and third phases, respectively. In both, the mobile phone was perceived and approached as *a new-media form*.

Second, the institutions shared a working notion of the mobile phone as a *subordinated media platform* that could be used to redistribute already-produced content and hence increase synergies and content availability. This was clearly a very important approach for the selected media institutions, and it was reflected in a range of their services, including WAP, mobile television and podcasting. Here, the mobile phone was perceived and approached mainly as *a new distribution platform*.

Finally, the institutions shared a working notion of the mobile phone as a *supplementary media platform* that could be used in cross-media formats and interactive services. This approach persisted throughout the period of analysis and was particularly important to the television industry. The mobile phone was primarily perceived and approached as *a new communication channel*. Table 5 summarises these institutional working notions, plans and actions towards the mobile phone as a media platform.

Table 5. Institutional working notions, plans and actions towards the mobile phone as a media platform

Working notions	Plans	Actions
The mobile phone as an *independent new-media platform*	To use the mobile phone to facilitate *distinct new-media services*	For example, simple SMS-based services, *Rubenmann*'s mobile video series ("mobisodes"), mobile applications
The mobile phone as a *subordinated media platform*	To use the mobile phone to *redistribute already-produced content*	For example, WAP, mobile television, podcasting, Telenor's football service
The mobile phone as a *supplementary media platform*	To use the mobile phone in *cross-media formats and interactivity*	For example, SMS interactivity, the overall *Rubenmann* project, Telenor's music service

Two key implications can be drawn from this discussion of the selected institutions' mobile-media working notions, plans and actions. To begin with, the analysis of the three stages in the decision-making process—addressing strategy as perspectives, plans and patterns, respectively—helps to explain why media and telecom institutions operate with several, even contradictory approaches towards new-media platforms. As this chapter has illustrated, the selected institutions' various mobile-media plans and actions were informed by three distinct mobile-media working notions that highlighted different aspects of the mobile phone as a media platform.

Secondly, we find a clear tendency towards path dependency, as the selected institutions brought to this unfamiliar media platform the cognitive frames, content categories and services that had already proven successful in their core markets. Both NRK's experiments with mobile television and VG's approach towards WAP as the mobile Internet must be seen in this light. Hence, although several working notions coexisted among the selected media and telecom institutions, their past experiences and organisational cultures impacted the way they perceived and approached the emerging field of mobile media.

Chapter 5. Changing user patterns and new audience relations

As chapters 3 and 4 illustrated, the development of a Norwegian mobile-media market clearly elevated the position of the audience in relation to the platform, because the mobile phone allows for certain important new user modes. Thus any analysis of this market must incorporate the mobile-media audience and its tendencies and preferences, as well as the user situations most suited to mobile-media consumption. In this chapter, I explore the ways in which well-established media and telecom institutions, with their legacies from traditional markets, both perceived and facilitated mobile-media usage during the first decade of the 2000s. Furthermore, I discuss how these working notions, plans and actions were related to more general developments in the media industry's changing audience relations.

Active audiences as an argument for mobile media

During the period in question here, some important developments influenced the relationship between the media and telecom industry and its audience. Alongside a profound technological change—namely, the various manifestations of media convergence—was a profound *cultural change*, mostly with regard to altered user patterns and new forms of audience relations. These developments took many forms. To start with, new-media platforms allowed for enhanced interactivity, which meant that the audience was given the opportunity to respond and communicate to a greater extent than ever before. People also found themselves with much more control over what they wanted to consume, as well as when and where to consume it. The Internet, mobile communication, digital media and easy-to-use producing, posting and sharing technology all made producing and distributing media content easier and cheaper. This not only lowered the threshold for new-media players to enter the market but also enabled the audience to assume a more active and productive role in it (see articles II, III and IV). Here, clearly, the audience was increasingly active both in terms of decoding or interpreting media content (Hall 2003 [1980]) and in terms of being contributors, participants, fans and players within a media setting. This enhanced status affected a great many media platforms—digital, "conventional", and cross-media, in which both digital and conventional had a role (Jenkins 2006; see also Bruns 2005; Burgess & Green 2009). In short, a key trend during the period under analysis here involved a newly empowered audience partaking in concrete ways in the production and consumption of media services (see Enli 2007; Lüders 2007; Kjus 2009).

Of course, audiences have been heard from in the past. Phone-ins and letters to the editor have a long history as return channels for audiences wanting to state an opinion, respond

to a question or issue, or otherwise partake of the "media world" (Couldry 2000). So-called "ordinary people" have also long been participants in various radio and television shows (see, for example, Livingstone & Lunt 1994; Priest 1995; Bakøy & Syvertsen [eds.] 2001; Grindstaff 2002). Yet digital (and particularly mobile) media made this participation easier and more accessible to a larger portion of the audience (see article II; see also Karlsen et al. 2009).

Although these changes were both substantial and significant, they were also ambiguous, and the selected media and telecom institutions were left to themselves to interpret their implications. Two main interpretations emerged, reflecting two different frames of reference. On the one hand, the rise of the active audience represented a *threat* to the incumbent institutions, in that audiences might become more interested in producing and sharing content among themselves than in consuming the traditional content of those institutions (see articles I, IV and V). This perspective also informed certain scholarly debates. For example, Internet critic Andrew Keen wrote, "Today's kids are so busy self-broadcasting on social networks that they no longer consume the creative order of professional musicians, novelists, or filmmakers" (2008:x). Hence, Keen argues, social communities and user-generated content steal both time and value from traditional media institutions and their own content (Keen 2008:16; see also Gilmore 2006; Shirky 2008).

On the other side, however, an active and engaged audience is potentially a more creative and loyal audience, and this could be to the *benefit* of the convergent media industry (see articles II, III and IV). Henry Jenkins, for one, is a strong promoter of the participating audience: "Rather than talking about media producers and consumers occupying separate roles, we might now see them as participants who interact with each other according to a new set of rules that none of us fully understands" (2006:3; see also Burgess & Green 2009). This perspective thus celebrates the possible benefits of a stronger, more immediate relationship with the audience (see articles II, III, IV and V).

I encountered both of these perspectives in the material I analysed for this thesis. Thus, the same dual "reading" (Thorburn & Jenkins 2003) that followed upon the development of media convergence (as both a threat and an opportunity) also followed upon new media's empowerment of the audience.[36] However, the potential threat was often the highlighted aspect,

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[36] Within audience research, perceptions of the audience, and of the relationship between the media and its audience, have evolved over time (see, for example, Abercrombie & Longhurst 1998; Hagen 2000; McQuail 2000). These shifts reflect changes in both era and ideology as well as academic discipline (see Jensen & Rosengren 1992). For example, some studies of media effects have characterised the audience as a "passive mass" that is easily controlled and influenced (see Gerbner & Gross 1976). Studies of uses and gratification instead see the audience as comprised of individuals who are driven by their social and psychological needs (see Herzog 1944; Ellitt 1974). Cultural-studies scholars see the audience as comprised of active and critical decoders (see Hall 2003 **|**1980**|**; Morley 1980, 1992); fan-studies scholars see it as comprised of creative producers (see Jenkins 1992; Hills 2002; Baym 2000). Scholars of audience participation, unsurprisingly, see the audience as participants (see Siapera 2004; Bruns 2005; Jenkins 2006; Syvertsen 2004a, 2006; Enli 2007; Ytreberg 2009). Lastly, studies of user-generated content and grassroots production see the audience as comprised of "amateurs", as opposed to "professionals"—that is, journalists and other initiates in the established media industry (see Leaderbeater & Miller 2004; Jenkins 2006; Keen 2008; Burgess & Green 2009).

in the sense that the selected media and telecom institutions were called upon to take advantage of the opportunities offered if they wanted to keep their current positions.

Working notions of mobile-media usage situations

The mobile phone played a key role in the selected institutions' assessments of active audiences and new-media user situations. As described in chapters 3 and 4, they all pointed to the mobile phone as a key media platform for the future, one that would engage audiences in new ways. Like the working notions of the mobile phone as a media platform (chapter 4), there were various working notions regarding mobile-media usage situations as well. However, while working notions of the mobile phone varied somewhat (it was either an independent new-media platform, a subordinated media platform or a supplementary media platform), working notions of mobile-media user situations were more consistent and might be labelled *media usage on-the-go*, *media usage on-demand*, and *interactive media usage*. The first two engage the mobile phone as a new channel for the distribution of already-produced content and made-for-mobile services (that is, as an independent new-media platform or a subordinated media platform). The third engages the mobile phone as a *new* channel for communication, through which audience members could state an opinion, communicate amongst themselves or otherwise partake of the media production (that is, as a supplementary media platform). Underlying all three perspectives was a strong conviction that mobile-media usage represented a *personal* activity, in that the given user could decide where to consume, what to consume and whether to interact while consuming (see Ling & Yttri 2002; Ito et al. [eds.] 2005; Prøitz 2007; see also Okada 2005). The mobile phone was described as the most personal of the media platforms as well as the best candidate for fulfilling earlier expectations for niches, narrowcasting and "Me-TV" (Küng 1998), things that had been central to debates about convergence and digital television since the early 1990s (see Allen 1998; Syvertsen 2003; see also NOU 1999:26). The explosion in personal media services clearly undercuts the notion of "mass media", or content sent from one "almighty" broadcaster to many ("passive") receivers. Personal media pointed instead towards a user mode in which the individual consumer was handed more control over the product and the process (see also Lüders 2007).

As I will elaborate upon below, these three user situations were not exclusive to mobile media but instead represented notions of changing user patterns within the broader convergent media market. Still, the mobile phone was seen as playing a key role in each of them. As such, it came to function as the go-to vehicle for advanced media services and innovative user modes, for the established media and telecom institutions and for newer players as well (see Gordon 2002; Hjorth 2008).

Media usage on-the-go

First and foremost, the selected media and telecom institutions all described the mobile phone as well suited to media usage *on-the-go* (see Fagerjord et al. 2010; Ito et al. [eds.] 2005; Goggin

2006). Both within the analysed documents as well as in the interviews with key informants, I found media consumption to be described as increasingly liberated from fixed locations, due to the development of mobile phones and other portable devices as well as new distribution networks. For Telenor, naturally, the notion of mobility was fundamental to its entire business strategy—its catchphrases included "The Mobile Way" (Telenor 2003:33) and "The World Is Going Mobile" (Telenor 2007a:1). But the media institutions also adopted this notion. For instance, NRK stated: "The media industry is in the middle of fundamental changes. The key word is mobility" (NRK 2005b:109, my translation). TV 2 was rather more vivid about the trend in its annual report from 2004 (see also picture 5):

> The mobile moment: five youths standing together around a mobile phone. Suddenly they burst into laughter. Harald's [TV comedian] ski jump is viewed once again. Change of scene. You wait for a parking space. Getting grumpy. Not one in sight. You pick up your mobile phone: John Arne Rise's [football player] free kick for Liverpool. Bang! You watch it again. The day is saved. The entertainment adventure of the mobile phone has just begun. [...] The big world is getting small. (TV 2 Group 2004:15, my translation)

Picture 5. The TV 2 Group's description of mobile media in 2004

Screenshot from TV 2 Group's annual report (TV 2 Group 2004:15).

While all of the selected institutions highlighted mobile-media usage as an on-the-go activity, this notion represented the biggest leap for the television industry—the newspaper and radio industries had long been accustomed to media usage that was not fixed in certain places.[37] Yet even VG and P4 saw new-media mobility as much more than the equivalent of bringing along a printed newspaper or listening to a car radio—the shift here was not simply in technology but in user mode (see Morley 2003; Ling 2004; Hjorth 2007). All of the institutions concluded that media consumption was abandoning the domestic setting, or as put by TV 2: "Technological developments mean that Norwegians' use of media is becoming less dependent on time and place" (TV 2 Group 2005:21, my translation; see also NRK 2004d; Telenor 2007b). The mobile phone stood out as the most promising platform for this new usage, as it supplied content right to one's pocket, to be accessed at home, at work or on the go (see Ito et al. [eds.] 2005; Goggin 2006; Orgad 2009).

One of the services most immediately associated with the promise of on-the-go consumption was mobile television. In a strongly positive assessment of mobile television from 2006, IBM states: "Mobile TV combines two popular consumer products of our time, the mobile phone and the television" (IBM 2006:2).[38] The selected institutions thus attached high expectations to this particular mobile-media service and its opportunities for on-the-go consumption (see also chapters 3 and 4). NRK, for instance, promoted its MiniTV project: "With MiniTV in your hand, you can watch live TV on your way to and from work, in a boat, the car or simply on the move" (NMTV 2009, my translation; see also NRK 2004d, 2008b:3; TV 2 Group 2004).

Media usage on-demand

The selected media and telecom institutions further described the mobile phone as particularly suitable for media usage *on-demand*. Technology helped in this regard: the mobile phone's built-in return channel allowed the audience to decide *when* as well as *where* (and *what*) to consume. But the drive towards media usage on-demand was mostly propelled by the audience's preferences, according to one of the interviewed executives: "We [the audience] are increasingly becoming available 24 hours a day, and we want the ability to get information or to be entertained when we want it" (Eivind Landsverk, TVNorge, interviewed 19.05.05, my translation). To my industry informants, the audience no longer appeared to be endorsing the decisions of a centralised media institution regarding the circumstances of their consumption. NRK Broadcasting Director John G. Bernander concluded: "The public is increasingly taking

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[37] Early experiments with portable television were relatively unsuccessful. For example, the British inventor and entrepreneur Clive Sinclair launched a short-lived pocket television—the so-called "Microvision"— already in 1977 (Infoworld 1982:116). It never caught on.

[38] The company further claimed: "Mobile TV has **|**...**|** enormous revenue potential for media companies"; "Mobile TV might be greater than all other prospective mobile multimedia services"; and "Indeed, many operators see television on the mobile phone as one of the important drivers for the success of 3G" (IBM 2006:2–4).

control of its media use—not just what it will see and hear, but when and where" (quoted in NRK 2003b:6, my translation). As such, the concept of "mobility" encompasses not only the spatial but also the temporal dimensions of consumption. It further evokes content's new ability to cross media platforms (Dawson 2007; see also chapter 4).

All five media and telecom institutions drew a clear picture of an audience that wanted—even required—media content on-demand (see articles II, IV and V). Yet it was representatives from the broadcasting sector who *worried* most about this development, whereas executives from the newspaper and telecom industries were more accustomed to individualistic user modes. NRK stated:

> Radio and television programmes are no longer available only at a specific time on one particular channel, but rather live, so to speak, their own lives on several different platforms. For the audience, this means greater choice and an opportunity to concentrate on the programs when the time is right. (NRK 2005b:109, my translation).

Certainly audiences had put pressure on media providers before the advent of mobile media. In the newspaper industry, for example, the importance of internal fixed deadlines had gradually given way to a drive towards an overall increase in news coverage (VG 2003:8; see also Erdal 2008; Krumsvik 2009; article VI). Likewise, in the radio and television industries people had been able to record programmes for a long time (Lotz 2007; see also TV 2 Group 2006:35), and this trend increased dramatically with digitalisation and the launch of personal video recorders and Smart-TVs. Still, if the mobile phone was not perceived to be the *only* media platform that could accommodate on-demand user patterns, it was certainly a uniquely effective one.

Interactive media usage

Finally, the selected media and telecom institutions described the mobile phone as particularly suitable for *interactive* media usage, allowing audience members to actually partake in the production of content through roles such as contributor, participant or co-producer (see articles I–IV; see also Jenkins 2006; Burgess & Green 2009; Bruns 2005; Gillmore 2006; Shirky 2008).[39] For instance, NRK's Broadcasting Director John G. Bernander stated: "We have long observed that the public wants to participate in and have a closer relationship with programmes—for instance, through SMS" (quoted in NRK 2003b:6, my translation; see also TV 2 Group 2002:15).

The industry notion of the interactive and active participant changed during the time period under analysis here. In the first phase, audience members were primarily seen as active *contributors* with parts in media activities that took place on industry premises, through, for example, aggregated SMS votes, SMS messages and chats in television programmes (article II; see also Beyer et al. 2007; Enli 2007). In the second phase, audience members were also seen as active *participants* with roles in the creative aspects of media production, including the creation of media-like content (see Jenkins 2006). In the third phase, these active participants were

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[39] In the context of media studies, the term "participation" often evokes a political context and specifically the ideals of a participatory democracy (see Pateman 1970). However, as I discuss in article II, the term "audience participation" can also be used in the looser sense of any audience activities in a communicative and entertainment-dominated sphere of social life (see Karlsen et al. 2009; Enli 2007; Kjus 2009).

further described in terms of being *socially connected* outside the frames of established media institutions, partaking in and generating content on blogs and through communities and social networks such as YouTube, Facebook and Twitter (see Lévy 1997; Rheinhold 2002; Surowiecki 2004; Tapscott & Williams 2007; Leadbeater 2008; Shirky 2008). Hence, during the ten years of analysis, the audience had increasingly been given—or had taken—control and become more independent in their media production.

The industry's recognition of audience interactivity brought with it the fear of a loss of control over content, and at first a lot of effort was devoted to structuring, managing and moderating audience contributions (see Ihlebæk 2008; Ihlebæk & Ytreberg 2009). Yet a shift takes place during the period of analysis that correlates with the ways in which new-media platforms were used in general. As I discussed in chapter 4, the "media-centralised expansion approach" of the first and second phases was replaced by a "third-party exploratory approach" in the third phase, and the goal of keeping users within one's branded universe gave way to the goal of reaching as many people as possible, regardless of the ownership of the platforms. A similar shift took place with regard to notions of authorship and the audience's influence on media content: while the media industry in the first phase of this analysis claimed extensive ownership of its content and had a restrictive policy concerning the influence of the audience, it had softened this position considerably towards the end of the decade. NRK employees working with the *Rubenmann* project, for example, enjoyed a particularly tight, almost collaborative relationship with *Rubenmann* fans on Facebook; some of them were even invited to help construct the *Rubenmann* universe by writing blog posts and suggesting themes to be explored. Thus audience participation was a question of not only ceding control and authorship but also building relations and loyalty while exploring new creative ways of collaborating (see article IV).

Three approaches for strengthening audience relations

The media industry working notions of its audience as on-the-go, on-demand and interactive regarding content clearly favoured some specific user segments over others. As we transition from addressing strategy as perspective to addressing strategy as plans and patterns (see Mintzberg 1998), then, we find that three specific audience segments were prioritised, both explicitly in actual plans and implicitly in the selected institutions' overall provision for mobile-media services. Based on the document analysis and interviews with key informants, I have identified three ways in which the selected institutions served the audience; as (1) active participants; (2) youths; and (3) customers.

Serving the audience as active participants

To start with, the selected institutions all stressed the importance of *serving the audience as active participants*—that is, facilitating for services in which the audience could partake. This approach was relevant to my entire period of analysis and propelled a range of services, including interactive add-ons to traditional media formats and entirely new formats based upon

audience participation. The mobile phone played a key role in this particular approach as the most widespread return channel (see Enli 2007; Kjus 2009).

The benefits of serving the audience as participants were clear (see article II for a full discussion). First of all, the institutions perceived an active audience to be more loyal than a passive one, so the approach was relevant to audience retention, an appealing quality at a time when audiences were seen as increasingly "unfaithful" and inclined towards the newer digital services. Secondly, active participants provided user-generated content that could in turn be repurposed for the benefit of the institutions; "professional" content is expensive, and "amateur" content worked equally well to fill the many new media platforms and interfaces that the institutions' expansion strategies had created. Thirdly—and the perceived benefit most driven by fear—if audiences *were* moving on to digital platforms, facilitating for their participation within the frames of established media institutions was the only way to bring them back.

This approach's increased focus on brands, promotion and audience loyalty must be understood as well in the context of a new economy within the media and telecom industries that favours emotional ties and feelings. According to Henry Jenkins, this new "affective economics" drives companies to define their media products into brands and their brands into "lovmarkes": "Watching the advert or consuming the product is no longer enough; the company invites the audience inside the brand community" (Jenkins 2006:20; see also Roberts 2006). The logic of affective economics, then, involves blurring the lines between media and entertainment content, on one side, and brand messages and commercial products, on the other (see articles II, III and IV). Jenkins continues: "New models of marketing seek to expand consumers' emotional, social, and intellectual investments with the goal of shaping consumption patterns" (2006:63).

Jenkins's affective economics addresses the emotional underpinnings of consumer decision making as a driving force behind media purchasing decisions (2006:62), and marketing consultant Martin Lindstom takes a similar stance in his much-hyped book *Buyology* (2009), the thesis of which is that emotions in fact influence our choices far more than rationality does, at least when it comes to purchasing things: "Emotions are the way in which our brains encode things of value, and a brand that engages us emotionally—think Apple, Harley-Davidson, and L'Oréal, just for starters—will win every single time" (2009:27). Whatever the truth of such a broad generalisation, a strong emphasis on branding, loyalty and emotions clearly emerges in the material I analysed for this study, indicating the relevance of those things to the business models of the Norwegian convergent media market during the period in question. One of the television informants from the supplementary interview set (see also article III) affirmed:

> Audiences use activities if the programme in itself is engaging. […] I have a philosophy that you have to construct television programmes that appeal to the receiver's register of emotions. We distinguish these emotions in a few main categories: "love and hate", and "sad, mad and glad". If you can construct a program with these emotional elements, you will always get a response of some sort. (Eivind Landsverk, Head of Programming in TVNorge, interviewed 19.05.05, my translation).

Serving the audience as youths

Next, the selected institutions—public or private, media or telecom—all stressed equally the huge importance of *serving the audience as youths* (see articles I–V). Here again, the mobile phone was seen as crucial—industry players described it as both the most favoured and the most often utilised media platform for the younger age groups (see TV 2 2005:21; NRK 2000:21).

There are at least three reasons for this industry interest in serving the audience as youths (see articles I, II and IV). To begin with, youths were seen as the most difficult user segment to reach, particularly given their penchant for newer digital media platforms (see Mobile Life 2006; Tapscott 2009). TV 2 Broadcasting Director Kåre Valebrokk said in 2006: "Young people simply don't accept that TV executives decide what they are to see and when. They would rather decide that for themselves" (quoted in TV 2 2006:11, my translation; see also articles I–IV). They were also, of course, one of the most attractive user groups for commercial advertisers, which exacerbated the issues around their flight from the established institutions (see articles I and II). A TV 2 report observed: "Mobile media is important because it provides us with an audience that is typically difficult to reach for advertisers" (2005:21, my translation).

Secondly, the media and telecom industry had long operated under the assumption that audience loyalty was developed at an early age, and it was important not to miss any opportunities there (see articles II, III, IV and V). This argument was explicitly expressed in the annual reports and strategy documents of all of the selected institutions.

Thirdly, youths were also described as "early adopters and guiding lights" for future trends and tendencies that might later be adopted by the general public. Within theories of diffusion of innovations (Rogers 2003 [1962]), it is well known that young people have a special role in influencing others to adopt new products or services (see Godø 2008:113). To the media industry, youths' media patterns were a peek into the crystal ball: "Those who don't learn from the youths' media habits will experience every new trend as a surprise" (TV 2 Group 2005:21, my translation; see also article I).

The importance of serving the audience as youths is evident in the selected institutions' facilitation for mobile-media services. The simple SMS-based services (ringtones, wallpapers and icons) that flourished in the first phase arose to an extent from young people's desire to personalise their mobile phones (see Okada 2005). Similarly, SMS interactivity in television programming was clearly aimed at indulging opinionated youths (as well as the broader audience). And Telenor's entire music service was originally developed to differentiate the company's youth brand, djuce (see article IV), while the *Rubenmann* project team (see article IV) altered their entire plan (going from an exclusively mobile video series to a cross-media format) when they realised that they had made inroads with this hard-to-get user group.

Serving the audience as customers

Finally, the selected institutions all stressed the importance of *serving the audience as customers*. Here as well, the benefits are obvious. First and foremost, this approach secures revenue streams—paying customers are more profitable than non-paying ones. Secondly, paying

customers entered into a more committed relationship with the institution, ultimately supplying information about themselves that could be repurposed later on via the promotion of bundled services or more targeted, "personal" advertising (see chapter 6). Each of the institutions prioritised personalised services that were targeted directly to (paying) customers.

On-demand services answered to this charge in several important respects, allowing as they did for new revenue models. The thinking went, if a user asked for personalised content, he or she should have to pay something for it (see chapter 6). Even publicly funded NRK bought into this assumption, as Kari Werner Øfsti, Director of NRK Broadcasting, indicated to me: "This is something extra, something especially made from me to you, and not something from all of us to you. If you want it, you have to pay for it" (interviewed 18.05.05, my translation). Likewise, TV 2 Broadcasting Director Kåre Valebrokk noted: "Viewers will no longer leave the scheduling to us TV bosses. They will decide what to see and when they see it. In addition, they are willing to pay for having options" (quoted in TV 2 Group 2006:13, my translation).

Despite these various shared motivations, the five selected institutions in fact approached this strategy differently. As I already described in chapter 2, Telenor was originally launched as an incumbent state telegraph with the mission of serving the Norwegian public (not simply Telenor customers). As the Norwegian telecom market was liberalised during the 1990s, Telenor's mission changed, and beginning in 2000, when it was finally privatised and listed on the stock market, it devoted itself as much to its relationship with those who would generate its profits as to the public as a whole.

For TV 2, P4, VG and to an extent even NRK, serving the audience as customers implied a more radical change in audience relations. Of the four, TV 2 expressed this new strategy plan most explicitly through its goal of "transforming the audience into customers". This in turn informed its actions on all platforms, including the mobile phone (see article I; see also Syvertsen 2006, 2008). The company stated:

> To turn our viewers into customers is a goal that must be taken into consideration in both small and large decisions in the time ahead. Over time, income from these business areas will be important in order to sustain and further develop the overall programming and products that the TV 2 Group offers today (TV 2 2000a:43, my translation)

In almost identical terms, P4 defined its strategy plan as follows: "To turn our listeners into users and customers of our products and services" (P4 2000:5, my translation). This plan gave rise to P4's early goal of transforming itself into a "Digital Media House", though these plans were later revised (see chapter 3). Nevertheless, upon entering the new millennium, both TV 2 and P4, as the two commercial broadcasters with public service obligations, stressed the same approach of serving the audience as customers. It should be noted that the TV 2 Group in fact was very successful in this strategy: from 2000 to 2009, the TV 2 Group's revenues coming from sources other than advertising increased from 3 to 35 percent (Kletvang 2010: 38).

VG also adopted an enhanced customer relationship with its readers. Though VG had always relied to an extent upon readers as customers of its tabloid newspaper, this dependence

grew during the first decade of the 2000s. VG increasingly facilitated for new-media services via both the mobile phone and the Internet that could be sold directly to the audience. For example, VG launched a weight service (vektklubben.no), through which paying members could look to an online community for help with losing weight (see VG 2005:10).

To some extent, even the publicly founded NRK began to address its audience as customers, soon concluding that personal media services amounted to something other than simple broadcasting and appeared to be likely candidates for fees. The issue, however, remained fraught—though many interviewed NRK executives addressed the issue of introducing new pay services, including some for the mobile phone, this did not result in either a concrete strategy plan or a particularly relevant business model during the period under analysis here (see chapter 6).

Conclusion

This chapter has discussed how the selected media and telecom institutions perceived and facilitated mobile-media user situations during the first decade of the 2000s (cf. my first research question), as well as how these working notions, plans and actions were related to more general developments of changing audience relations (cf. my second research question).

Regarding audience relations, I have explored the ways in which the development of mobile media was driven by a dual perception concerning the active audience that resonates with the dual perception of media convergence—that is, both might be either a potential threat or a potential opportunity. On one hand, the active audience appears to represent the threat of an industrial breaking point, as people abandon established media wholesale in favour of substitutes on new-media platforms (Porter 2008; see also article VI). On the other hand, the active audience appears to represent the opportunity of an institutional turning point centred upon strengthening audience relations and exploiting a new affective economy that might in particular lend itself to established institutions with strong brands.

In this context, I described three institutional working notions concerning mobile-media usage situations: *on-the-go*, *on-demand* and *interactive*. To the selected institutions, at least, the media and telecom industries must not only expand into new media platforms but also facilitate for new user *modes* in order to retain a key position in the convergent media market. I further elaborated upon the ways in which these three working notions are reflected in strategic plans targeted at specific audience characterisations, specifically *participants*, *youths* and *paying customers*. In the end it became clear that some rather general and even obvious ways of understanding audiences have informed some very concrete and central strategic purposes, particularly those with economic rationales, as I will discuss further in the next chapter.

In my previous discussion of media convergence and the selected institutions' working notions, plans and actions towards the mobile phone as a media platform (chapter 4), I found that legacies clearly played a part. In terms of audience relations, on the other hand, the respective institutions operated with more or less the same working notions of mobile-media

usage as well as the same plan of strengthening those relations. Yet institutional legacies played a key role here as well, mostly regarding exactly *how* a given institution chose to further develop its existing relationships with its audience—that is, those legacies' influence was more practical than overtly strategic.

Chapter 6. The challenge of new-media business models

Industry expansion into the convergent mobile-media market and its attendant new audience relations were, of course, strongly motivated by profits—the quest for income is as central to the media and telecom industries as it is to any other industry. In this chapter I explore the ways in which established media and telecom institutions, with legacies from traditional markets, both envisioned and facilitated new mobile-media business models during the first decade of the 2000s. I also associate these working notions, plans and actions with more general developments in new-media business models. For my purposes, the term "business model" simply refers to the structure through which companies finance their businesses and create revenue streams (Picard 2002).

Changing business models as an argument for mobile media

The media and telecom markets in the period under analysis were not only influenced by technological and cultural change, as described in the previous two chapters, but also by *economic* change—digitalisation, media convergence, new-media platforms and changing user patterns had a profound impact upon the selected media and telecom institutions' business models and business areas. Most importantly, the falling costs of communication in general likewise lowered production and distribution costs within the media and telecom industries, affecting their whole economic basis (see Shapiro & Varian 1999; Benkler 2006: see also Küng et al. [eds.] 2008). This meant easier entry into new-media platforms for both established institutions and new players, though the risks of doing so remained high.

Thus, just as the selected institutions described both pros and cons to new-media platforms (chapter 4) and changing audience relations (chapter 5), they also viewed developments related to competition, markets and business models at this time as both a threat and an opportunity (see articles I, II, V and VI; see also Küng et al. 2008b). Regarding the *threat*, my investigation of industry documents and interviews with key informants demonstrate that the selected institutions viewed their traditional business areas and business models as potentially undermined by new-media players with innovative services, substitutes and new business models (see chapter 4; see also article VI). These new options, they thought, might draw the audience from their traditional platforms to new-media platforms, taking advertisers with them. Often, this type of argument was buttressed by references to advertising numbers, which showed an increase of online revenues. And as figure 7 illustrates, the revenues from online

advertising did go up rather dramatically during the ten years of analysis: from 2000 to 2009, the amount spent on online advertising increased almost tenfold, from less than 100 million NOK to nearly 900 million NOK. Still, the development within the advertising market was not unambiguous: substantive variations occur among the media industries as well as over the course of the analysed period, and it must further be noted that the *total* value of the advertising marked increased at this time as well, implying that advertisers were not necessarily moving from traditional media to new but rather increasing their *overall* advertising budgets (see article VI).

Figure 7. Advertising revenues for different media industries, 2000-2009 (in million NOK)[40]
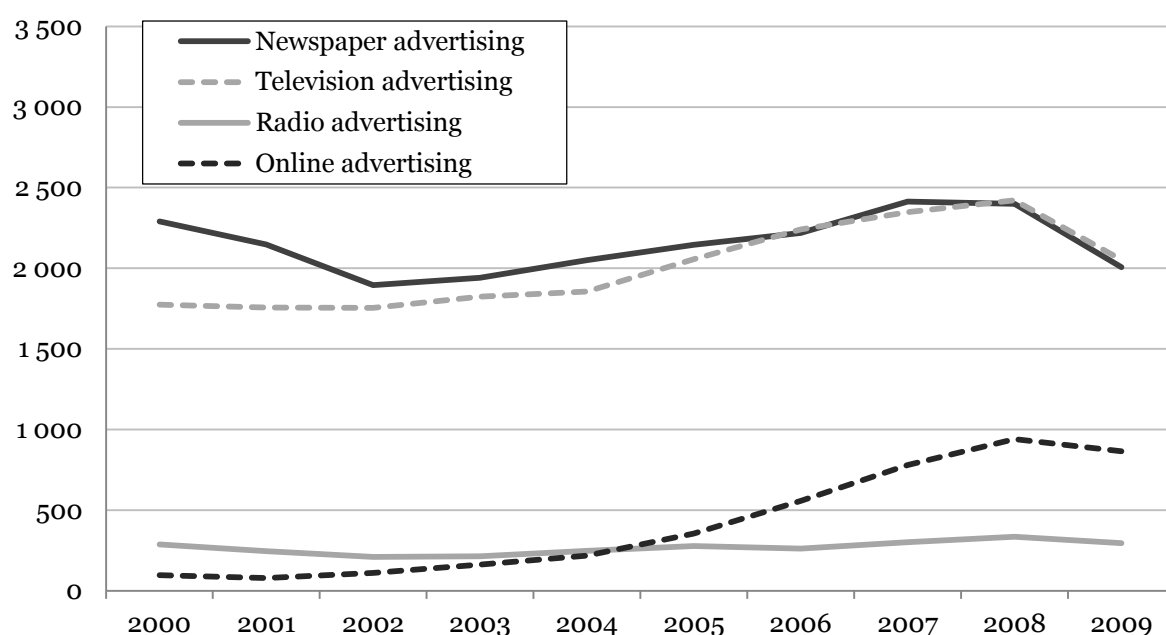
Source: www.medienorge.uib.no (accessed 01.01.12), based on numbers from the Norwegian Media Bureaus' Interest Organisation (MiO).

In addition, these new-media platforms offered not only new ways of distributing content and communicating with users but also new types of services and new ways of financing them. Among the selected institutions, this reality represented a strong incentive for exploring alternative ways of doing business, but this was a challenging task with uncertain prospects, as explained by one of the Telenor informants:

> You have other players who play together in other ways, have other revenue models, and offer value to the end user in a different way. […] I think we in the future will have other means of offering, charging for and distributing mobile services that do not necessarily favor the telecom operators to the same degree as the present. (Hilde Lovett, Project Leader, Telenor Research & Innovation, interviewed 23.11.07, my translation)

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[40] The figures refer to net invoiced media sale (after all discounts but before any agency commission) and include only advertising that goes through a media agency (not ads that are placed directly in specific media, such as classified ads).

Alongside the perception of an economic threat, the selected institutions also described a situation whereby digitalisation, convergence and new-media platforms would bring about economical *benefits,* in terms of new profitable business areas for those who were prepared to exploit them (see chapter 4). Hence, new-media platforms represented new markets that established media institutions could enter in two ways, either by redistributing already produced content (and hence creating positive synergies and economies of scale and scope) or by developing entirely new services and new business areas on their own (Doyle 2002; Picard [eds.] 2005; see also articles I and II).

While these market changes were perceived to be substantial, their actual consequences—whether they represented mostly a threat or also an opportunity—proved harder to pinpoint, and the industry was not getting much help from the mix of advice from consultants and scholars. For instance, Chris Anderson (2006), a writer much quoted within the media and telecom industries, claimed that the unlimited choices to be found online argued for an entirely new business rationale that favoured niche interests and a long demand curve over traditional hits and high volume (see also Anderson 2009; Turow 2006; Tapscott & Williams 2007; Shirky 2008). Others industry observers, like Carl Shapiro and Hal R. Varian (1999), were more conservative: "Technology changes. Economic laws do not" (2009:2). Furthermore, while the selected institutions all described the first decade of the 2000s as a time of great change, they also translated its economic implications according to several specific, individual factors: the kind of organisation they were (Miles & Snow 2003 [1978]), which industry they operated in and its degree of substitutes (Porter 2008), their market position more generally (see also Hatch 2001; Roos et al. 2002) and their particular organisational culture (Schein 2010). Thus, during the ten years of analysis, making sense of general market developments was a difficult task. However, as a general finding, the selected institutions all highlighted the potential threat even more than the potential benefits, in the sense that they operated with a strong notion that institutions that did *not* react would experience loss, and that the economic benefits would only be achieved through some series of actions. Thus, except for P4, the selected institutions all used the argument that exploring these new revenues was a matter of life or death.

As described in chapter 2, the selected institutions all came up with a similar dual business plan. First, they all expressed the goal of *increasing the value in core markets* by protecting strategic positions and improving service provision, a classic strategy for firms seeking to increase operational effectiveness (Porter 2011 [1996]). Second, they all expressed the goal of *expanding into new business areas* in order to exploit new opportunities, spread out any potential risk and make gains in the economies of scale and scope. This is a familiar strategy for firms seeking to grow (see, for example, Picard 2005; Doyle 2002; Chan-Olmsted 2006), and it differs in important ways from the first strategy (Miles & Snow 2003 [1978]): instead of increasing operational efficiency and average revenues per user (often described by the abbreviation ARPU), it focuses on minimising risk while finding new opportunities (Porter 2008). Thus, while the first business plan displayed a traditional interest in routine and efficiency, the

second looked beyond those things for promising new business ideas (see also Krumsvik 2006). Both plans, then, drove companies towards new-media services such as mobile media, but for different reasons.

Working notions of mobile media as a golden egg

Expectations concerning mobile media varied during the period of analysis (see chapter 3), and descriptions of the mobile phone in particular characterised it, alternately, as an independent, a subordinated and a supplementary media platform (see chapter 4). Still, one general working notion that persisted throughout (and across several industries) saw mobile media as extremely relevant to generating new business areas and models, almost like a golden egg. Judging from the analysed material, the mobile phone showed particular promise in terms of generating new revenue streams (see also articles I, II and IV), which could be harnessed when facilitating mobile-media content. These hopes bore out in different ways for different areas of the industry during the ten years of analysis. The simple SMS-based content services and interactions that flourished in the first phase (2000–2003) were very profitable for several of the selected media and telecom institutions and clearly raised expectations about the income potential for "rich" mobile-media services. Yet those services did not live up to their prospects in the second phase (2004–2006), and new business areas related to WAP and mobile television failed to develop. However, with the increase in mobile-media usage in the third phase (2007–2009), expectations concerning the profitability of mobile media went up yet again. Thus, while the selected institutions did describe the first decade of the 2000s as a period with much uncertainty— technological, cultural and economic—the hopes connected to mobile media's income potential remained generally high.

Within this overall working notion of mobile media as a golden egg, two features of the mobile phone stood out: first, that the mobile phone was particularly suitable for *direct user payment*, and second, that the mobile phone was particularly suitable for *personal advertising*. Thus, the working notions of mobile media as a way of generating income were not necessarily based on the idea that innovative new business models or revenue streams were going to be developed, but instead on the idea that the mobile phone was particular good in exploiting traditional revenue models in a new context.

Increased suitability for paying audiences

The selected institutions all seemed to operate with a notion that mobile phone users were more willing to pay for services on their phones than on other media platforms, for two primary reasons. First, a billing mechanism already existed in the telephone bill itself, which could be made to accommodate mobile-media services. This was different from online activities, which typically lacked an easy-to-use payment solution, particularly for small amounts or micropayments (see also Orgad 2006; Informa Telecom & Media 2006; Goggin & Spurgeon 2007). One informant even described the mobile phone as a "mobile wallet", indicating the strong

perceptual link between money and the mobile phone (Anne-Lise Katle, Head of Mobile Content, Telenor Nordic, interviewed 12.11.07).

Second, the selected institutions also highlighted the fact that users were already accustomed to paying for telephone voice calls and communication services. In the words of TV 2: "The willingness to pay is far greater for this type of service than for traditional news and information services online" (TV 2 Group 2003:17, my translation; see also article I). At least in the early 2000s, then, the selected media and telecom institutions bought into the larger industry expectation that the habitual patterns of payment for telephone services could be extended to accommodate added payments for mobile content services (Feldmann 2005; see also Goggin & Spurgeon 2007). This notion of the mobile phone as a profitable media platform for fee-based services was further buttressed by the early track record of simple SMS-based content services, which had proven to be rather lucrative for several of the selected institutions (see chapter 3; see also Huang 2007; Goggin & Spurgeon 2007). Furthermore, given that the mobile phone was a *personal* media platform, it was also perceived to be a good candidate for customised services targeted at the paying customer (see chapter 5; see also Küng et al. 2008a).

Clearly, this was a very convenient perception for an industry in need of new revenue streams: as other business models were under pressure, the idea that mobile media could bring direct income (and thereby solve the industry dilemma of making users pay) must have been very alluring. The fact that this notion of the mobile phone's role in accommodating direct user payment persisted also in periods when mobile-media user numbers were low illustrates that industry notions are often driven by strategic interests and even wishful thinking rather than realistic calculations (see also Weick 1995; Van de Ven et al. 2008 [1999]).

Increased suitability for targeted advertising

The selected institutions also saw a real opportunity in the fact that the mobile phone related to a *person* instead of a *location* (see article I). This allowed for more thorough customer identification, and the selected institutions described a process through which they took advantage of this fact. Economically, of course, advertisers could tailor their campaigns to people's personal interests and habits: instead of supplying the most *potential* customers, the mobile phone set up "perfect matches" between advertisers and a smaller selection of known-to-be-interested customers (see Orgad 2006; see also Wilken & Sinclair 2009). The argument was that advertisers would rather reach a few really attractive users with a high probability of purchasing their product or service than a massive group of mostly uninterested consumers. Whereas online advertising first introduced the possibility of targeted personal advertising (see also article VI), mobile media had, in the eyes of the selected institutions, even better prospects in this regard (see article I). These high expectations were fuelled by consultants' reports lauding advertising as a lucrative business model for mobile-media services (see Orgad 2006; Informa Telecom & Media 2006; IBM 2006). For instance, in her report on mobile television, Shani Orgad wrote: "One of the things with which advertisers struggle when it comes to television is tracking who watched their advertisements and how effective they were. On the mobile device,

advertisers could better track the money they spend and understand where it goes" (Orgad 2006:13). Similarly, VG argued: "Gone are the days when the local grocer alone made the decision to advertise in the newspaper. Today, media advertising is a highly qualified job where you have to get the most from every penny" (VG 2002:26–27, my translation). Furthermore, as the perceived media platform of youths, mobile advertising also had the added benefit of an existing inroad with this hard-to-reach group (see also chapter 5).

Informants even described mobile advertising that would be so attractive and relevant for users that they would *seek it out* (see also Wilken & Sinclair 2007). For example, the mobile ad could be constructed as a game or a quiz in such a way that it *appeared* to the user as entertainment. An informant from my supplementary interview set described this as follows: "You will have the opportunity to download an advertisement to the mobile phone, and in the advertisement there is a game that gives you some advantage in the grocery store—a product or something" (Steinar Brændeland, Director and Chief Editor of Mobile Media Interactive, interviewed 18.05.05, my translation).

The notion that mobile media was particular suitable for targeted advertising can be found during the whole period of analysis, yet it was expressed most strongly in the second phase. This was also a phase during which the mobile screen was relatively limited and the possibilities for advanced design were restricted. The fact that the mobile device had little room for advertisement was largely dismissed by the selected institutions. Hence, in line with the first notion (mobile media as suitable for direct user payment), this notion was also demonstrably convenient for an industry in need of revenue streams, and it further indicates that industry notions are often based on hope and self-interest rather than fact or calculations.

Three mobile-media business models

Turning from strategy as perspective to strategy as plans and patterns (see Mintzberg 1998), we must now look at the ways in which the selected institutions facilitated for mobile-media business models during the period in question. Based on the analysed material, three distinct business plans arose around the priorities of (1) *direct user payment*; (2) *mobile advertising*; and (3) *differentiation*. The two first are clearly informed by the perception of mobile media as a golden egg: they go right to generating new revenue streams. The third relates more to the institutions' overall interest in branding the company, a particular product or a service. Although these plans were highlighted as particularly important for generating revenues from the field of mobile media, they were clearly not unique to this new field: direct user payment, advertising and branding (in addition to public funding and substitutes) make up the three most common revenue steams within the media industry.

Direct user payment for customised content

Most of the selected institutions adopted related approaches around mobile-media services based on direct user payment (see also articles I, II and V), with the exception of P4, which lacked

any clear mobile-media business plan at all. For Telenor, direct user payment was the foundation of its entire mobile business model, which was based on subscriptions and user traffic. Furthermore, direct user payment had also proven profitable in other Telenor operations, including especially pay-TV (see article V). Hence, for Telenor, the key business plan was to increase people's usage of mobile-media services, as well as the fees that accompanied them:

> Under the motto "10 cents a day", Telenor is seeking to increase ARPU [average revenue per user] in its mobile operations. This means that if each customer sends two extra text messages every day, makes one extra call, sends two extra images per week, downloads one extra Java game, or browses through an extra news item every day, ARPU will increase dramatically. (Telenor 2003: 33).

VG likewise acknowledged the importance of facilitating for direct user payment. While advertising was VG's main source of income, user payment was an established business model as well—the newspaper VG was partly financed by its sales. In the period under analysis, VG experienced a particularly profound need to increase its proportion of direct user payments related to other media services in order to lessen the impact of overall losses in printed newspaper sales (see chapter 5; see also figure 6). Thus VG accompanied anticipated revenues from new-media advertising with "as many revenue streams as possible in addition" (VG 2002:33, my translation; see also article I), and mobile media was expected to help with this effort.

For TV 2, direct user payment had not been a business model for long, but it was rapidly gaining ground in the years following the 2000 launch of its strategy of "making its viewers into customers" (see chapter 5). TV 2 stated in 2003: "TV 2's long-term growth opportunity is primarily linked to the opportunity to come into direct contact with TV 2 viewers" (TV 2 Group 2003:23, my translation). To differentiate its services towards this end, TV 2 needed attractive content, and in 2004 it bought the exclusive rights to Norwegian elite football for the years 2005–2009, together with Telenor (see articles I and IV). The company said: "The football rights are an important part of the TV 2 Group's strategic goal of increasing revenues related to distribution and direct user payment" (TV 2 Group 2005:13, my translation).

NRK took a different approach to direct user payments via the mobile phone, hoping less to generate extra income than to cover the expenses that were related to new, personalised media services. Øyvind Vasaasen, Head of NRK Radio Broadcasting, noted in an interview: "Increasingly, NRK will charge for content that is not distributed via the traditional means of broadcasting from one to many, not necessarily to earn money but because it is expensive to facilitate for these types of services" (interviewed 24.05.05, my translation). NRK's Broadcasting Director John G. Bernander also situated NRK's development of payment-based services in a larger market context: "It is part of the game; if we want to be where the market evolves, we must adapt to the reality of the new value chains and be active participants" (feature article, Aftenposten 09.11.06).

Following these shared priorities, most of the selected institutions launched mobile-media pay services during the period under analysis, beginning with SMS-based content services

and SMS interactivity in the first phase. Several also developed more advanced pay services, such as Telenor and TV 2's "rich" mobile-media services derived from their aforementioned football rights (see articles I and V). Telenor even launched a mobile music service in 2004, which in the beginning was based on the direct sale of songs and albums (see article V). In the third phase, the selected institutions also explored mobile applications as pay services. At all times, they relied on user-supplied information to target their products towards specific niches (see also Küng et al. 2008a).

The various services differed in their ultimate profitability. In general, the SMS-based content services and SMS interactivity were the most profitable options for the selected media institutions, especially during the first phase. As VG stated in 2002: "A few years ago, who would have believed that ringtones, logos, and SMS would be such a huge market?" (VG 2002:27, my translation; see also VG 2001:31; TV 2 2001a:24; TV 2 Group 2003:16). Similarly, in the television industry, SMS-based programmes introduced a whole new return-path economy, in which revenues derived from the participating audience (see chapter 3). In Norway, *Big Brother* was the first television programme to demonstrate the revenue potential of including new-media platforms in traditional television (see NRK 2000:24; Telenor 2002:44; see also Mathijs & Jones [eds.] 2004). In the wake of *Big Brother*, many similarly structured TV programmes became both popular and profitable (TV 2 Group 2003:24; see also Kjus 2009), and TV 2 followed up by launching a number of programmes that incorporated SMS interactivity (see, for example, TV 2 Group 2005:12). While SMS-based content services and SMS interactivity proved to be profitable, however, direct user payments related to "rich" mobile media services fell short of the high industry expectations. In particular, as I elaborated upon in chapter 3, the second phase was a difficult one for industry players who sought to develop new mobile-media revenue models. Morten Holst, Head of Development at VG, described the year 2005 as "extremely disappointing", noting further that the media institutions that were then expanding into the mobile-media market "really had to be strong in their beliefs to continue" (interviewed 13.09.06; see also article I). This grim outlook persisted until the third phase of the period under analysis, when a new set of smartphones and online business stores—notable iPhone and iTunes—made a new push for direct user payments by extending available services and making payment solutions easier (all under the control of Apple, of course).

Personal and portable advertising in a potential mass market

In addition to exploring direct user payment and customised content, the selected institutions also all cultivated a second approach around mobile-media advertising (see article I). This approach was the highest priority for VG and, to an extent, NRK. Already in 2000, VG announced that they were "one of the first [institutions] in the world" (VG 2000:21) to deliver ads to their WAP portal. In 2004, VG launched a new advertising system for mobile phones that the company developed specifically to "handle the expected increase in advertising on VG Mobile" (VG 2004:43, my translation).

Somewhat surprisingly, the non-commercial broadcaster NRK likewise promoted itself as an innovator in mobile advertising. Using the latest technology available, NRK customised advertising to its mobile television viewers based on age, gender and location. When asked whether mobile advertising should be a priority for a public service broadcaster, NRK's Head of Development, Gunnar Garfors, replied: "We are launching tomorrow's mobile TV. The bonus includes fast channel zapping, built-in interactivity and easy access to new services. Many viewers also think it is fine to have advertising as long as it is relevant and it will bring down the price of the service" (quoted in Kampanje 07.12.06, my translation).

If SMS-related direct user payment characterised the first phase of the period under analysis, mobile advertising characterised the second, with the introduction of 3G and the experiments that followed concerning mobile television and the relaunch of WAP services (see chapter 3). The business logic underpinning these two mobile-media business models was as different as their content: instead of producing customised or exclusive services to particularly profitable users or niches (as was the case with direct user payment), the selected media institutions sought to attract new users on new media platforms through the reuse of already-produced media content (see chapter 4). The development of mobile advertising, ultimately, arose from an interest in creating new synergies by repurposing content across platforms as well as advertising on several "screens".

WAP failed to take off in this phase, however, and mobile advertising had problems with narrow exposure as well. For the typical advertiser, the logic was quite simple: expose your product to as many (preferably relevant) audiences as possible. While Internet usage—and thus Internet advertising—increased significantly between 2000 and 2009 (see article VI), mobile advertising did not, mainly because the overall number of users did not increase during this time (cf. figure 4). Thus mobile advertising generally failed to reach potential customers, targeted or not, to the degree sought by advertisers. Furthermore, the limited screen size and opportunities for design and graphics probably played a role as well. The push for mobile ads was therefore coming from the media industry, which was seeking new revenues, rather than the advertisers (or users).

Branding and differentiation of attractive and exclusive content

The facilitation of direct user payment and mobile advertising clearly comprised the two most important business strategies during the period under analysis, specifically for mobile media but also in general: direct user payment and advertising are—together with public funding—the economic mainstays of today's media industry. In addition, though, mobile-media services were soon part of the broader business plan of *branding and differentiation*. The benefits, of course, were not as immediately apparent here: whereas revenues from mobile-media pay services and mobile advertising are easy to track, no such clarity accompanies efforts around branding or product differentiation (Norbäck 2005; see also article II). Yet the urgency of this approach increases as the number of related players grows. In the Norwegian broadcasting market, branding first grew in stature during the 1990s, when national competition was introduced

(Sæther 2002). In the newspaper industry, branding and differentiation had obviously been around much longer, but it grew even more important in the wake of newspaper companies' launches of product portfolios (see Picard [ed.] 2005; see also Murray 2005; Ytreberg 2007). Branding is relevant to companies seeking to expand vertically, horizontally or diagonally within a given market, and differentiation, a more extreme version of branding, arises generally in the context of exclusive offerings that are part of those expansion efforts. In the telecom market and pay-TV, for example, exclusive content is used specifically to differentiate among otherwise similar products.

All of the selected institutions saw their mobile-media products as related to their branding efforts in one way or another (see also chapter 5). "Being mobile", to them, meant being novel and innovative as a whole (see articles I, II, IV and V). NRK used its *Rubenmann* mobile-media project, for example, to extend its brand to a younger audience (see article IV). Telenor used its mobile music service to distinguish itself from its competitors, again especially with regard to the youth market. Branding was seen as so important in a convergent media market, in fact, that Telenor was prepared to absorb a loss on the direct sales of songs in their music service: Klaus M. Sørland, Head of Music at Telenor, observed that when Telenor sold mobile songs for 7 NOK each, they lost money. Yet the strategy behind the service remained sound:

> You have a broader business model in which Telenor is to serve as an attractive supplier of subscriptions, network services and things like that, where you can look at music as a marketing platform [for Telenor] the way iTunes is a marketing platform for iPods and Macs. The broader business model is probably positive for us, though it is difficult to document this. (Klaus M. Sørland, Head of Music in Telenor Nordic, interviewed 22.10.07, my translation)

While differentiation was not a key business plan during the analysed period, Telenor did apply it with regard to its first version of its mobile music service, as well as its football service (see article V). In both cases, the idea was to provide customers with an attractive package they could not get elsewhere and thereby make Telenor their favourite mobile operator.

Telenor's football service in fact was based on differentiation, as only paying Telenor customers could access it, and only Telenor had it. Pearse Connolly, Vice President of Football in Telenor Broadcasting, stated: "Football is something that differentiates us from the others" (interviewed 29.10.07, my translation). According to Connolly, however, differentiation was not an aim in itself but something that Telenor "must assess in relation to […] people's willingness to pay and respond" (interviewed 29.10.97, my translation). Anne-Lise Katle, Head of Mobile Content at Telenor Nordic, argued even more strongly against an approach based entirely upon exclusive content and differentiation:

> If you use content to differentiate, it is harder to make money on it. You have to spend a lot of money on marketing and put up restrictions, and you are not even guaranteed an income. But differentiation has a function; otherwise we would not have done it. […] However, today, what we make the most money on is open markets, the good old CPA markets. (Anne-Lise Katle, Head of Mobile Content in Telenor Nordic, interviewed 13.11.07, my translation)

The quotes from Connolly and Katle illustrate that differentiation was assumed to be an effective business approach, but it was also a controversial one, and executives representing various part of the Telenor system (Telenor Broadcasting and Telenor mobile content production, respectively) perceived it somewhat differently.

Conclusion

This chapter discusses how the selected media and telecom institutions have envisioned and facilitated for mobile-media business models during the first decade of the 2000s (cf. my first research question), as well as how these working notions, plans and actions were related to more general developments in new-media business models (cf. my second research question).

Regarding the more general market development of new-media business models, the chapter shows that the selected institutions made their plans based upon a strong fear that new-media players, with their substitutes and innovative services, would ultimately contest the popularity of the institutions' core business areas (and related business models). While this perception was accompanied by the more optimistic notion that digital technology, media convergence and new-media platforms also represented obvious economic opportunities, the selected institutions felt compelled to react. They began to second-guess traditional streams of revenues and seek new ones, and the emerging field of mobile media appeared to have good income potential in this regard. Still, as already discussed in chapter 3, the economic expectations concerning mobile media varied considerably during the analysed period and were stronger in the first and third phases than in the second one.

The chapter further identifies the strong industry notion of mobile media as a particular effective means of generating new revenue streams. In particular, the selected institutions highlighted mobile media as suitable for direct user payment and personal advertising. Interestingly, compared to the other working notions related to mobile media (identified in the previous two chapters)—which were both original and future oriented—the working notions of mobile-media business models were far more conservative and traditional. Thus, while the industry notion of mobile media as a means of generating income was perhaps the strongest one, it was also the one most obviously derived from existing industry worldviews.

The working notion of mobile media as a golden egg was translated into three key mobile-media business models—direct user payment, advertising, and branding and differentiation—which the selected institutions realised somewhat differently, depending upon the traditional markets within which they operated. Telenor highlighted differentiation, which had previously proven successful in its activities in the pay-TV market; VG favoured advertising, its main business model from the newspaper industry; and TV 2 explored direct user payment, in line with its more general business strategy of turning viewers into customers. NRK went for the least controversial business model, using mobile media mostly to brand itself but also to explore mobile advertising. P4's limited mobile-media services seemed to lack any clear business model at all. This all supports the thesis that an established institution approaching an emerging market

can be "trapped by its track record of services in existing markets" (Küng et al. 2008a:35). These legacies and experiences from the past constitute an important frame of reference for situations that confront the institution later on (Weick 1995).

These various mobile-media working notions, plans and actions demonstrate how the field of mobile media during the ten years of analysis had been propelled by high expectations relating to future income opportunities. This emphasis on economic opportunity motivated not only mobile-media business models but also the provision of mobile-media content and the ways in which the institutions appealed to their audiences: mobile media, therefore, was based to a large extent on the reuse of existing content with the aim of increasing synergies and gaining in the economies of scale and scope. In addition, the selected institutions typically prioritised attractive and loyal customers over the alternative.

Although the development of every "new-media" platform is followed by industry interest in its related revenue potential, mobile media is a special case. In this regard, we might recall that the origins of telecom, the press and broadcasting were all framed within a mixed discourse of *both* commercial and public or cultural obligations (related to, among other things, universal access, freedom of speech, diversity and quality). Even the Internet has been driven by a parallel discourse around "open source" and "free culture" that supplies a very relevant alternative frame of reference (see Rasmussen 2007; Tapscott & Williams 2007; Howe 2008; Shirky 2008). Thus mobile media's strong economic rationale further indicates a more radical shift within the convergent media industry, whereby the established media and telecom institutions, by expanding into new-media platforms with more commercially oriented services, have become more self-centralised and business oriented. The fact that the privatised telecom operator Telenor, the tabloid newspaper VG and the two commercial broadcasters TV 2 and P4 are driven by economic priorities is not surprising; they are all commercial media and telecom enterprises with a legitimate need for revenues. Yet the fact that the licence-founded public service broadcaster NRK, with its cultural obligations and deep historical roots, has also joined them is more noteworthy. Although NRK is less explicit about its interest in revenues, its commercial-like services, directed towards prioritised audience segments (active participants, youths and, to a lesser extent, customers), as well as its concerned for loyalty and branding indicate that it has adopted a commercial market discourse as well when approaching new-media markets.

Chapter 7. Conclusion

This thesis is a study of the ways in which established institutions in the media and telecom industries act in times of change, using the first decade of the 2000s as its time frame. Located mainly within the management of technological innovation tradition, this study investigates how incumbents, with their legacies from traditional markets, make sense of changes as they take place, as well as how they translate their notions of change into plans and actions. As an emerging field that has inspired high expectations but also much uncertainty, mobile media has been the chief subject of my study. Furthermore, my aim has been to connect the development of mobile media to other, more far-reaching developments—technological, cultural and economic— within the media and telecom industries. More specifically, I have investigated how mobile-media perceptions and actions were related to the more general developments of media convergence, changing user patterns and challenging new-media business models. Although several institutions were included in the study, I concentrated on five well-established institutions within the Norwegian media and telecom markets—the incumbent telecom operator Telenor, the public service broadcaster NRK, the tabloid newspaper VG, the commercial television channel TV 2 and the commercial radio channel P4.

In the previous three chapters, I discussed my two research questions—how did well-established media and telecom institutions, with their legacies from traditional markets, perceive and facilitate mobile media during the first decade of the 2000s, and how are mobile-media working notions, plans and actions related to more general developments of media convergence, changing audience relations and new-media business models?—in relation to technological, cultural and economic developments, respectively. In this last chapter of my "final contribution", I will summarise key findings from my study and point to its theoretical implications. I will start by elaborating on how existing theories of change and innovation informed my analysis, as well as how my study in turn contributes to them. Thereafter, I will revisit my conceptual framework of "strategy", understood as perspectives, plans and patters (Mintzberg 1998). I will elaborate on how my work contributes to this framework, and in particular how the term "working notions" informs studies of institutional change.

Summarising key findings

In chapter 1, I referred to studies of innovation processes and organisational culture, which stress that established institutions are typically hard to change and therefore must be "shocked"

into action. As argued by Van de Ven and his colleagues (2008 [1999]), many innovative ideas can be generated but will not be acted upon until some form of "shock" occurs that disrupts the everyday flow and highlights the need for change. However, producing this "shock" is not enough, as established institutions also need to be given "hope" that the situation or problem is in fact manageable (see also Weick 1995; Schein 2010).

The need for change—and for shock and hope—will of course depend on the situation. As described in chapter 1, we can, for purposes of analysis, distinguish between two types of industrial change: turning points and breaks (Roos et al. 2000:121). The first signals gradual change within an industry where something pre-existing is adjusted to enhance its usefulness or relevance; the second signals a more fundamental and radical shift, in which the basic structure of the entire industry is altered. The course of action needed for a give situation will depend upon whether one considers it an industrial turning point or an industrial break. As argued in chapter 1, the field of mobile media presents a good opportunity to analyse industry change and the complications that arise when interpreting it.

The need for "shock" and "hope"

Through my investigation of industry documents and interviews with key informants, I found the industry discourse that accompanied the growth in new-media technologies in Norway during the first decade of the 2000s to strongly emphasis how ongoing technological, cultural and economic developments were changing the industry altogether, and how, if they were not managed, they had the potential to undermine its very existence. In particular, media convergence, changing user patterns and challenging new-media business models were perceived to be upending the media and telecom industry altogether. Hence, what might be labelled a "life-or-death rhetoric" was generally adopted around the development of new-media platforms and technologies. Although this rhetoric took many forms, it was characteristically strongly worded and even uncompromising: if these traditional institutions wanted to survive, they would have to change.

It is hardly surprising that these established institutions were concerned about their futures and chose bold language with which to frame the need for action. The usefulness of "shock" (Van de Ven et al. 2008 [1999]), a "burning platform" (Kotter 2008) or "survival anxiety" (Schein 2010) is widely recognised in literature on innovation processes and industry change. Yet my study contributes to this field by mapping empirically how such a discourse was used within the Norwegian media and telecom markets during the first decade of the millennium. Furthermore, by analysing five key institutions' perceptions and working notions, I have been able to describe how the industry discourse was framed thematically within the context of, respectively, media convergence, changing user patterns and challenging business models. While I found that these overarching developments were perceived to present both great opportunities and great challenges to the media and telecom industries, the negative potential was emphasised over the positive, and these overall developments were in large part framed within a discourse of fear. In my analysis I identified three such fears in particular: losing key market positions

(chapter 4), losing audiences (chapter 5), and losing revenues (chapter 6). While each was serious enough on its own, they painted an even more frightening picture when seen together. Obviously, the selected institutions adopted this discourse somewhat differently, depending on their particular organisation and market position, as well as the benefits they aimed to achieve from using such rhetoric. Furthermore, there were shifts even within the analysed period, as the decade included both good and bad years for the industry, economically speaking.

Besides identifying such life-or-death rhetoric and describing how it was thematically framed, my study also illustrates the benefits of using it to call attention to a new set of professional directions. If the game and the rules were changing, the players had to change as well. Thus, the tendency to create dystopian scenarios was not simply a result of bad judgement, misinterpretation or industry hysteria but also an attempt to motivate an organisation for action and legitimate change. In particular, I find that the intimidating notion of media convergence legitimises platform expansion, the intimidating notion of changing user habits legitimises new audience relations, and the intimidating notion of changing business models legitimises the exploration of new business areas. From this perspective, it is hardly surprising that the life-or-death rhetoric was particularly potent among representatives from new-media departments, as these managers typically had the most to gain in setting the stage for innovation and change. To a certain degree, their call for change was part of the role they had been assigned.

Successful innovation and institutional change are not driven by the creation of "shock" alone but also need to be nurtured by a sense of "hope" and reassurance that the situation can be managed and controlled (Van de Ven et al. 2008 [1999]; see also chapter 1). Following this line of argument, a second key finding from my analysis involves the generally high expectations that industry players attached to the emerging field of mobile media. In particular, mobile media was seen, during the ten years of analysis, to accommodate innovative services, attract customers who were otherwise hard to reach, and generate new revenue streams. Hence, within a context of radically shifting conditions, mobile media clearly functioned as a cause for industry hope that the future would in fact be manageable. The use of catchphrases such as "The Mobile Way", "The Mobile Moment" and "The World Is Going Mobile" signals the transformative role assigned to the mobile phone in a future convergent media market. High expectations for mobile media were found in all of the selected institutions—though somewhat less intensely at P4—demonstrating that these expectations characterised the entire Norwegian media and telecom industry. Furthermore, these high expectations persisted at this level during the entire period, even at times when mobile-media user figures were low, again demonstrating how crucial those expectations were.

However, the somewhat overhyped industry notions of mobile media should not necessarily be seen as the result of realistic calculations regarding the emerging field. Rather, they should be seen as part of the process of selling mobile media to an industry in need of something to believe in. Obviously, mobile media did not fill this function alone, as the selected institutions all likewise emphasised the importance of expanding to new-media platforms,

facilitating active audiences and exploring new business areas in general. Still, the idea of mobile media not only aligned with these other perceptions but also brought them together, functioning as a guiding light in an age of gathering darkness. This use of mobile media resonates with the results of other studies of innovation processes, which have shown that novel technologies are often used as vehicles for obtaining resources and creating optimism (Van de Ven et al. 2008 [1999]; see also chapter 1).

Seen together, the need for industry "shock" and "hope" might explain why the discourse accompanying new-media technologies often became polarised between both dystopian and utopian visions. Worst-case scenarios were used to set the stage for change and intimidate the industry into action, while utopian prospects were used to show the way forward. The discourse accompanying specifically mobile media during the first decade of the 2000s—with all of its great fears and high hopes—is therefore not exceptional or unique but aligned with a more typical pattern. Media scholars analysing debates on change and innovation processes would do well to bear this in mind, as they often tend to take these debates too literally.

The need for shock and hope also likely explains the growth of a media consultant industry that feeds on the presumed demand from the media and telecom industry for both change and innovation. As media and telecom institutions often lack the expertise required to initiate and implement technical innovations, they turn to consultants, who, naturally, have an interest in framing their proposals and solutions in the strongest terms in order to sell them. Thus, based on the results of my study, I would argue that we ought to *expect* industry debates on new technology and change to be polarised and extreme rather than balanced and nuanced. Furthermore, we must be aware of the fact that extreme scenarios—both dystopian and utopian—are not solely the result of an executive's bad judgement or the manifest challenges of interpreting such complex contexts correctly. They are also the result of a discursive formula in which life-or-death rhetoric clearly has its uses and benefits to the industry players—or consultants—involved in this change.

Visionary working notions, realistic plans and actions

Throughout this thesis I have identified several mobile-media working notions related to, respectively, the mobile-media platform (summarised in chapter 4), mobile-media user situations (summarised in chapter 5), and mobile-media business models (summarised in chapter 6). The coexistence of various working notions is hardly surprising. As the term "working" signals, these notions are expected to be constantly negotiated, constructed and adjusted. Furthermore, they are often related to new technologies and innovations that are in their very nature open to multiple "readings" and different perceptions and interpretations. As innovation processes tend to generate a whole family of related new products and procedures (Van de Ven et al. 2008 [1999]), this situation further allows for various interpretations. While such diversity will typically be subsumed within a dominant design over time, the early stages of the process of change—as was the case with mobile media in my study—are typically characterised by variation and experimentation, as the industry, together with its audiences,

tries out different responses based upon a range of different perceptions and working notions regarding the technology and its main purposes.

Furthermore, there is also a tactical advantage to operating with several different working notions at the same time, although this advantage was not explicitly stated (or possibly even intended) by the executives in my study. To start with, the coexistence of many different mobile-media working notions contributes to a larger foundation for mobile-media expansion plans than a single notion would have. In this sense, a vague or more ambiguous description of mobile media is clearly beneficial, because it accommodates somewhat different interpretations, depending upon the industry context or the interested parties. The more precisely and realistically one presented mobile media, the more likely chief executives and owners (or even users) would be to reject it as a potential future market. Proliferation not only goes to the nature of innovation but also reduces professional risk through its accommodation of multiple potential paths forward, even at a conceptual level.

While many different mobile-media working notions, then, could coexist (if described rather vaguely), the actual mobile-media plans and actions were both more realistic and more downscaled. Thus, whereas expectations regarding mobile media were high, established institutions generally lacked a clear notion of how to approach this new field more practically. For instance, although I was able to identify a range of mobile-media services, the use of the mobile phone simply to distribute already produced content was far and away the most common application of it, demonstrating the way in which exaggerated notions of mobile media often gave way to more practical and affordable plans. Similarly, when I analysed how the working notions of changing user patterns were in fact reflected in mobile-media plans and actions, I discovered a strong tendency among the selected institutions to prioritise some segments of the audience— most importantly, active participants, young people and customers—over others. These audience groups were not prioritised exclusively, but they did lend themselves to the possibilities presented by mobile media in the convergent media industry. Even the working notion of the mobile media as a golden egg was, when turned into plans and actions, reduced to variations upon traditional business models, most importantly direct user payment, advertising and differentiation. Thus, while notions of mobile media were characterised by diversity, innovation and playfulness, plans and actions were more traditional and recognisable. Furthermore, I found that the selected institutions tended to rely upon past experiences when testing out mobile-media business models, in the sense that they generally transferring existing revenues models to this emerging field. In short, although some exceptions do exist, most of the mobile-media service provision during the period of analysis was based on simple SMS-based content services and the reuse of already produced content on WAP pages or applications. Mobile media, then, was apparently more valuable as a visionary idea than as an actual financial business area.

In general, then, the industry working notions of mobile media would signal industry breaks, whereas the mobile-media plans and actions were more in line with industrial turning points. The discrepancy between the visionary notions, on the one side, and the more realistic plans and actions, on the other, can be explained in several ways. To start with, theories of path

dependency, institutional legacies and basic assumptions all highlight the fact that previous experiences and existing frames of references make radical change a real challenge for established institutions. Plans and actions that arise from novel situations are typically institutionalised through structures, rules and routines that derive their strength from long historical experience. As these experiences translate into an "institutional personality", they accommodate some sets of actions over others. In my study, I found that this form of path dependency became stronger as the actions became more concrete or practical. Thus, although the selected institutions shared many of the mobile-media working notions, they did not act upon them in the same way. These working notions became *institutionalised* in the process of becoming plans, evoking, among other things, the industry in question (telecom, the press, broadcasting), institutional legacies and organisational cultures. Furthermore, when notions became actual mobile-media services, institutional differences become even more obvious, because these services were typically based on the reuse of existing content and framed within the given institution's pre-existing brands. This process was partly conceptual and partly economic. On a conceptual level, the selected institutions perceived mobile media within their existing worldviews, which framed the way it would be produced, used and paid for. On an economic level, the selected institutions' individual goals regarding synergies and economics of scale and scope influenced their approaches, so that already-produced content was reused and repackaged to known-to-be-attractive audiences using familiar business models.

A second explanation for the discrepancy between the visionary notions and the more realistic plans and patterns may be that key executives never really succeeded in convincing top leaders that radical change was in fact necessary. Although the overarching developments of media convergence, changing user patterns and challenging new-media business models were seen as bringing along certain challenges, they were not ultimately seen as industry changers. Likewise, although mobile media was seen as a promising new field, it was not ultimately regarded as significant enough to trigger any industry-wide shifts. Thus, while the Norwegian media and telecom industry during the ten years of analysis did adopt a life-or-death rhetoric in which both "shock" and "hope" featured prominently, this rhetoric did not get enough traction among top leaders and company owners to fundamentally change the way business was done. It is likely that neither the dystopian visions of the future nor the utopian vision of mobile media was strong enough, in the end, to motivate for radical change.

Questioning the claim for innovation

Much of the debate about new-media developments is coloured by claims for progress, change and innovation. This applies to industry debates as well as public and political ones. It also applies to my study, where the selected institutions portrayed mobile media as a field that was particularly suitable for innovative services, user modes and business models.

Obviously, claims for innovation have important implications for the ways in which these industry debates are conducted and the goals that are defined by them. Yet these claims are seldom themselves debated but rather come into play as underlying and indisputable premises:

it is simply expected, that is, that media and telecom players are eager to innovate and try out new things, and that this approach will be worth the effort. The reasons for this are various. Partly, there is an element of technological determinism at play, in which new technologies are expected to create change that industry players in turn *have* to respond to; partly, it is the result of the much-used "life-or-death" rhetoric, which creates polarised debates where change comes forward as radical and necessary; and partly, it can be due to the growth of a consultancy industry, which feeds on the media and telecom industries' presumed need for change. Altogether, the media and telecom industries are characterised by a strong sense of constant change, where the ability to be innovative is presented as a key capacity.

Yet the use of innovation as a benchmark is problematic. To start with, the term "innovation" is in itself difficult, as it generally points to ideas that have actually succeeded rather than those that have failed (Godø 2008). This way of defining innovation can lead to a general tendency to overestimate opportunities and benefits in relation to costs and challenges, and to an impression of the process of innovation as gentler (and more controllable) than it really is. As illustrated by Van de Ven and his colleagues (2008 [1999]), innovation processes are instead typically "chaotic", in the sense that they can include several years of trials and errors, setbacks and frustrations, before the goal—the innovation—*might* be reached. This is important to remember in relation to debates praising innovation: it will most likely take both time and resources, and it may not even succeed. Innovation is therefore usually not something an institution can pursue at the same time as everything else; it is something that has to be prioritised and strategised.

Furthermore, the use of innovation as a benchmark may be particularly troublesome for established institutions. Their many years of experience, their legacies and their production routines are all attuned to the professional and efficient execution of their core activities. Thus, incumbents clearly have many strong attributes, but being innovative may not be one of them. Instead, in fact, incumbents may be said to demonstrate a built–in resistance to change that is embedded in their organisational cultures (Schein 2010; see also chapter 1). Thus, the implementation of processes of innovation and radical change—without seeing the obvious benefits in the near future—is obviously a tall order for them.

It is therefore worth discussing whether claims for innovation should be on these established institutions' top-priority lists, and, relatedly, whether a lack of innovation should be seen as a sign of failure. In periods of great uncertainty, where different technological solutions, user modes and business models are tested out, it may in fact be a wise approach for established institutions to wait out the situation before deciding on the direction they might take in response to it. As is the case with mobile media, the field clearly did not become the profitable new market that industry players had hoped for, at least in the ten years I pursued my study. Looking back, then, the selected five institutions' approaches towards mobile media were in fact quite rational and wise: they were part of the process and gained from the experience, yet they did not put their existing services at risk or use too many resources along the way. This might imply that the

current criteria for what constitutes success and failure in the media and telecom industries are ripe for reconsideration, but this is a topic for future studies.

Theoretical implications

Turning from the thesis's key empirical findings to its theoretical implications, it is again time to revisit my conceptual framework. As described in chapter 1, I have concentrated on three key elements: industry working notions, plans and actions, reflecting in turn Henry Mintzberg's (1998) distinctions between strategy as perspectives, strategy as plans and strategy as patterns. Throughout the thesis, I have argued for the benefits of including these three different aspects of the strategic process when analysing media and telecom institutions' approaches to change and innovation in general, and their approaches to mobile media in particular. In what follows, I will elaborate upon how my work contributes to this framework, and specifically upon how the term "working notions" informs studies of institutional change.

Strategy as perspectives, plans and patterns

Analysing strategy as perspectives, plans and patterns, respectively, tells us somewhat different things about the decision-making process. Strategy as perspective refers to collective thoughts and ideas to be found within an institution; in this thesis, this has been operationalised as "working notions". This definition has parallels to similar terms such as "basic assumptions" (Schein 2010) and "sense making" (Weick 1995), in that it emphasises the interpretative process within groups or institutions. Strategy as plans refers to the guidelines needed in a given situation—that is, what institutions plan to do in strategic documents or business visions. This is a more tangible and also more outspoken part of the decision-making process. Finally, strategy as patterns refers to the actual strategy in itself as it is realised in actions or services. It is the outcome of the decision-making process, or what actually happened. The three terms can be viewed as a funnel, in fact, whereby the first—strategy as perspective—offers more than the next—strategy as plan—which again offers more than the last—strategy as pattern. In short, whereas almost anything can be thought, less can be planned and even less can be acted upon.

At first sight, the relationship among the three strategy terms appears to be linear, whereby strategy as perspective lays the foundation for the plans, which again lays the foundation for the patterns. However, this process is not one-way. To start with, strategy as a perspective cannot be understood as a single process or activity, or as something one can finish before starting the other two. Instead, perspectives, perceptions and working notions are constantly negotiated and changed. Furthermore, they are influenced by the activities involved with making plans and putting them into action. The relationship among the three strategy terms is therefore to be understood as dynamic, where the three elements are adjusted according to one another. In the same way that an institution will reconsider its plans if the related strategic actions do not measure up, it will be forced to revise its perspectives if its plans seem to be build on a false foundation. Furthermore, as emphasised throughout this thesis, working notions—one

of the building blocks of strategy as perspective—are neither objective nor neutral but coloured by an institutions' expectations and interests. Thus, when such expectations and interests change, so do the working notions.

Working notions as a conceptual term

Most previous studies of media and telecom institutions facing change have focused on strategy as plans and patterns. While plans and patterns tell us much about the decision-making process—what institutions aim to do and what they end up doing—they say less about the foundation for the decision making process—the perceptions, the working notions and strategy as perspective. A key argument throughout this thesis has been that this use of the term strategy should also be included in analyses of institutional change.

The term "working notions" covers an important part of the foundation of the decision-making process. It addresses the basis for a belief, opinion or view that is held by an individual or a group that is likely to be developed or improved upon later. The term "working" signals how the notion is constantly negotiated and how it is part of a professional discourse—that is, it is related to work. The term is valuable because it highlights how perceptions and interpretations are negotiated and changed within institutions, and it further signals both that various subcultures within the same institution may hold different working notions and that working notions change over time. This means the term not only encompasses the ideas and perceptions that are eventually translated into plans and actions but also those that are never acted upon, either because executives change their minds or because they do not find the resources to pursue them. Thus the analysis of working notions allows us to examine more of the decision-making process than what is visible at first glance or what can be deduced from specific plans or patterns. We are given a peek into the more hidden parts of the decision-making process, which include negotiation, disagreements, doubt, hopes and fears.

Clearly then, the term working notion is valuable in illustrating the complexity of decision-making processes, as well as the ways in which established institutions relate to change. While analyses of strategy as plans or patterns might lead us to believe that these processes are linear and rational and driven by well-documented goals and aims, analyses that incorporate working notions provide a more chaotic and dynamic representation of the reality. Thus, analysing working notions involves investigating the uncertainty that often accompanies new-media technologies, in which simply defining areas of use can be a key issue.

Furthermore, the term is also valuable because it highlights disagreements. It allows us to identify how different parts of an industry or institution will perceive things differently and how these differences manifest as various working notions. As plans and patterns are normally more standardised and put in a language that reflects an institution's official standpoint, working notions allow for more variation and disagreement. In addition, whereas analyses of plans and patterns can lead us to view decision-making processes as characterised by consensus and shared viewpoints, analyses of working notions make the situation more complex. In short, working notions give a richer and more realistic picture of how institutions face change.

Clearly, the term also has its weaknesses. To start with, it is a slippery term to investigate, as it is based on what executives think, believe and perceive. As the scholar can never enter the executive's brain, working notions must instead be deduced from interviews with key informants as well as from reading between the lines in industry documents. Clearly, both of these methods require scholarly interpretation and can lead to misunderstandings and misinterpretations. In addition, working notions are clearly not the only important element in decision-making processes. As described in chapter 1, they are valuable in analysing "soft" issues related to institutional change—organisational culture, perceptions and motivations. However, they are less fruitful in relation to the "hard" facts—economic value, incentives and corporate success. A one-sided focus on either issue represents a risk: if one focuses only on working notions, perceptions and strategy as perspectives, one might overestimate the importance of cultural factors; if one focuses only on plans and patterns, one might overestimate the importance of economic factors. Thus, in order to fully understand established institutions in times of change, analyses of working notions should be combined with perspectives on "harder" issues, as reflected in strategic plans and actions.

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PART II. THE ARTICLES

Article I. The Dream of Mobile Media

Published in Tanja Storsul & Dagny Stuedahl (eds.) *Ambivalence Towards Convergence. Digitalization and Media Change*, **pp. 87-113. Götenborg: Nordicom (2007).**

Introduction

The industries of mass media are under pressure. Digitalization, convergence and the development of new media platforms threaten traditional revenue sources at the same time that the competition for audiences' attention has increased. Both the press and broadcasting industries experience decline in the numbers of readers, viewers and listeners as audiences move to digital media platforms. Digital media not only provide audiences the freedom to choose what they want to read, view and listen to, and when they want to do this, it also gives them the tools to produce, post and share content. As user-generated services and online communities such as YouTube and MySpace gain popularity, established media institutions are facing one of the biggest challenges of their time.[41]

As a way of adjusting to these changes, and to try to re-gain control, many established media institutions have experimented with the use of new digital media platforms in addition to their traditional content production. In the 1990s, media institutions started launching Internet services, and during the 2000s they are moving towards mobile phones. The use of these new platforms has two main functions for established media institutions: Firstly, new media platforms are used as *channels of distribution*; channels through which media institutions can distribute their content more widely. Some examples are newspapers' online news services, broadcasters' Web-TV services, and mobile distribution of text, music and video (see e.g. Fagerjord 2002; Siapera 2004; Andersen 2003; Noam et al. 2003). Secondly, new media platforms are used as *channels of communication*; channels through which the press and broadcasting institutions can receive feedback from their audiences, as well as channels through which audiences can communicate with each other. One example is the way SMS-messages has been used in formats such as *Pop Idol* and so-called SMS-based television (see e.g. Kjus 2005; Enli 2005; Beyer et al. 2007), other examples cover the way e-mail and other digital feedback possibilities are used in chat rooms and communities online (Fagerjord 2006; Maasø et al. 2007; Sundet & Ytreberg 2006).

This chapter focuses on the first function of new media platforms: channels of distribution. It emphasizes how established media institutions adjust to technological change and

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[41] The changes in the mass media industry have been closely covered by the press, see for example *Economist* (20.04.06, 24.08.06), *Newsweek* (03.04.06), *Time* (13.12.06) and *Business Week* (31.01.07) for an international coverage, and *Kampanje* (17.01.07, 19.01.07, 01.02.07, 20.02.07, 05.03.07, 08.03.07a, 08.03.07b) for a debate on the changes in the Norwegian media market.

expand their services to new – and more personal – media platforms.[42] Of particular interest is the way media institutions from the press and broadcasting industries plan for *mobile media* by distributing media content to mobile phones.[43] *Why do established media institutions wish to exploit mobile media as a new channel of distribution? How do they do this? And to what degree does the exploitation of mobile media fulfil the goals of expansion?* By discussing these three questions, this chapter seeks to investigate how media institutions translate the challenges of digitalization and convergence into the need for them to develop services on platforms beyond their original domain. Whereas the industry's conceptions of 'convergence' in the late 1990s were driven by the idea that *terminals* would converge into one, the dominating perception in the mid-2000s seems to be that media content should run easily between as many different media *platforms* as possible (Fagerjord et al. 2006). This is an important shift in views, since the first one indicates a unification of different types of media content into one überbox, whereas the latter points to the expansion and re-use of content to a network of multiple media platforms (see also Jenkins 2006). The current chapter investigates how the challenges of convergence are interpreted as a need for the media institutions to develop multi-platform strategies – with a focus on the role the mobile phone play in these strategies.

The mobile phone has some distinct features influencing the way it can be used as a media platform: Firstly, it is *portable*, which means that its use is independent of fixed places, and that user contexts are as varied as the places a person visits within a day (Ito 2005). Secondly, it is *constantly connected*, which means that not only is it independent of time and mass media's traditional deadlines and schedules, but also that it gives users opportunities to make choices, interact and communicate (Feldmann 2005; Orgad, 2006). Thirdly, it is *personal*, since it relates to a person instead of a location, which may indicate a more private and personal use than that of more traditional media (Ito 2005; Feldmann 2005; Orgad 2006; see also Castells et al. 2007). And finally, it has a *small screen*, which limits the amount of information it can show at the same time (Orgad 2006; see also Feldman 2005).

The dilemma of mobile media

The development of mobile media has brought about a general dilemma for established media institutions, namely how to make the most of the opportunities given by new technology at the lowest risk possible. On the one hand, the development of mobile media content – and especially

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[42] The concept of 'institutions' has been used in multiple ways. An important division lies in the understanding of institutions as either *spheres* – which brings together a number of organizations, discourses and practices in the media industry at large – or as specific *organizations* in a more limited way (see Moe & Syvertsen 2007 for further discussion), which is the case in this article.

[43] As with any buzzword, the term 'mobile media' has been used in multiple ways. Andersson et al. (2006: chapter 1) uses the term widely, including as varied services as ring tones, music, radio, video, TV, games, adult content and gambling, but separate it from wireless Internet services (e-mail, web, corporate access) and communication services (voice, texting, pictures, push-to-talk). Feldmann (2005: 9) take a more institutional approach and define mobile media as "content and services produced or reproduced by mass media institutions for the consumption on a mobile portable device and transmitted via mobile cellular networks or next generation networks that may integrate more wireless networks". I will use the latter definition, focusing on media content and services offered by a selection of media institutions, distributed through the mobile network for consumption on a mobile phone.

mobile television – has been driven by *high expectations* of future income opportunities: Both within the media industry itself and in the public debate more generally, a common assumption, since 2004, has been that mobile media is the next big market application and a potential "cash cow" for media institutions (see e.g. Orgad 2006; Feldmann 2005; Andersson et al. 2006).[44] For well-known media brands, the mobile platform therefore represents yet another way of distributing already produced and popular media content (Feldmann 2005). Further, as a personal media platform with an already established consumer-relation through the telephone bill, the mobile phone brings new hope for those promoting personal and payable media services (Orgad 2006; Andersson et al. 2006). While many media institutions have succeeded in creating attractive online services, these services have not completely fulfilled the industry's financial hopes of more direct user-payment, as most content has been offered to the users for free, financed by advertising.

Despite the high expectation of future income opportunities, the development of mobile media has, on the other hand, been followed by *many uncertainties* (see, for example, Reding 2006; Burgelman et al. 2004; Stango 2004). As always with the introduction of new media platforms, the early phases are characterized by experiments and ambiguity, where different technical standards, content categories and business models are tried out (Flichy 2006; see also Lievrouw 2006; Williams [1974] 2005; Bolter & Grusin 2000). The early phases are also when different industry players come together to compete for future position and market shares. In the case of mobile media, the development is complicated by the fact that key players from fields as different as IT, telecom and media are brought together to *both* compete and collaborate, in order to make an attractive mobile media market that the audiences will demand.

Within this context of high expectation combined with many uncertainties, this chapter seeks to analyze the difficult task established media institutions have when making decisions on expansion. It seeks to analyze how the expectations and uncertainties of the mobile platform are translated in to mobile media strategies, services and financing models. As many media institutions painfully learned from the dot.com bubble in 2000, expansion is not without risk or difficulties, and timing can be essential. While profitable and high-quality online media services have developed over time, mobile media are still in their youth, struggling to find their form and role. For established media institutions, expansion to the mobile platform is therefore both a risky and difficult task, but, if successful, with much to gain.

Mapping the field of mobile media in Norway

In order to study how established media institutions adjust to technological change and expand their services to new media platforms, this chapter looks at the development in four established and trendsetting Norwegian media institutions. The Norwegian mobile media market is an

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[44] For instant, Ric Brown, Director of Market Development in Telenor Mobil stated "Everyone likes television" and "there is no reason why they should not like to have it on their mobile" (quoted in *Propaganda* 07.05.04, my translation, see also *Economist* 05.01.06, 12.10.06; *Newsweek* 26.09.05; *DN* 16.02.05; *Propaganda* 25.06.04).

interesting case to study for several reasons. Firstly, the coverage of mobile network is high and the penetration of mobile phones is almost universal. Secondly, the mobile market is well developed, where large parts of the population use mobile content services in addition to calls and messaging (TNS Gallup 2005).[45] Thirdly, many established media institutions have been successful in expanding their services to the Internet, as some of the most visited online sites in Norway today are provided by established media institutions.[46] Altogether, this may indicate that the Norwegian market is particularly favourable for developing mobile media, and that it can be seen as a laboratory for new media developments (Karlsen et al. 2006).

The four media institutions selected have their core activities in the press, television and radio respectively. They range from a tabloid newspaper (VG), a publicly owned and license fee-founded public service broadcaster (NRK), and two commercial broadcasters with public service obligations (the television channel TV 2 and the radio channel P4). They each represent the largest player in their core market at the same time that they all have expanded extensively to other media platforms, particularly the web. With the exception of the radio channel P4, they also provide some of the most visited mobile media portals in the Norwegian market.[47]

With their dominant market positions and multi-platform appearance, they strongly influence the development of the Norwegian media market. Studying these institutions, therefore, gives us insight into how established media institutions may adjust to the development of new – and more personal – media platforms. By comparing their strategies, the chapter further seeks to illustrate how institutional roots, organization and business culture influence strategies and decision-making about expansion and the adoption of new technology.

Different methods have been used to analyze these media institutions. Annual reports and strategy documents produced by the institutions have been analyzed to identify general goals and strategies for media expansion in general and for the development of mobile media in particular. Further, the institutions' mobile media services have been used and tested in order to get an overview of what types of mobile media content they created, as well as how the services worked.[48] Finally, the analysis is based on interviews conducted in 2006 with mobile media executives from each of the four media institution. In addition, a qualitative interview study from

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[45] This is partly due to a standardized agreement provided by the national mobile operators, giving content providers following the agreement rights to develop and offer content and services to mobile users in Norway (Nielsen 2006).

[46] As for the last week in 2006, the most visited website in Norway was VG Net, the online version of the tabloid newspaper VG. The other analyzed media institutions in this study were rated as respectively nr 5 (TV 2 Nettavisen), nr 11 (NRK.no) and nr 61 (P4). See more: http://www.tns-gallup.no/index.asp?type=tabelno_url&did=185235&sort= uv&sort_ret=desc&UgeSelect=200652 [08.03.07]. VG's extraordinary positions online has been notified by international press, se for example *The New York Times* (19.02.07) and *Economist* (24.08.06).

[47] Based on a survey from 4Q 2006, an average of 9.1 % of the population (357,000 persons) stated they had used at least one mobile content provider (wap or mobile Internet) within the last week. The telecom operator Telenor Mobile had the most users (133,000), followed by VG Mobil (129,000), Dagbladet Mobil (61,000), TV 2 Mobil (51,000) and NRK Mobil (46,000) (TNS Gallup, 2006a). P4 Mobile was not a part of this survey.

[48] The wap portals of VG, NRK, TV 2 and P4 were tested on a Nokia N80 mobile phone, in August and September 2006. Thanks to research assistant Erlend Krogstad for help during the tests.

2005 with 45 Norwegian media executives is used as background information.[49] Using industry documents and interviews as a key empirical source naturally creates a particular need for a critical approach to the material. Executives have an interest in their statements, in the same way that annual reports are written to present the company at its best. That being said, interviews and annual reports are fruitful to analyze when searching for expansion strategies, simply because they illustrate how media institutions themselves describe and legitimize their actions (Sundet & Ytreberg 2006).

The analyses focuses on the period from 2004 through 2006, which in Norway represents a crucial period for strategic positioning in the mobile media market. In 2004, the first third generation mobile network (3G in short) for commercial use was launched (Telenor 2004), which allowed for faster and larger data transmission, and new services such as video transmission and mobile television. Even though more basic mobile content services and wap (Wireless Application Protocol)[50] had existed since the mid-1990s, 3G was expected by both the press and the informants from the 2005 study to be the technology that finally kicked off the mobile media market (Fagerjord et al. 2006; Sundet & Ytreberg 2006).

Why established media institutions expand to the mobile platform

Based on the analysis of annual reports and interview statements, four key reasons can be identified as to why established media institutions planned to exploit mobile media. These are *the need for new income opportunities; the need to reach new user groups*; *the need to be innovative*; and finally, *the 'necessity' of being mobile*. The need for new income opportunities can be said to be the most important, since the financial potential of the mobile phone also underlines the other three reasons. However, this is not to say that the development of mobile media is entirely driven by economic motives, or that the four media institutions put the same weight on the financial opportunities, because they did not. The four reasons are similar to strategies found in other studies of media institutions' developments of audience activities (Maasø et al. 2007; Enli 2005) and multi-platform formats (Syvertsen 2006), which may indicate that they are general strategies used by media institutions in times of technological change.

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[49] The four informants interviewed in 2006 were Morten Holst, Head of Development in VG Mobil (interviewed 13.09.06), Gunnar Garfors, Director of Mobile Services in NRK Development & New Media (interviewed 27.10.06), Gunnar Stavrum, Director of TV 2 Interaktive (interviewed 12.09.06), and Rune Hafskjær, Head of Format and Development in P4 (interviewed 07.09.06). The study from 2005 was conducted by the research group *Participation and Play in Converging Media*, at the University of Oslo, and consisted of structured interviews with executives, leaders and strategists from the press, radio, television, audiovisual production and mobile content production. See Fagerjord et al. (2006), Maasø et al. (2007) and Sundet and Ytreberg (2006) for other analyses based on this study. See also; http://media.uio.no/pap/. The interviews were conducted in Norwegian. All quotes are my translation.
[50] Wap is an international standard for wireless transmission of data. A wap browser provides all of the basic services of a computer based web browser, but simplified to operate within the restrictions of a mobile phone.

New income opportunities

The first – and most important – reason why established media institutions say that they plan for mobile media is the *need for new income opportunities*. As traditional revenue sources are under pressure, the need for new ones increase. Due to the digitalization process, content is not fixed to a particular terminal or network, but can be distributed to multiple media platforms. As media content is costly to produce, but cheap to reproduce, re-packing and re-using popular content on several platforms is one way to exploit content rights and gain economy of scale (Shapiro and Varian 1999; Doyle 2002; Norbäck 2005). The financial benefit of re-using content, emphasized by all four media institutions in similar ways, is illustrated in this example:

> The VG House is determined to bring out the synergies between online and print, and have great success with cross-promotion between publications. [...] VG will further emphasize these types of coordination between online, print and mobile, with a clear goal of building all the publishing channels to be even bigger and stronger.[51]

Besides the benefit of developing synergies, expansion is also a way to spread financial risk, as media institutions become less dependent on the success of one particular media platform or source of revenue (Picard 2002). One aspect of the logic behind the media institutions' use of SMS as a return channel for audience activity, is that, thereby, these activities get partly or fully financed by the users (Enli 2005; see also Syvertsen 2006; Maasø et al. 2007). In line with this, expansion to new media platforms gives media institutions more "legs to stand on", as described by Rune Hafskjær, Head of Format and Development in the commercial radio channel P4:

> Right now, we only have one leg to stand on, since radio advertising adds up about 98% of our income. To have more legs to stand on is strictly necessary. [...] When new channels arrive, they eat at your leg. It is important to either eat your own leg, or to own those who are doing the eating (Rune Hafskjær, Head of Format and Development in P4, interviewed 07.09.06).

Similarly, the commercial television channel TV 2 stressed the importance of developing services financed by the users in order to make their television channel less dependent on variations in the advertising market (TV 2 Group 2004: 23).

Besides these more general economic reasons for media expansion, the mobile phone had some distinctive features which were perceived as making it particularly profitable as a media platform. The media executives stressed in particular two revenue forms well suited to the mobile phone. Firstly, the mobile phone was perceived to be fruitful for exploring *direct user payment*, since a billing system already existed through the telephone bill, and users were already used to paying for telephone services. In the previous interview study, this view was illustrated by one of the television executives, who claimed 3G and mobile television was "the most important strategic area", because "willingness to pay is great and revenue might be substantial" (Eivind Landsverk, Head of Programming in TVNorge, interviewed 19.05.05). Similarly, an executive working with interactive mobile media stated:

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[51] Available: http://www.schibsted.no/eway/default.aspx?pid=269&trg=MAIN_5512&MAIN_ 5512=5583:0:10,1735:1:0:0:::0:0 [20.08.06].

> Mobile phones are extremely well distributed. People use it as their most important interactive medium, and there is a built-in payment solution in it. The only thing left is to build high quality content services (Steinar Brændeland, Director and Chief Editor in Mobile Media Interaktiv, interviewed 18.05.05).

Further, the mobile phone was perceived to be a particularly suitable *advertising channel*, since so much information could be gathered about the users (see, for example, *Aftenposten* 17.12.04; *Propaganda* 06.09.05). The key to this point of view was not to sell content to users, but instead to sell information about users to advertisers. Based on the information gathered about users, advertisers could target ads to fit a person's habits, needs and taste. The benefit of personalized advertising was not only recognized by the commercial media institutions (VG, TV 2 and P4), but also by the licence fee-funded public broadcaster, NRK, which, due to the Broadcasting Act, was allowed to explore advertising on their online and mobile platforms:

> We are allowed to have advertising on out wap pages, and that's a potential source of income. In particular when it comes to personalization, since we know so much about users. We know where they are, their interest and so on. Depending on what we communicate outwards, advertisers can have greater knowledge of whom they are approaching, which again means they can offer personal advertising which have a higher value (Gunnar Garfors, Director of Mobile Services in NRK, interviewed 27.10.06).

In the eyes of the advertiser, an identified mobile user is therefore much more valuable than an anonymous television viewer, radio listener or newspaper reader. Further, as with online advertising, mobile advertising has the benefit of measuring accurately how many people have actually seen or clicked on a specific ad, naturally of great value for advertisers. In short, the mobile phone brought about multiple expectations of future income opportunities in the media industry.

Attract new user groups

The second reason why established media institutions said they wanted to exploit mobile media was *the need to reach new user groups*, especially youth (see also Syvertsen 2006; Maasø et al. 2007). This strategy is naturally strongly connected to the first, as the number of audiences is the most commonly used measure for market share and success in the media industry. Established media institutions have, in recent years, experienced a decline in the number of readers, listeners and viewers, and the greatest losses have been among the younger age group (TNS Gallup 2006b). This audience group is, however, of key importance for media institutions, as it represents one of the most attractive target groups for advertisers. Further, there seems to be a general assumption in the media industry that brand loyalty has to be developed at an early age, as illustrated by one of the informants from the public broadcaster NRK:

> If they have seen children's TV [at NRK], they will return when they become parents themselves. But if they haven't seen children's TV and if they don't have that NRK anchoring from the beginning – whether that's from a mobile phone or online – they might not come back. [...] I think it is really important not to neglect the mobile phone as a media channel, because if we do, we are in deep trouble (Gunnar Garfors, Director of Mobile Services in NRK, interviewed 27.10.06, see also Maasø et al.

2007).

In general, the media industry seems to view young users as at the forefront of the digital revolution, and turning away from the more traditional media platforms such as the newspaper, radio and television. Further, young users are perceived to use new participatory opportunities related to digital media with a degree of facility and confidence that the older age groups may never achieve (Sundet & Ytreberg, 2006). For instance, one of the informants from the previous interview study labelled the older age groups "immigrants in the digital society" (Are Nundal, Director of NRK Online, interviewed 16.08.05). The younger age groups, on the other hand, were perceived to be digital natives, as they were "used to participate, be heard and communicate in both directions" (Torry Pedersen, Director and Chief Editor in VG Multimedia, interviewed 25.04.05; also see Sundet and Ytreberg 2006). The explosive growth of user generated services and online communities such as YouTube and MySpace were used as proof by the media executives to illustrate the young users' active, forward-leaning and social media use, where producing, posting and sharing content was as important as simply consuming it. By imitating these online services and user habits within the frames of the established media institutions, institutions seek to lure younger age groups back to their nest again.

Since young people already have a tight and personal relationship with their mobile phone (Skog 2002; Ito et al. (eds.) 2005), using it as a media platform was perceived to be a good way to re-connect with the communicative and on-demand needs of the younger age groups. Informants from all the four media institutions expressed this view in similar ways, as the quote below suggests:

> The mobile phone is the media channel of the youth. Already today, one out of five teens uses mobile media weekly. Those who don't learn from the youths' media habits will experience every new trend as a surprise. (TV 2 Group 2005: 21, se also Syvertsen 2006; NRK 2000: 21).

In short, established media institutions seemed to want to use the mobile platform to fill the needs of audiences not satisfied by, or interested in, the more traditional media platforms.

The importance of innovation

The third reason why established media institutions said they wanted to exploit mobile media was the *need to be innovative and gain experience* with what they believed would become a new and important media platform of the future (see also Maasø et al. 2007). In general, the development of new media platforms disturbs the established ecosystem of the media industry by enabling some institutions to re-position themselves to the good, whereas others are left behind. In such times of change, established media institutions seems to be driven by expectations of 'first-mover-advantages' and the logic of 'winner-takes-all', where being first in new media markets is viewed as crucial for later positions and market shares (Küng 2004). For instance, the informants from the public broadcaster NRK and the commercial radio channel P4 both claimed that their late expansion to the Internet was one of the reasons why their online

market shares were still low (Gunnar Garfors, Director of Mobile Services in NRK, interviewed 27.10.06; Rune Hafskjær, Head of Format and Development in P4, interviewed 07.09.06). As illustrated by Rune Hafskjær, Head of Format and Development in P4, gaining experience with new technology in an early stage, was therefore of high importance:

> It is important to be involved from the beginning: To learn and get the experiences inside your organization and to make some mistakes. When it first takes off, it's a good thing to have stopped making mistakes. (Rune Hafskjær, Head of Format and Development in P4, interviewed 07.09.06)

Besides taking market share and gaining experience, being in front also meant having the power to set standards and influence the premises of the new media platform. By being proactive, established media institutions could define areas of conflict and promote solutions supporting their interests. Further, being perceived as innovative and in the lead also had an important symbolic value, as it gave established media institutions a modern and youthful appearance, as realised by Gunnar Stavrum, Director of the interactive department of the commercial television channel TV 2:

> By using the mobile as a tool, a traditional TV channel can be modern. It shows that you are cutting edge and in front (Gunnar Stavrum, Director of TV 2 Interaktiv, interviewed 12.09.06).

Being perceived as "cutting edge and in front" does not only have value for attracting audiences. It also sends the message to advertisers that the media institution is still going strong and embraces the opportunities given by new technology. Further, being in front also means becoming an attractive alliance partner for other companies who want to test and experiment with new technology. In short, the media industry seemed to promote the concept of innovation, and associate it with other positive words such as creativity, originality and the ability to 'think outside the box'.

The public broadcaster NRK was perhaps the media institution most strongly promoting the importance of innovation. It was not only reflected in their mobile development, but also understood to be an important part of the NRK brand and their public service mandate:

> In order to maintain our brand, the NRK have to be innovative. It should be a common perception among people that some times we are in front. That is important in order to achieve loyalty and secure a willingness to pay the license fee (Svein Aronsen, Director of NRK Development, interviewed 22.06.05).

However, as many of the informants pointed out, being in front meant putting oneself in a risky position, as the Internet launches in the early 2000s had painfully taught many of the media institutions (see also Maasø et al. 2007). The goal for established media institutions was therefore to balance on the thin line between being in front without spending too much money in being so.

The 'necessity' of being mobile

Besides the more explicit mobile media strategies presented above, the informants from VG, NRK, TV 2 and P4 all seemed to have a more diffuse perception of the *'necessity' of being mobile*. The emphasis on mobile media was therefore not only motivated by strictly strategic reasons; it was also considered to be a natural path for the future. *Not* expanding to new media platforms was perceived as unnatural and unthinkable by the informants:

> You can't be a big media house without being online. I don't know what to call it, whether it is the people's demand or what it is, but you quite simply can't think of us without a website. In a year or two, I think it will be strange not to be on a mobile platform (Rune Hafskjær, Head of Format and Development in P4, interviewed 07.09.06).

Similarly, the informant from the tabloid newspaper VG claimed people expected to find a good VG service on the mobile phone, and that VG therefore had to fulfil these expectations (Morten Holst, Head of Development in VG Multimedia, interviewed 13.09.06). The informant from the public broadcaster NRK even indicated that new media platforms would replace some of the importance of the more established media platforms, when stating: "If we don't expand online and to mobile phones, what's left of NRK in, let's say, 10-15 years?" (Gunnar Garfors, Director of Mobile Services in NRK, interviewed 28.10.06).

The naturalness of expanding to the mobile platform can also be found in the previous interview study, where many of the informants stressed the importance of being mobile, without having a clear picture of how or when. The 'necessity' of being mobile thereby points to the importance of 'intuitions' and 'gut feelings' in an industry trying to wisely manoeuvre between (often contradicting) trends and hypes. However, the 'necessity' of being mobile also points to the importance that *accessibility* is given by established media institutions in general. The basic idea seems to be that media institutions should make their content available for users on as many platforms as possible, so that users could access it whenever and wherever they like. By establishing a universe of services on multiple platforms, media institutions seek to increase their availability and thereby regain control of their audience. This view has been reflected in many of the slogans launched by established media institutions since the beginning of 2000. Mark Thompson, General Director of the BBC, used the concept 'Martini Media', echoing the Martini commercial "for anyone, anywhere, anytime" (referred to in the *Guardian*, 25.04.06). Similarly, the public broadcaster NRK used the catchphrase "Something for everyone. Always" (NRK 2004a). The commercial television channel TV 2 stated their vision of accessibility as:

> The whole of Norway. Day and Night. On all platforms. That's our goal, and that's where we are going (TV 2 Group 2005: 15).

To summarize, we see that the analysed media institutions use the same four reasons to justify why they have moved into mobile media. This is an interesting finding, since the four media institutions represent such different industries as the press, radio and television, and since they represent both public and commercial institutions. Their mutual interest in mobile media

indicates the strategic importance expansion has for established media institutions, trying to adapt to challenges of new technology and convergence.

However, VG, NRK, TV 2 and P4 did not place the same weight on these four reasons: VG and TV 2, in particular both stressed the need for new income opportunities, which must be seen in the light of their nature as a tabloid newspaper and a commercial television channel respectively. The public broadcaster NRK, on the other hand, emphasized in particular the need to be innovative and reach new user groups, and translated these needs as an extension of their public service mandate. The commercial radio channel P4 seemed most driven by the 'necessity' of being mobile, maintaining a reserved attitude to the development of mobile media, and stressing the importance of being prepared, without putting themselves at too much risk in doing so.

How established media institutions expand to the mobile platform

From looking at *why* established media institutions expand to new media platforms in general, and the mobile platform in particular, we now turn to look at *how* they do so. What types of content do they envisage, and how do they plan to get paid? Do their plans for mobile media echo their strategies?

As we saw in the previous section, an important reason behind established media institutions' expansion to the mobile platform was the opportunity to *re-use content* and thereby gain economies of scale. However, the ambitions of being innovative, as well as the distinct features of the mobile phone (portable, constantly connected, personal, small screen), point at the same time to the need for *adjusting content* and establishing *new content categories* particularly suitable for the mobile phone. The consultant company Informa Telecoms & Media claims, for instance, that mobile content needs to be compelling and to have a degree of 'stickiness' (2006: 4) in order to compete with other media platforms. Similarly, Orgad (2006: 6) predicts the future of mobile content to be based on visual spectacle and close-ups, short and 'snackable' content (e.g. 'mobisodes') and locally based information.[52] In short, consultant companies have predicted many different paths of mobile media content. However, as none of these paths has been settled on as the dominating standard, the development of mobile media content can still, as Forrester Research puts it, be compared to "throwing expensive spaghetti at the walls to see what sticks" (2005: 3).

When it comes to models for gaining income, the media industry has traditionally been founded on four main financial sources; public funding (license fee, general grant aid and tax), payment from readers, viewers, listeners or users (sales, subscriptions, pay-per-view/click), payment from advertisers (including hidden advertising, sponsorship and product placement),

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[52] The concept of 'stickiness' has similarities with the concept of 'snack culture' promoted by Wired: "We now devour our pop culture the same way we enjoy candy and chips – in conveniently packaged bite-size nuggets made to be munched easily with increased frequency and maximum speed." (*Wired* 15.03.07a, see also *Wired* 15.03.07b).

and secondary explorations of content or rights (for instant re-selling programme rights, merchandise and so on) (Doyle 2002; Henten et al. 2000; Koboldt et al. 1999). As we have seen, the media industry expressed high expectations of future income opportunities related to mobile media, in particular mobile advertising and direct user payment. However, neither of these financing models has been settled on as the dominating standard. Further – as we will see – different media institutions seemed to favour different financing models, illustrating the degree of uncertainty characterizing the development of mobile media.

With these different content categories and financing models sketched out, let's have a closer look at how the four selected media institutions exploited mobile media on their 2006 wap portals.

VG Mobil

Of the four analysed media institutions, the tabloid newspaper VG provided the most visited mobile portal, VG Mobil. As VG also provided the most read tabloid newspaper and the most visited online news service, it had one of the strongest multi-platform media brands in Norway.[53] On their wap portal, VG Mobil offered a mix of traditional media categories such as text- and picture-based news stories, video clips (labelled 'VG TV') and music (labelled 'VG Radio'), in addition to information services (e.g. television schedule, weather reports and traffic information), and more general mobile content services (e.g. games and ring tones). In line with their printed newspaper and online news services, VG Mobil was structured around the three basic content categories of news, sport and entertainment. As we will see, this basic structure can also be found in the mobile portals of NRK, TV 2 and P4, indicating a fundamental consensus on how to incorporate mobile media within the Norwegian media industry.

Even though VG Mobil used traits from newspapers, radio and television on their mobile portal, what it resembled more than anything was an online news service. When comparing VG's wap portal with their online news service[54], the wap portal clearly echoes both the basic structure and the design of the online service, if in a more basic and simplified way (see picture 1). VG's wap portal does not only resemble the visual elements and the architecture of their online news service, it also used the same content categories and brands, as well as the same journalistic stories. In short, VG's wap portal can be seen as extension of their web portal, built around the re-use of highlights from their online services.

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[53] In 2005, the printed newspaper had a market share of 34 % in the printed newspaper market, while VG Net had a market share of 25 % in the online news market. Market shares available at: http://medienorge.uib.no/ [15.10.06].
[54] http://www.vg.no

Picture 1. VG's web and wap site, October 2006
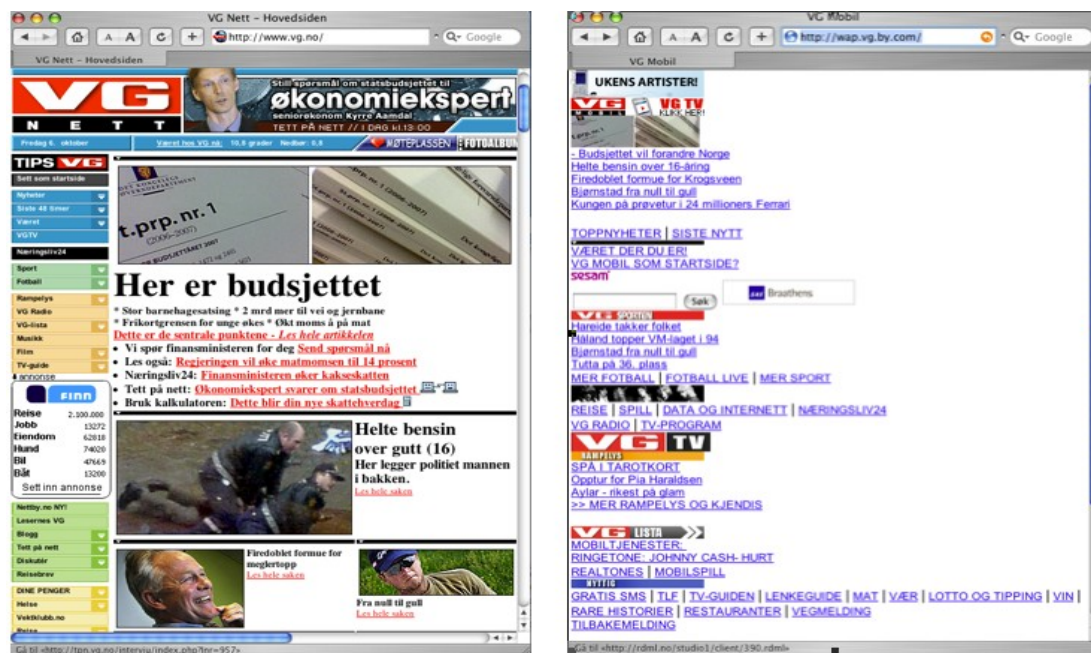
Source: http://www.vg.no/, http://wap.vg.by.com/ |06.10.06 09, 12.30|.

The re-use of already produced content is in line with the vision of VG Mobile, namely to "mobilize most of what we do" (Morten Holst, Head of Development in VG Multimedia, interviewed 13.09.06). More practically, the goal of 'mobilizing' sought realisation through a multimedia publishing system distributing a predefined selection of online news stories automatically to the mobile platform. Even though the mobile platform was seen as an extension of their online services, the mobile platform was still perceived to have some unique features distinguishing it from the online platform:

> We see Internet and mobile quite parallel, but with clear differences. [...] Not every online story is as relevant on a mobile platform. [...] This is analogous with online and print. You need to make it fit. (Morten Holst, Head of Development in VG Multimedia, interviewed 13.09.06).

Among other things, Morten Holst, Head of Development in VG Multimedia, pointed to the opportunities of personalization, and knowing the preference of the users, which the mobile platform gave:

> Why should we present sport every time you visit VG Mobil, when you never read it? Why shouldn't we just put that further down, and instead bring up more entertainment, which we know you often use? (Morten Holst, Head of Development in VG Multimedia, interviewed 13.09.06).

In order to fully develop the potential of the mobile platform, Holst expressed the needs of a mobile conductor or moderator "who can take some decisions on the right way to present the front page, so it works on a mobile platform" (interviewed 13.09.06; see also Ytreberg 2006; Jones 2004). Interestingly, Holst did not envisage "services only to be found on a mobile, and

not online" (interviewed 13.09.06), illustrating, in his view, the sovereignty of the online platform compared to the mobile one. This view may be due to the difference in maturity of the two media platforms, as online media services are far more developed than mobile media services. Still, it may also indicate a more fundamental view of the mobile platforms as subordinated online media, instead of seeing it as a new and distinctive media form.

When it comes to pay models, advertising was the dominating revenue source for VG Mobile, as it also was for their online news service.[55] Except for a few services (among them VG TV), most of the mobile media services were free of charge.[56] Morten Holst (interviewed 13.09.06) was not only a strong supporter of exploring mobile advertising, he was also a strong critic of the direct payment approach used by some of the other media institutions. His main argument was that "you don't get paid for things on a mobile that you don't get paid for on online" and that "payments follow content, not channels" (interviewed 13.09.06). Further, Holst claimed high prices and poor quality of mobile services functioned as a crucial hinderance to the development of a mobile mass market, since it "shows everyone that the mobile is expensive and that the qualities of services are not in proportion to the prices" (interviewed 13.09.06). In his view, the same mechanisms working online would therefore soon dominate the mobile platform, where "it becomes strategically more important to build traffic, size and user habits than taking in a few millions" (interviewed 13.09.06).

To summarize, VG Mobile can be described as the largest mobile media provider on the Norwegian market, promoting the safe and established content categories and financing model that had created the success of their online news service.

NRK Mobil

The second mobile portal analysed is NRK Mobil, provided by the public service broadcaster. In common with VG Mobil, NRK Mobil consisted of a mix of traditional media categories concentrated around news, sport and entertainment (NRK 2004a: 86) in addition to information services and mobile content services. Even though NRK Mobil was not the most visited mobile portal in Norway, it was definitely the biggest mobile television operator in both the number of users and the variety of content. NRK had been one of the first broadcasters in Europe to offer television programmes for mobile networks (NRK 2004b: 86)[57] and provided in 2006 a wide range of mobile television services. Among others, NRK Mobil offered direct transmission of all in-house produced programmes scheduled on the main television channel (NRK1). NRK Mobil also offered a selection of archive video clips, mainly elected from their most popular television programmes.[58]

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[55] The main revenue sources for the VG Group is, firstly, subscriptions and sales of newspapers, and secondly, advertising (Schibsted 2005:32). The importance of advertising is however increasing in line with the decline of printed newspapers sales.

[56] Mobile users would still need to pay for traffic when using the free mobile media services, but this is a revenue stream for telecom operators and not media institutions.

[57] According to the NRK, their mobile television service works on GPRS, EDGE and UMTS (3G).

[58] In September 2006, these videos included archive clips from *Tre Brødre*, *Melonas*, *Tippeligaen 2005*, *Deadline Torp*, *Brødrene Dahl*, *Dracula*, *KLM*, *Rally-Petter*, *Tazte priv* (audio) and *Autofil*.

As emphasised by Gunnar Garfors, Director of Mobile Services at NRK, NRK's main goal was to re-use already produced content and thereby "bring out the synergies and make this as cost efficient as possible" (interviewed 27.10.06). Further, as Garfors and other informants from NRK highlighted, brand recognition was important on new media platforms, as "the big successes on TV also are the big successes online and on the mobile platform" (Bjarne Andre Myklebust, Director of Technology in NRK Development, interviewed 26.05.05).

Still, to a greater extent than the other three media institutions, informants from NRK Mobil emphasized the need for adjustment in order to make content fit the mobile platform. For instance, Garfors argued for already integrating the mobile aspect in the process of ordering new television programmes, instead of leaving it to the end:

> We are working on getting this more integrated in the orders, so when we for example order a new program series on 12 television programmes of 25 minutes, there would be 24 mobile-TV programmes of 1 minute each. [...] Even though there are some additional costs, they are kept low (Gunnar Garfors, Director of Mobile Services in NRK, interviewed 27.10.06).

Further, NRK Mobil did not only re-use already produced content on its mobile portal, it also experimented with producing content specially made for mobile distribution, where there was no synergy at all:

> We also test new entertainment series particularly made for mobile. Then we make something entirely new, which of course cost more, as we have to put up al the equipment and rent actors (Gunnar Garfors, Director of Mobile Services in NRK, interviewed 27.10.06).

NRK Mobil's experimentation therefore reached further than simply testing new technology, as it also involved experimentation with new content categories and services. In addition, NRK Mobil's experimentation – and early launch of mobile television – had made the broadcaster noticed both within the Norwegian market and outside the boarders of Norway. NRK's development of mobile services had on several occasions been quoted in foreign press, and representatives from NRK Mobile had frequently been invited to talk at industry conferences.[59] Further, NRK Mobil was judged the second best international mobile websites (surpassed only by Google) by the Swedish business magazine Mobile (Mobile 2006). In sum, NRK Mobile's actions clearly echoed their goal of becoming an innovative and in front player on the mobile platform.

When it came to income models, NRK Mobil experimented with several revenue sources. As a public service broadcaster, the license fee was the main financing source, even though the Broadcasting Act from 2000 gave NRK the right to do business through subsidiaries (6-1), and to have advertising on teletext, online and mobile platforms (6-4). As most of NRK's mobile content

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[59] See among others the BBC (14.12.06) *International Herald Tribute* (06.12.06) and *USA Today* (03.10.05) for coverage of NRK's mobile services in the foreign press. Since the beginning of 2006, representatives from NRK have participated in international industry conferences such as 3GSM World Congress (Barcelona, 12-15. February 2007), Digital Hollywood (London, 29. November 2006) and Mobil Entertainment Forum (London, 23- 24. May 2006).

was based on the re-use of content originally produced for NRK's other media platforms (radio, television and Internet), the license fee indirectly financed most of NRK Mobil.

However, informants from the NRK also expressed the need to explore new income opportunities, and mobile distribution of content was regarded as one way of increasing revenues streams in addition to the license fee. Several of the NRK informants interviewed in the 2005 study pointed to the personal on-demand aspect of the mobile platform, which, in their view, distinguished it from mass distributed public service broadcasting financed by a license fee:

> If we start with services with personalized content where "I" can have something, I don't think we will call it public service broadcasting. [...] It cannot be financed through the license fee meant for public broadcasting (Are Nundal, Director of NRK Online, interviewed 16.08.05).

> [...] this is something extra, something especially made from me to you, and not something from all of us to all of you. If you want it, you have to pay for it (Kari Werner Øfsti, Director of NRK Broadcasting, interviewed 18.05.05).

According to Gunnar Garfors, Director of Mobile Services at NRK, the most important mobile financing model of the future was advertising:

> I think advertising will become the most important revenue source. It is the same as online; it is important to be big. [...] The more users you have, the more advertising you can sell. Users have little willingness to pay for these types of services (Gunnar Garfors, Director of Mobile Services in NRK, interviewed 27.10.06).

NRK Mobil thereby supported the view of VG Mobile: that mechanisms working online would also work on the mobile platform. This view partly contradicts the high expectation of direct user payment, expressed by the informants from the 2005 study and in the public debate more generally. As Garfors from NRK and Holst from VG both emphasized, it was the content and not platforms that influenced users' willingness to pay:

> There has always been a willingness to pay for phone related services. [...] It is accepted that it costs money. But it is different when it comes to content and getting content from a wap page. I think this is where the advertising comes in (Gunnar Garfors, Director of Mobile Services in NRK, 27.10.06).

To summarize, NRK Mobil can be described as the leading mobile television provider in the Norwegian market. Further, NRK Mobil is clearly one of the more innovative players, experimenting both with new technology and content categories. In contrast to VG Mobil, NRK's mobile portal was not simply an echo of their online news services, but a platform where the uniqueness and media-specific traits of the mobile phone was, at least to some degree, tested out.

TV 2 Mobile

The third mobile portal analysed is TV 2 Mobil, provided by the commercial television channel. In common with VG Mobil and NRK Mobil, TV 2 Mobil consisted of a mix of traditional media categories in addition to information services and general mobile content services. TV 2 Mobil

was also built around the re-use of content already produced for one of the other TV 2-platforms; first and foremost TV 2's many online services (e.g. 'TV 2.no', 'Side 2', 'NA24', 'TV 2 Nettavisen'). TV 2 Mobil, therefore, to a large extent paralleled VG Mobil's approach, where the mobile platform echoed their activities online:

> Our mobile approach is similar to our online approach. Our idea is that what we offer online should also be available on the mobile (Gunnar Stavrum, Director of TV 2 Interaktiv, interviewed 12.09.06).

Even though news and entertainment were important content categories for TV 2 Mobile (Gunnar Stavrum, Director of TV 2 Interaktiv, interviewed 12.09.06), sport – and in particular football – had an especially important function in TV 2's expansion to the mobile platform. Sport had been one of TV 2's main building blocks since the television channel was established in 1992, but the importance was highlighted in 2005 when TV 2, together with the Norwegian telecom operator Telenor, bought the exclusive rights to transmit Norwegian elite football from 2006 to 2009/2010. The agreement became historic as the sports rights were the most expensive content rights ever to be bought in Norway. The rights included both free-TV, pay-TV, online and mobile distribution (TV 2 Group 2005: 6), indicating the importance of using sport as an opening for navigating the TV 2 brand to different media platforms.

For TV 2 Mobil, therefore, sport was the field where most of the experimentation and innovation with the mobile platform took place. As emphasized by Gunnar Stavrum, Director of TV 2 Interaktiv (interviewed 12.09.06), the long-term aspect of the football agreement (2006-2010) gave TV 2 the ability to test different mobile services, and improve them within the next football season. The football agreement was also an important catalyst for collaboration between TV 2 Mobil and Telenor, as both had a common interest in creating a good mobile sports service (Gunnar Stavrum, interviewed 12.09.06).

When it comes to pay models, TV 2 Mobil was a strong supporter of direct user payment. The emphasis on user payment must be seen in the light of TV 2's general strategy to "convert viewers to consumers", as described in several of TV 2's annual reports since the early 2000s (TV 2 Group 2002: 35, 2004: 23; se also TV 2 2000: 6; Syvertsen 2006). The main logic behind this strategy was the fear that the advertising market would decline, which for TV 2 meant the need for new revenue streams:

> In a long-term perspective, the TV 2 Group's financial development will to a high degree depend on the ability to convert viewers to customers, and to grasp a key role as a provider of content and services on new technological platforms (TV 2 Group 2002: 35).

In their model of direct user payment, the football agreement with Telenor again played a crucial role. It was stated to be "an important part of the TV 2 Group's strategic goal of increasing revenue streams related to distribution and user payment" (TV 2 Group 2005: 13).

To summarize, TV 2 Mobil can be described as a media institution testing out the launch of exclusive and on-demand content, financed through direct user payment in strong relationship

with the largest telecom operator, Telenor. This is in strong contrast to VG Mobil and NRK Mobil, which both supported a more open launch of mobile content, financed by advertizing. TV 2 Mobil's promotion of direct user payment resembles their strategy more generally of transforming their viewers into paying customers and thereby becoming less dependent on the advertizing market (see also Syvertsen 2006; Syvertsen et al. 2006; Maasø et al. 2007).

P4 Mobil

The fourth and last mobile portal analysed is P4 Mobil, provided by the commercial radio institution. Of the four mobile portals, P4 had the most modest, with only a few – primarily text-based – news services, in addition to a limited number of information services and mobile content services. P4 also provided mobile radio, which was a re-distribution of their FM-radio channel. Interestingly, nor P4's online site was well developed, which indicates the importance a strong online appearance has for media institutions seeking to expand to the mobile platform. P4's modest mobile portal must also be seen in light of P4's limited multi-platform appearance more generally, which meant P4 had less content to re-use for their mobile portal.

When it comes to income models, Rune Hafskjær, Head of Format and Development in P4 (interviewed 07.09.06), claimed that P4 Mobil didn't really have any model at all, which of course is partly explained by their limited scope. Further, Hafskjær pointed to two key explanations for why the revenue sources have been limited. Firstly, he claimed, radio was a difficult medium to get payment for, since listeners were used to having it for free:

> We are founded as a free service, which creates some problems. [...] Radio is by its nature free (Rune Hafskjær, Head of Format and Development in P4, interviewed 07.09.06).

The second reason Hafskjær used to explain P4's modest expansion online and on the mobile platform was related to a period of uncertainty and political turbulence in 2002-2003. In 2003, P4's time-limited licence agreement from 1993 came to an end, which meant that P4 had to apply for renewal. P4 did not, however, get the licence agreement renewed, and had to apply yet again in order to continue as a national radio channel (for more, see Enli and Sundet 2007). According to Hafskjær (interviewed 07.09.06), the main goal of the leaders of P4 in this period of uncertainty was to keep the organization alive, and P4 had none of the necessary long-term conditions to expand to new media platforms. As a consequence, Hafskjær claimed that P4's new media appearance was underdeveloped, compared to other established media houses in Norway:

> In this period [2002-2003], we had some strategic thought about it, but we didn't have the opportunities or the strength to do anything. [...] Quite simply, we struggled to survive. All the media bureaus we talk to say we have an unnaturally low position, regarding our size as a nationwide medium (Rune Hafskjær, Head of Format and Development in P4, interviewed 07.09.06).

However, the period of uncertainty may only be part of the reason why P4 has such a modest new media appearance. In the late 1990s, P4 expanded extensively with both media and non-

media activities, but was painfully damaged by the dot.com bubble. Their caution about new media platforms may therefore be influenced by earlier mishaps.

Further, what made P4 consider expansion again in 2006 seemed to come, primarily, from outside the media institution. According to Hafskjær, advertisers were asking for new media platforms to promote their products, and P4 had to expand in order to meet the demands of the advertisers:

> In media bureaus, money moves. When we can't supply them with enough numbers of advertising banners online, we get less money (Rune Hafskjær, Head of Format and Development in P4, interviewed 07.09.06).

To summarize, P4 had the least well developed mobile portal of the four analysed media institutions, which also reflects its modest online platform. This may indicate that P4 is more of a safety-seeking media institution, which only expands to new media platforms when they can see a clear financial benefit. However, it may also be explained by the fact that P4 had less content to re-use, since it had less of a multi-platform presence than the other three analysed media institutions.

Successful expansion strategies?

In the previous sections, the main reasons for *why* established media institutions expanded to the mobile platform as well has *how* they did so, in terms of content categories and financing models, has been discussed. To what degree does the exploitation of mobile media fulfil the goals of expansion? When it comes to the *need of new income* opportunities, the use of mobile media clearly have the potential of generating revenues, even though the income by 2007 has been modest. Further, the high expectation of direct user payment connected to the mobile phone has been challenged, as users seems less willing to pay than the industry expected. However, since most of the content provided on the mobile platform is based on re-use and re-distribution of already produced content, the costs of expanding to the mobile platform are kept low.

When it comes to the *need of attracting new user groups*, the development of mobile media has only partly been successful. Whereas the use of mobile media increased in 2004 and the first parts of 2005, user numbers have stabilized, and even slightly decreased in 2005 and 2006 (TNS Gallup 2006a). Morten Holst, Head of Development in the tabloid newspaper VG, described the year of 2005 as "extremely disappointing", claiming that media institutions expanding to the mobile platform "really have to be strong in their beliefs to continue" (interviewed 13.09.06). When it came to attracting younger audiences, several studies indicate their social and communicative needs (see for example, Skog 2002; Ito et al. (eds) 2005). However, the four media institutions in this study still mainly planned for the *consumption* of media content on their mobile portals, despite the interactive features of the mobile phone. This may point to the need to develop new mobile content categories, fully making use of the communicative features of the mobile phone.

The *need to be innovative* as a goal was fulfilled in a technological sense, as all four media institutions experimented with new technology to distribute and publish mobile media content. However, the innovation in genres and content categories was still limited, as most of the mobile media content was based on the re-use of already produced content and content categories. As we have seen, the public broadcaster NRK can be said to be the most innovative, as they experimented both with new technology and new content categories. This can, at least partly, be explained by the fact that NRK has by far the largest organisation, which meant that, compared to the other three institutions, it had a greater number of people working with mobile media. Further, NRK owns a wide range of content rights to experiment with, as most of the content production is done in-house.

Conclusion

Digitalization, convergence and the development of new – and more personal – media platforms challenge established media institutions. In this chapter, we have seen how four established media institutions translate these challenges as a requirement to expand their services on multiple platforms beyond their original domain. The expansion to new media platforms is driven by the need to re-gain control and market power. One way that established media institutions can achieve control on new media platforms is to make the new platforms their own by transferring well-known content categories and brands. As we have seen, the four media institutions analysed all seem to view the exploitation of mobile media in parallel with their online activities. In the eyes of the media executives, the mobile platform is an extended branch of the online platform, and the dominating view seems to be that these two platforms, over time, would offer more or less the same content. This, however, was not to say that the two media platforms would converge, as the executives stressed the differences between the two media platforms and the importance of adjusting content to fit the specific features of the platform on which it was to be distributed.

The idea of transferring well-known content categories and brands to new media platforms is not a new strategy. Raymond Williams, as early as 1974, pointed to the fact that television was established as a combination and development of earlier forms. Similarly, Bolter and Grusin use the word 'remediation' to describe the process where "older electronic and print media are seeking to reaffirm their status within our culture as digital media challenge that status" (2000: 5). Their main point is that new visual media achieve cultural significance precisely by paying homage to the rivalling and refashioning of the aesthetic and cultural principles of earlier media.

However, as Williams ([1974] 2005) and Bolter and Grusin (2000) point out, the development of new media is clearly not just a question of combination and development of previously forms, since the "adoption of received forms to the new technology has led in a number of cases to significant changes and to some real qualitative differences" (Williams [1974] 2005: 39). Even though the expansion to the mobile platform mainly resembles media

institutions expansion online, it is natural to think the mobile platform over time will develop its own distinct form with specific content categories particularly suitable for the mobile phone. Also, it is not just that new media is influenced by the established media industry, the influence also goes the other way, as established media institutions are framed by the introduction of new media platforms. In line with this, the concept of convergence is clearly more than a technological term, since it covers both the expansion strategies of established media institutions as well as the development of new content categories and genres. Further, it points to a reciprocal relationship between established media institutions and new technology, since both established media platforms and new ones are developed and formed by paying contributions to each other.

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Article II. "Because They Deserve It": Audience Participation as a Strategic Development Area in the Media Industry

Abstract

Since the mid-1990s, media institutions have been experimenting with new forms of audience participation. Based on interviews with Norwegian media leaders, this article provides insight into how media executives think strategically about audience input, as well as the seven most important reasons why they are focusing on audience participation. The article asks what a focus upon audience participation means for the role of media in society.

Keywords

Audience participation as strategic development area

Before the 1990s, there was little interest in studying audience participation in the media.[60] This does not mean, however, that it is a new phenomenon. Historically, audiences have played a number of roles in the mass media—as writers of letters to the editor, callers to talk shows, sources and competition participants—but these roles have generally not been examined in context. Gradually, the wave of participant formats on radio and TV shows increased scholarly interest in audience participation as a phenomenon (see Bakøy & Syvertsen [eds.] 2001; Ytreberg 2002). When considered within the realm of media studies, this work comprises the development of the "active-audience" perspective, which emphasises audience activity in its encounter with the media—it views audience members as something more than passive spectators (see Hagen 1998; see also van Zoonen & Aslama 2006).

Since the end of the 1990s, media researchers have shown more interest in audience participation as a *strategic development area* in the media industry, whereby such participation has been studied together with other major changes, such as media concentration, cross-ownership, convergence and digitalisation, not to mention the growth in personal media.[61] Over the last decade, we find a number of studies examining audience participation via new

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[60] Early studies include Bastiansen's (1991) study of viewer letters to NRK (the Norwegian Broadcasting Corporation) and Elvestad's (1999) study of writers of letters to the editor.

[61] Audience participation is indirectly touched upon in a number of discussions of general development trends (see, for example, Gilder 1992; Negroponte 1995; Gates 1999), and in studies of challenges to the media industry (see, for example, Steemers 1998; Levy 1999; Papathanassopolous 2002; Lowe & Hujanen 2003; Picard 2003; Brown & Picard 2005).

platforms—for example, studies of media institutions' websites and their strategic importance (Siapera 2004; Fagerjord 2002; Mournier & Drumare 2001; Steemers 2003), studies of opportunities for audiences to receive content and news on their mobile phones (Södergård [ed.] 2003; Feldmann 2005; Järvinen & Räsåanen 2005), and studies of the use of new media platforms as feedback channels, either via discussion groups, blogs and online communities (Fagerjord 2006) or via SMS, phone and e-mail (Enli 2005; Beyer et al. 2005; Jones 2003, 2004; Christensen 2002). The vast majority of these studies examine the development of multi-platform formats based on either the press or television sectors (see, for example, Noam et al. [eds.] 2004; Xigen [ed.] 2005), but some also underline the importance of comparative analyses of different industries (see, for example, Chan-Olmsted 2004).

Even if several studies have examined audience participation as a phenomenon, however, few researchers have looked into the strategic considerations underlying it. Some production studies discuss strategic considerations in connection with specific formats, such as *Big Brother* and *Idol* (see, for example, Lindstad 2003 and Kjus 2005, 2006), while others discuss the strategic foundation in more general terms (for example, van Dijk & de Vos 2005; see Syvertsen 2006 and Enli 2005 for more on the situation in Norway). The aims of this article are (1) to present a more overarching study regarding why the media industry wants to involve the public, and (2) to ascertain why the industry is focusing on audience participation in particular and to contribute to the discussion of the implications this has on media's role in society.

Audience participation and the role of media in society

While it is not easy to describe precisely what defines media's role in society, this article takes as its point of departure some of the key roles that have been embedded in media policy in recent decades, and in legislation and regulations governing the media. A review of the most important public documents in the field[62] gives a relatively consistent picture of what expectations the Norwegian media industry faces in exchange for the comprehensive privileges it enjoys, which include press subsidies, VAT exemption, NRK's licence fee, an advertising monopoly and special legal protection. These documents also provide rationales for the restrictions with which media must comply, such as restrictions on ownership. Both privileges and restrictions are rationalised on the basis of certain assumptions about the media's role in society, and chief among them is the fact that the media must satisfy special expectations that exceed those set for regular business operations. These expectations came under intense scrutiny in the 1999 report from the broadly composed Commission on Freedom of Expression as well (NOU 1999: 27).

Among the things the media must do is *help to ensure freedom of expression and to provide genuine opportunities for expression*. Freedom of speech is a fundamental individual right,

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[62] Key documents include the Code of Ethics of the Norwegian Press, the "Rights and Duties of the Editor" editor's poster, NRK's Bylaws, a Report to Parliament on media developments (St.meld. nr. 32 [1992–1993]), as well as three green papers on media diversity, freedom of speech and the press, respectively (NOU 1995:3, NOU 1999:27, NOU 2000:15). The main objectives of media policy are outlined each year in the national budget as well (St.prp. nr. 1).

but the media is expected to ensure that all citizens have genuine opportunities to express themselves.[63] One important goal of national media policy is to enable a diversity of channels so that different points of view can be expressed, even at a local level. According to the Norwegian Governmental Commission on Freedom of Expression, "It is impossible to envision a modern liberal society without a diversity of channels reaching the general public" (NOU 1999:27, section 4.2.3).

Another expectation, which could be seen to oppose the first, is that the media must *ensure reliable and good information about important social issues*.[64] This expectation brings with it a requirement for quality that in turn emphasises the importance of an active editorial function.[65] An editor is expected first of all to distinguish important elements from trivial ones. In the words of the Commission on Freedom of Expression, an editor must "have a formal and real status that makes it possible to play the role of moderator […] The editor is the channel guardian who must select, initiate and edit what journalists or others contribute" (NOU 1999:27, section 4.2.4). While the items quoted here are linked specifically with diversity and differing points of view, the relevance of the editorial function is most of all about ensuring that each and every citizen—regardless of residential address or financial situation—have access to the information he or she needs to fulfil the role of social citizen.

While the two above-mentioned elements are the ones most strongly alluded to in the relevant public documents, there are also a number of others, and here we will focus on three in particular. First, there is the role of media as *cultural identity builder*, an element that is particularly connected to local media as well as national radio and TV.[66] Second, there is the role of media as an *arena for dialogue and communication* between individuals and groups, or what traditionally has been called the "forum function" of the media.[67] Third, there is the media's responsibility for *the rights and needs of individuals and minorities*. The Code of Ethics, for example, states that it is the duty of the media to "protect individuals and groups from abuse and

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[63] The Report to Parliament titled "Media in Our Time" states that a main goal for media policy is to "ensure freedom of expression as the fundamental requirement for a living democracy", and this goal has been carried forward by subsequent governments (St.meld. nr. 32 (1992–1993)). The Code of Ethics states, "The press has special responsibilities for allowing differing views to be expressed" (1.2). The Commission on Freedom of Expression (NOU 1999: 27) focused on ensuring that this free expression is genuine and proposed amending paragraph 100 of the Norwegian Constitution accordingly. The main objective of the regulation of ownership is to ensure genuine opportunities for expression.

[64] The Report to Parliament titled "Media in Our Time" states that another main goal for media policy is to "ensure factual and comprehensive information to all residents in Norway" (St.meld. nr. 32 [1992–1993]). NRK's Bylaws use the wording "essential social information".

[65] The editorial function has been highlighted and made more relevant in recent years. For example, the Commission on Freedom of Expression considers media development in recent decades to have been positive, and notes that a key feature of this improvement has been the enhanced visibility of the editorial function. It observes further that an important guarantee of freedom of expression is to be found in the institutional standards that control the channel overseers and emphasises that a visible editorial function is vital to underlining the relationship between "freedom and responsibility" (NOU 1999:27, section 4.2.4, 5.5.2).

[66] The Report to Parliament titled "Media in Our Time" states that one goal of media policy is "strengthening Norwegian language and cultural identity" (St.meld. nr. 32 [1992–1993]). NRK's Bylaws state that NRK "must help strengthen the Norwegian language, identity and culture.

[67] This is expressed, for example, in the green paper "Press Policy for the Millennium" through a quote from the media house A-pressen that states that the media industry is "a public arena for broad information, social criticism and for dialogue between individuals and interest groups" (NOU 2000:15, section 6.3.4).

neglect" (section 1.5), while NRK's Bylaws state that programmes must be offered "that preserve the interests of minorities and special groups," including "linguistic diversity" and "the diversity of cultures, outlooks on life and living conditions found in the various regions of our country" (section 3.4).

The presentation here of the media's role in society is not all encompassing, and the discussion of this issue in the article is intended to be more suggestive than exhaustive in nature. We nevertheless see that there are many, in part ambiguous, expectations connected to the media and its role in society. As a concluding point in this context, we might also observe that *commercialisation* is generally seen to represent the greatest threat to the media's social role. The Commission on Freedom of Expression believes, for example, that:

> [...] commercialisation of large sections of the media field is a problem. A financial logic has entered that originally was less prominent. Traditionally the owners were more interested in what was expressed in the media than what they earned from it. Today, the trend is quite the opposite. (NOU 1999:27, section 4.3.2).

The fact that commercialisation is linked to the media's role in society is interesting, given that it represents one of the primary explanations of the media's strategic development of audience participation. In the sections that follow, we will examine in more detail the expectations and motives that the media industry itself cites for involving the public in its products, and discuss how these perspectives contribute to the changing role of media in society.

Survey on the media elite's view on participation

In order to frame the ways in which the media sees its audience on the threshold of a new media era—and the implications of this perspective for media development and the media's role in society—this article presents the results of a major survey concerning audience participation as an arena of strategic development in the media industry. The survey, consisting of interviews with fifty-one important decision-makers in TV, radio, the press, the production sector and the sector for mobile content services, was carried out from 2003 to 2005.[68] The interviewed decision-makers were top-level managers, middle managers in development and/or strategy departments, and other positions within the areas of development, strategy and creative design.

The methodology of the survey included a mix of open and closed questions. Forty-five of the interviews followed a standardised interview guide. The informants were first asked to assess various aspects of audience participation, priorities, strategies and business models. They were then asked to rank the three most important reasons (from a list of seven) why the company they were working for was adopting concepts based on audience participation.[69] They

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[68] The interviews were conducted by the research group *Participation and Play in Converging Media* (PaP) at the Department of Media and Communication at the University of Oslo. See Fagerjord et al. (2006), Ytreberg (2006), Sundet (2006) and Sundet & Ytreberg (2006) for other analyses based on the same interviews. The PaP research group is connected to an international network—MaP (*Media and Participation*)—that provided insight into the scope of audience participation in other European countries as well.
[69] The list was as follows: Audience activities (1) are inexpensive to produce; (2) establish a loyalty relationship with the audience; (3) establish a customer relationship with the audience; (4) open up new

were last asked to respond to some fifty statements about changing trends in the media market. The standardised interview guide was used to enable comparisons across media companies and media sectors. The interview responses were supplemented with information from company annual reports and strategy documents.

The interview survey and strategy documents produced a number of reasons for the Norwegian media industry's interest in adopting audience participation, and they have been grouped into seven main categories for the purposes of this article. The categories are not intended to be rigid or mutually exclusive but rather to identify larger rationales for the various reasons and relate them to one another. However, the three first categories—*audience loyalty*, *revenue opportunities* and *innovation*—were by far the most important to the managers in the media industry, followed only afterward by *branding*, *24/7 operations*, *direct response* and *democratisation*.

1: Building audience loyalty

According to our informants, the desire to cultivate *audience loyalty* is the single most important reason why the media industry sees audience participation as an area of strategic importance. Thirty-one of the thirty-seven informants asked to rank the most important reasons for using audience activities placed "establishing a loyalty relationship with the audience" in the top three. Nineteen of those placed it as number one.

The growing competition in the media sector, which has more and more platforms and choices, means that the public will be less loyal to any particular media product, in turn sending the industry in search of new loyalty ties. Involving the public has long been considered a particularly effective way to ingratiate oneself with an increasingly unfaithful audience (Jones 2003:419). "Interactivity creates loyalty," says Sebastian Løberg of the Norwegian radio channel Kanal 24; "We believe that our listeners appreciate participation [...] and this creates loyalty to our station" (IO37).[70] A focus on the participation of the public can thus be understood both as a *defence strategy*, whereby the media house attempts to win back a stable audience rating, and an *attack strategy*, the goal of which is to attract new listeners, viewers or readers. Klaus Børringbo of aftenposten.no, one of the main online newspapers in Norway, says:

> For us it is important to acquire new readers and get them to stay as long as possible on our website [...] That will secure us loyalty, and it is important for us to have loyal readers who will return and use us often. (IO24).

According to the interviewed media leaders, audience participation encourages loyalty to media products because the audience is made to feel a sense of *ownership* of the content. Gunnar Garfors from NRK describes the prevailing sentiment in the media industry:

ways of generating revenue; (5) are innovative and open to experimentation; (6) are important in the competition with other actors in the market; (7) are demanded by the public. This list was prepared based upon our own speculations as well as the suppositions underpinning previous studies and the news coverage on the media industry's motives for adopting audience participation.

[70] The parenthetical "IO" citation refers to the overview of informants at the back of the article.

> The thesis is also that when you feel you are able to exert influence, your sense of ownership of the product will be greater, in turn increasing loyalty. Thus you will choose NRK all the time.[71]

Building loyalty is considered to be particularly important in relation to *young people*. The traditional mass-media platforms have seen a decline in their core markets that is particularly apparent among young readers and viewers (Futsæther 2006). Kari Werner Øfsti from NRK is one of those who maintain that "communication and interactivity" are vital to "establish[ing] contact with the younger audience" (IO21). To engage that audience, media companies thus attempt to launch services that imitate (or accommodate) the media use of young people, particularly those between fifteen and thirty years old (Jones 2004:211; see also Christensen 2002:6). Crucial to this effort are services for mobile telephones, which have a unique position in today's youth culture (Skog 2002:270). Internet services are also important, particularly those offering membership in various web communities. Such communities are designed to allow registered users to receive tips and messages, post their own pictures, videos and texts, and communicate with other users. Several informants indicated that the development of web communities was one of the highest priorities for the coming years (IO2, IO10, IO41, IO17). The broadcasting sector also deemed this to be a priority, particularly in relation to younger audiences (IO16, IO32) and especially young girls (IO39).

This emphasis on loyalty represents a clear shift in the media industry. Loyalty is essentially a market-based concept, as opposed to the traditional media values of credibility and trust. Whereas the latter values reflect the belief that audience members need reliable information to fulfil their roles in society, loyalty places a new emphasis upon gaining and holding audience members' attention. The focus on loyalty points to an ongoing *media centralisation*, as media companies become more concerned about themselves and more interested in engaging their audiences through activity upon platforms of their own design. At its most extreme, an emphasis on loyalty implies strategies designed to prevent the audience from taking advantage of the diversity of media experiences available to them. As such, loyalty is threatened if the audience is more active in other arenas than those owned by the media company in question.

2: New revenues

The next most important reason for developing formats with audience participation, according to media leaders, is the possibility of "new revenues". Twenty-four of the thirty-seven informants who responded to this question saw new revenues as one of the three most important reasons, and five ranked it as the *most* important. The financial importance of audience participation was reinforced by the open-interview responses as well as the annual reports and strategy documents from the media institutions.

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[71] Gunnar Garfors, project manager for mobile services at NRK Development, interviewed in 2003, quoted in Prebensen 2005:67.

It is no surprise that financial factors rank high; any media company wishing to survive must focus on revenues. Our study particularly captures the increasing anxiety in the media industry that traditional sources of revenue, such as direct sales of printed newspapers, advertising revenue and broadcasting licence fees, will lose ground to direct payment, personalised services, and implicit and interactive advertising. The commercial television channel TV 2's business slogan from the early 2000s—"making viewers into customers"—describes a strategy that other media companies would also endorse.[72] The goal is not primarily to sell the audience to advertisers or to use high ratings as an argument for continued licence legitimacy but rather to develop products and services that can be sold directly to the audience. Audience participation in those products and services constitutes an obvious means for achieving this, or, in the words of one of the informants, "the essence of everything we do" (IO9). Similar sentiments apply to all of the media industry representatives we interviewed, as well as statements from the public service broadcaster NRK. This rationale has its strongest backing, however, from the mobile content sector, where the development of audience services is seen as the very foundation of the business. Typical statements included "everything done by mobile phone is an audience activity" (IO18), "this is what we do for a living" (IO11) and "our services are user-financed, not funded by advertising" (IO6).

What specific ideas does the media industry have for developing services that the audience is willing to pay for? According to our informants, one direction would be to develop services for particularly profitable *niches*. "We're considering the option of charging for special information adapted to individual users that a user cannot get elsewhere," states aftenposten.no's Klaus Børringbo; "I believe all media companies are now looking for ways of charging for services so that not everything is financed by advertisements" (IO24). Helge Øgrim of dagbladet.no, another main online newspaper in Norway, points out the revenue potential of online communities, because additional services can be offered that users must pay for and targeted advertising is also possible (IO17). Further, users of such web communities have typically entered detailed information about their interests and needs, which simplifies niche marketing later on.

In addition to developing niche markets, media providers might also explore services that *everyone* would be willing to pay for. In the words of TV 2's Gunnar Stavrum, it is difficult to know what will be a hit, but there is "no doubt that when you make a hit, it is extremely profitable" (IO12). TV 2 had a hit with the Norwegian *Idol*, and the same could be said of TVNorge and *Big Brother*:

> *Big Brother* is actually the optimal concept. [...] it was the first concept with interactivity that involved the audience, where they got to vote, and the audience was also able to influence the action inside the house. In 2001, the ratings went through the roof, on telephone and SMS [...] In our world at TVNorge, we speak about before and after *Big Brother*, because this was the concept that showed it was possible to involve the audience on all platforms. (IO9).

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[72] See, for example, TV 2 (2001:26, 2000:6, 2002:25). See also P4 (2000:5) and NRK (2004:7).

The *Idol* and *Big Brother* successes demonstrate the fact that it remains important for established media companies to create national media events that attract a large audience and thereby maintain the advertisement-financing base. The development of audience activities thus leads in the direction of both niche fragmentation *and* shared national events.

While the profit margins are uncertain, there is no doubt that we are now seeing the first signs of what is called the return-path economy, where revenue is generated through the act of persuading a mass audience to respond directly to various stimuli (Jones 2004:212). In this return-path economy, the mobile telephone has a special position—certainly this is where our informants saw the greatest opportunities for direct payment. "Our opportunities for generating revenue will increase," says Håvard Bungum from the mobile content provider Inpoc/Aspiro. He went on to point out some features of the mobile telephone that were also stressed by other executives from the mobile content industry:

> People's relationship to their mobile telephone is very personal. The strong relation in conjunction with more sophisticated phones and increased transmission speeds offers lots of new opportunities. (IO18).

Interestingly, services linked to mobile telephones and mobile technology are not only emphasised by our informants in the mobile content sector but also by others across the entire range of media industries. Many informants also noted that the link between web communities and mobile communication enables the exploitation of new niches:

> Another example is being notified via your mobile telephone that your web input has received a response. We can envision a much cooler mobile Internet than the one we have today, where payment is demanded for some of these services. (IO24).

Services linked to the mobile telephone were the only ones that leaders from all of the media sectors mentioned when asked about new ways of creating revenue. The media actors in Norway appear to have an unshakeable faith in the mobile telephone platform for their business models, both now and in the years to come (see also Fagerjord et al. 2006; Sundet 2006).

Despite the perception of a clear link between audience participation and new revenues, only a few of our informants endorsed the claim that audience participation is *inexpensive to produce*. Only five of the thirty-seven media leaders ranked "inexpensive to produce" as one of the three most important reasons for favouring audience participation, and only one saw it as the single most important reason. This may be because companies are presently focused on the costs of developing these new interactive formats and services. Bjørn Gundersen from the mobile content company Rabitt.no points to the financial risk:

> As with other industries, we are based on "80 to 20". That means that 20 percent of the content generates 80 percent of the revenue. As long as the services are good, we'll spend a lot on staying on the cutting edge of development. (IO6).

In a small country like Norway, of course, it is particularly expensive to develop new services focusing on niche markets (see, for example, Maasø 2002a). Hans Peter Hognestad from the commercial television channel TV3 states:

> Many concepts that have emerged in recent years have been based on additional revenue from SMS, call-ins, the Internet and so on. Clearly this will be taken into consideration when planning a concept. However, Norway is such a small country, and the cost of producing a TV programme is no less in Norway than for example in the USA or Britain, even if the population base is smaller. (IO15).

In the introduction, we pointed out that commercialisation is seen to be the greatest threat to the media's role in society. It is thus interesting to note that the aim of generating future revenues is so important reasons to the media industry with regard to developing new formats for audience participation. The extent to which these new formats could be said to supply genuine opportunities for the audience to express itself is then a positive effect of commercialisation. Of course, when the emphasis is on revenue potential, some formats are prioritised over others. Audience participation activities connected to major national event or show concepts will almost exclusively apply to broad entertainment formats, while only those providers who are most able to pay will succeed in niche programming. This demand for revenues also implies that many services will be overpriced, including those developed by the general broadcasting channels.

3: Experimentation and innovation

The third most important reason that media strategists gave for developing formats with audience participation centres upon being *innovative and open for experimentation*. Even if slightly fewer informants ranked this as one of the three most important reasons (twenty-one out of thirty-seven), our analysis of the open responses and strategy documents (for example, NRK 2001, 2004) indicates its extreme relevance.

An emphasis upon experimentation and innovation is not limited to the media field, but in a context that implies both an increasingly knowledge-intensive working life and a shorter lifecycle for its products, it is particularly crucial to find something new to offer the audience. One of our informants in the mobile content sector says that what will be most important in the coming years is "to understand consumer behaviour and be able to offer the right products" while "adapting the products to make them suitable for innovation" (IO39).

Several informants stated that there is a cultural value in appearing to be innovative and experimental as well, particularly in the interests of engaging young users. Informants from production companies that supply solutions to major media companies emphasised the great demand for innovative formats, and it was commonly held that companies that could not satisfy this demand had no future. Beyond signalling to the public that something new is being offered, the media companies also need to test specific products and services. In a manner of speaking, audience participation turns the "playpen" into a "laboratory" as companies try to find suitable locations and times for testing new solutions. TV channels may, for example, test solutions for future concepts outside primetime viewing hours or in formats with relatively low prestige (see Beyer et al. 2005; Enli 2005:122). They also want to test content on several platforms. Svein Aronsen from NRK mentions that the concept for *Are og Odins Individtour* (*Are and Odin's Individual Tour*) specifically functioned as a multiplatform experiment. The goal was to study "how we can reach people in new ways and how we can organise ourselves internally to deliver a

holistic expression on all media channels" (IO40). From this perspective, the audience becomes "crash-test dummies" for the TV (and payment) possibilities of the future.

While the general consensus was that it is important to be innovative, many informants also pointed out that it is important to be cautious as well. The last decade has been dominated by many spectacularly failed ventures in the media and communications sector, often linked to an exaggerated faith in such industry mechanisms as "first-mover advantages" and "winner takes all". Lucy Küng (2004:50–52) discusses the difficulties media companies encounter when stepping into new markets and cites many examples of only fleeting successes. Several media leaders also referred to ventures that did not perform as expected. One example is the Web TV channel launched by TV 2 in 2000 to test "new business and invoicing models" (TV 2 2000:34). In 2003, Gunnar Stavrum from TV 2 had this to say about the situation:

> It is not too smart to be at the forefront of development. We have accepted that there
> is no hurry with digital TV. We're thinking about it, but we're not going to develop a lot
> of things before it has gained wide acceptance. (IO12).

Stavrum's statement hints at the risks involved with focusing on multi-platform formats and audience participation. There are also risks involved with emphasising product development and service innovation, because this can appear to compete with or undermine the responsibility of the media to society rather than to the bottom line. As audience ratings for traditional media programming sink and the industry's attention shifts to younger and more innovative users, the differences between the media sector and regular business operations (for instance, selling bread and butter) will also disappear. For certain groups, then, opportunities for expression and dialogue will expand; for others, such as the older or less well off, they will not. It could also be said, however, that a focus on youth is an investment in the future opportunities for all citizens to express themselves. As younger users learn to express themselves and communicate with others through new media and participation concepts, the population as a whole will gradually follow along.

4: Branding

The three reasons discussed above can all be said to deal with *branding and brand recognition*, which has guided media companies' strategic activities ever since the Norwegian market opened to competition in the 1980s. Though we did not ask specifically about branding in our interview study as a unique rationale for focusing on audience participation, the interview responses indicated that it deserved its own category. Several media leaders pointed out that loyalty, revenues and experimentation are linked to branding. Svein Aronsen from NRK, for example, says:

> In order to maintain our brand, the NRK have to be innovative. It should be a common
> perception among people that sometimes we are in front. That is important in order to
> achieve loyalty and secure a willingness to pay the license fee. (IO40).

Key aspects of branding include cross-promotion and diagonal expansion (for example, when a TV channel buys a web newspaper or radio station). By inspiring audience loyalty for recognisable brand names, media institutions will then attempt to transfer it to a less well-known platform. This common strategy is described, for example, in literature on "brand extension" and "brand management" (see, for example, Aaker & Keller 1990; Ferguson & Perse 2000; Lane 2000; Ha & Chan-Olmsted 2004). As pointed out by one of our informants from VG, one area of focus is to "introduce the brand 'VG' to young readers" as it "has value and is important if we are to retain our current position" (IO10). Similarly, Hans Martin Cramer and Øystein Weibell's (2005) study of Stavanger Aftenblad clearly shows that this media institution's focus on Web radio should be framed in terms of diagonal expansion, branding and cross-promotion. When Gunnar Stavrum from TV 2 was interviewed about this in 2003, he was also interested in having TV 2 link platforms more closely:

> I believe that we'll become better at making things work together [...] we'll have a radio channel doing its thing, a web service doing Internet things and TV with appropriate programming. Within this we are endeavouring to have a kind of interchange with references, cross-promotion and cross-publication. (IO12).

A primary reason for engaging with several platforms is to better exploit concepts and editorial content (Doyle 2002:31ff). Television channels attach particular importance to the cultivation of other, more expensive formats: "I don't believe we can afford to design many recognised content concepts. We have to get more out of the ones we have," TV 2's Stavrum stated in 2003.

> For instance, I believe that in 2007 Norwegian *Idol* will be a major success on the Internet, radio and TV for TV 2, in contrast to this year when VG and Dagbladet exploited *Idol* […] because there are many aspects of the programming that we don't get enough out of. (IO12).

After the takeover of Nettavisen (the online newspaper) in 2002 and Kanal 24 (the radio channel) in 2004, TV 2 found itself with much better opportunities for interactive cross-promotion, which is a clear branding trend in media companies in general (Ha & Chan-Olmsted 2004). When a viewer votes on *Idol* by SMS, for example, he receives a message taking him to a Wap portal. Since 2004, it has there been possible to download a TV 2 Nettavisen interview with the finalist voted off, immediately after the votes have been counted (TV 2 2004:2). *Idol* has also been given broad exposure on Kanal 24. In this way, then, audience activity becomes a means of leading viewers and readers from one platform to the next (see also Ytreberg 2007).

Another very fundamental aspect of branding deals with how media companies use audience participation to *demonstrate differences* in comparison to other companies, thus "burning their mark" (branding, literally) onto a product (Farquhar 1991; Keller 1993). Again the most obvious example is from the radio and TV sector. In a Norwegian context, TV 2 has been a brand pioneer since its inception in 1992, using audience participation—for example, voting—to signal their popular and inclusive orientation as a media provider. Since 2001, TV 2 has even included SMS feedback in its news programmes (Enli et al. (eds.) 2006). A similar approach was also used by the commercial radio channel P4 and the commercial television channel TVNorge,

the latter of which used audience participation specifically to position itself as a risk-taking and provocative niche provider of formats such as *Big Brother* and *Mess-TV*. "As a TV station, we want to be a leader and take some risks," says Eivind Landsverk from TVNorge, remarking that they have even come to embrace "strong criticism for some of what we do" (IO9). NRK has also been celebrated for its audience participation in classical general broadcasting shows (such as shows on election nights) and its unusual experimental formats (for example, *Forfall*, *Blender* and *Are og Odins Individtour*). Audience participation has been presented quite differently by NRK1 and NRK2, indicating that the same tool can result in rather different branding: NRK1 is the serious "parent" channel, while NRK2 is playful and willing to take risks.

Formats with audience participation are increasingly important as companies try to maintain and expand their brand identity. The above discussion shows that the use of formats with audience participation helps in two ways. First, these formats can attract an audience on one platform and lead it to new platforms. Here, loyalty and revenues are the major motivating forces.[73] Second, these formats can be used to give companies a distinctly *different* identity. Because of this, the criticism levelled at TV channels during the initial phase of open competition in Norway—namely, that channels were becoming too similar and thus undermining the goal of a diversity of points of view and cultural expressions—is no longer accurate. Though very different channels utilize similar forms of audience participation, they do so in the interests of developing distinct profiles for these formats and services. The result, then, is a greater diversity of channels and platforms and clearer differences among their programming. In relation to media's role in society, its function as a common arena or instrument for strengthening a unitary cultural identity of some sort is weakened, but the ability of various minorities and subcultures to cultivate their own communication and special characteristics is strengthened.

5: Round-the-clock operations

Building on the wish for branding, format exploitation and cross-promotion is the media industry's interest in *round-the-clock operations*—in other words, the desire to reach the public night and day. Traditionally, different media platforms have engaged their audiences at different times of the day. With the arrival of new platforms such as the Internet, "primetime" for any given television channel, for example, has shrunk, and competition has grown much tougher. An important reason for all of the takeovers, mergers and cross-ownership arrangements of the last decade is the fact that each company has wanted to expand its interface with the public. For example, in the 2002 TV 2 annual report, Kåre Valebrokk, General Director, states, "TV today is primarily an evening medium, and we must acquire better contact with the Norwegian people throughout larger sections of the day and night" (TV 2 2002:9). This is very important in relation to commercial revenues; advertising must reach the audience regardless of platform and as often as possible. TV 2 bought into Nettavisen and Kanal 24 so as to broaden this contact interface with

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[73] This particular type of "brand extension" is actually fairly new. Sylvia M. Chan-Olmsted and Kim Yougwook (2001), for example, found that only one-third of the directors of American TV channels considered the Internet to be an appropriate tool for branding and brand extension; many were in fact worried that the web would cannibalise the original platform (see also Roedder-John et al. 1998).

the public and give itself better options for negotiating agreements with major advertisers. "Only by having several platforms will we be able to keep an advertising message 'hot' all day and thus give our advertisers the impact they demand" (TV 2 2005:9).

The drive to maximize one's time of exposure to the public dominates the strategic efforts of newspapers (Cramer & Weibell 2005) and broadcasting companies (Øyen 2004) as well. Mark Thompson, BBC's General Director, has used the slogan "Martini Media" to describe the BBC's strategy, intentionally evoking the traditional Martini advertising slogan "for anyone, anywhere, anytime." The main idea is that the media product must be "available when and where you want it with content moving freely between different devices and platforms."[74] Formats involving audience participation, as discussed previously, enable this shifting among platforms. As Thompson points out, a steep increase in audience activities is necessary if the goal of "cross-platform" and "on-all-the-time, 24/7 services" is to be realised:

> We have one of the best websites in the world but it's rooted in the first digital wave—we need to re-invent it, fill it with dynamic audio-visual content, personalise it, open it up to user-generated material […] And we need a new relationship with our audiences—they won't simply be audiences anymore, but also participants and partners—we need to know them as individuals and communities, let them configure our services in ways that work for them. (ibid.).

For NRK, a similar approach to round-the-clock audience participation is embedded in the institution's strategy document titled "Something for Everyone. Always", where it is stated that NRK must "ensure communication with our users using old and new value chains" (NRK 2004:7).

Round-the-clock operations naturally place a heavy demand on content provision, even during less attractive airing hours such as the middle of the night, but here again, formats with audience participation can help. When late-night radio was introduced, call-in shows promptly followed in many countries, and this trend has only continued with the arrival of chatting and text-messaging. Further, the demand for more content also represents an opportunity to re-exploit archival material, and the combination of archived material and SMS/MMS, or simple SMS-based chat shows, has proved even more profitable that airing traditional TV programming (Enli 2005:120). We note this phenomenon particularly with regard to minor television channels with little primetime content in the day and a lot of time to fill. The SMS format *Mess-TV* filled more than 30 percent of TVNorge's airtime in 2005, while the similar concept titled *Svisj* filled more than 40 percent of NRK2's airtime the same year (Karlsen et al. 2006). Audience-participation formats are particularly helpful in the process of converting more of the media's day/night time into active time. In the words of Einar Røhnebæk from *Mess-TV*: "Sleep is the greatest enemy. A relentless competitor" (IO8).

Participation programmes can also be used more specifically to resolve *media political challenges* in the TV sector, in connection with quota stipulations and content regulation (Enli 2005; Syvertsen 2004). In the Norwegian context, national legislation and the EU's TV directive

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[74] Mark Thompson, General Director of BBC, speech to BBC staff, 25 April 2006, placed on the same day on http://www.guardian.co.uk/uk_news/story/0,,1761065,00.html (accessed 2 September 2006).

state that, where possible, TV channels must fill more than half of their airtime with European shows. Formats with audience participation, often characterised by large volumes of aired hours and low production costs, can be an easy way to meet these quotas. NRK2 and TVNorge have both found that audience participation formats have contributed to increasing the quota of shows produced in Europe, and specifically Norway (see also Beyer et al. 2005).

When we try to point to the implications of round-the-clock programming for the media's role in society, the situation again becomes ambiguous. Certainly the trend toward round-the-clock operations using multi-platform formats extends the *possibilities of expression* radically and enables more people to express themselves whenever they like. On the other hand, more effort is required for these expressions to be heard and to gain acceptance in a larger public space, and it becomes difficult for the audience to distinguish between what is important and what is trivial in this content. Thus the trend toward all media becoming a round-the-clock operation presents real challenges in relation to information quality and reliability.

6: Immediate response

A sixth reason why media institutions are adopting an audience-participation strategy is that it represents an unprecedented opportunity to receive more *immediate response and feedback from the public*. Media companies and producers always want to know what the audience thinks and feels about their content, and they expend a huge amount of resources on surveys of the general public. But it is very hard to obtain an accurate picture of user patterns, and the various media industries have not always reached a consensus on "official" statistics. It has proved particularly difficult to find good figures for radio listeners, as a 2004 conflict over listener numbers and methods of measurement between P4 and Kanal 24 showed. While radio stations will likely continue to invest in measuring other types of audience response (through focus group interviews or tests of playlists, for example), the Programme Directors from Kanal 24 (IO37), NRK (IO51) and P4 (IO49) all agreed that direct response from the audience is equally important. Media leaders from other industries saw audience participation overall as a form of continuous market survey. Hans Peter Hognestad, Programme Director at TV3, for example, claims that one of the benefits of audience participation is that "you can see what catches on" and that it can be used as a "continuous critique of a programme concept" (IO15).

Response from the audience is obviously also useful with regard to developing new services that the audience might be willing to pay for. Feedback and direct contact via SMS and the web, registration of clicks online and similar techniques represent simple and inexpensive ways of obtaining information about the audience that in turn can guide the development of niche services in particular.

The popularity of personal and mobile media has made it simpler and speedier for media institutions to use the audience as a *source* as well. Audience participation represents a new way to contact sources, and it saves journalists time and effort as well. In the press, all nine media leaders showed a great deal of interest in this live perspective. While the cycle of presentation in the printed press has traditionally been slow compared to TV and particularly radio, Arild

Kveldstad from Aftenposten Multimedia was among those who stressed the importance of immediate and direct contact with audiences. Through this contact, the press might finally move beyond its normal operations, where "days will pass before your text is printed, and by that time interest in the debate may have cooled substantially" (IO2).

Many of the media leaders queried in the survey also asserted that increased direct contact with the audience *enhances their products*. According to Helge Øgrim from dagbladet.no, there will always be "50 to 50,000 people who know more about this topic than the journalist," and they, he believes, "will help us improve our own work" (IO17). Similarly, Torry Pedersen from VG Multimedia notes that in the old days, the ones who had "the biggest helicopter and the most money were best," while today it is "those who have the best relations to their readers" (IO46). An example cited by several informants was the coverage of the tsunami in southeast Asia during Christmas 2004 that affected many Norwegians holidaying there at the time. Direct input from relatives and survivors was vitally important to the coverage in many Norwegian newspapers. According to Espen Egil Hansen from VG Multimedia, contact with audiences made VG's list of missing persons—put together with the help of web readers—more accurate than the list prepared by the Ministry of Foreign Affairs that was sent to the police. The latter had an accuracy rate of "6 percent in relation to the final list", while "VG's list was approximately 79 percent right" (IO10).

Despite the popularity among media leaders of more direct contact with the audience, it does raise certain dilemmas regarding the media's role in society. Many journalists and editors, for example, consider formats based on user cooperation to be poor quality and think that they undermine proper editorial control over the product (see also Enli 2005:12; Prebensen 2005:79):

> We must have a good checking system so that nothing appears on screen that should not be there [...] The requirement for cleaning up and making the content accessible will grow. Quality content may drown in the stream of information. The amount of information may already be a problem, if we can't manage to clean up the service. (IO2).

Direct contact with the audience also introduces several dilemmas with respect to information quality and reliability. Audience participation, for one, indicates that media institutions are changing their character from primarily "deliverers" of information to more like service institutions. The media's function as an arena for dialogue and communication is strengthened as a result, but the role of the editor, which underpins the whole enterprise, changes as well. Editors must abandon their positions as guarantors of information quality and reliability and instead assume the part of moderators facilitating the production and dissemination of various types of expression, including content produced by the audience. This content varies in quality, needless to say, but it can potentially contribute to reliability nonetheless, as in the tsunami example above.

7: Democratisation

The seventh and final reason media leaders gave for focusing on audience participation is connected to *democratisation*. Historically, an idealistic perspective has dominated literature on audience participation, and many hopes have been attached to the prospects for any new media technology. Already in 1932, Bertolt Brecht argued that radio should not be developed as a one-way mass medium but rather as a two-way medium for democratic and interpersonal communication. Similar expectations have been placed upon cable TV and local radio (Berrigan 1977; Barbrook 1985), the Internet (Dahlberg 1998) and converged media (Coleman 1999; Rakow 1999). Yet there is a critical perspective upon all of this as well that might better relate to the way audience participation is actually set up. Lincoln Dahlberg (1998), for example, contends that the Internet has been developed in such a way that its potential for "revolutionising democracy" cannot be realised:

> Despite the interactive possibilities of computer networks, systems for political participation through the net are generally being developed in a sender–receiver fashion. Citizens are offered formula replies to e-mail inquiries, on-line instant voting and the opportunity to download publicity disguised as "information". Citizens are expected to be recipients of political messages, rather than discussants. (Dahlberg 1998:70, 78).

A similar tension between "idealistic" and "critical" views arose among our informants when they discussed audience participation and democratisation. As elsewhere, these statements must be taken not only at face value but also in terms of their potential strategic or legitimising agendas. We are most interested here, in fact, in the ways in which they all applauded the possibility, at least.

All nine press informants, for one, "strongly agree" with the following statement: "Audience participation opens for democratisation and the expansion of the freedom of speech."[75] In their open responses, the press informants also repeatedly touch on the democratic potential of audience participation, including VG's Espen Egil Hansen and Dagbladet's Rune Røsten, quoted respectively below:

> We believe there is democratisation—and that is a good thing—in the fact that people may express themselves and participate. (IO10).

> [Members of the public] feel that they really are allowed to express themselves, set the agenda and be part of the web community. (IO36).

This celebration of the democratic potential of audience participation must be considered in light of the press's traditionally "elitist" range of sources, as Torry Pedersen from VG Multimedia emphasises:

> Newspapers are traditionally very elitist; those who are allowed to be heard in

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[75] Thirty-nine informants responded to this question, and only one informant from radio, five from TV, two producers/other broadcasting-related businesses, and one informant from the mobile content sector expressed "strong agreement"—that is to say, the same number in total as that supplied by the newspaper sector on its own.

> debates and letters to the editor are professors and others with status and a position.
> In our discussion forums, anyone can be heard, regardless of spelling and social
> background. I believe this has value in itself. (IO46).

Oddvar Bull Tuhus from NRK endorses this perspective when he observes that TV chatting in its best sense might "build democracy" and "cause far more people to express themselves in public than only the experts and those who speak well in public" (IO29). Dagbladet's Rune Røsten is also among those who believe that audience participation "may mean democratisation and reinforce the public sphere," but he adds that the "journalist's role has been and will be placed under strong pressure" because of this larger change (IO36).

While the informants from the press distinguish themselves in their faith in the democratic potential of audience participation, others shared it, to a lesser degree. For example, almost half of our informants from broadcasting and broadcasting-related operations stated that they "agree strongly" with the following statement: "SMS, TV and chatting make it easier for people with fewer resources to express themselves." However, this feedback and a number of the open responses in the survey hint at the problems and dilemmas that might arise from audience participation, perhaps particularly in the case of television. In the words of Kari Werner Øfsti from NRK:

> As long as I have worked for NRK, we have had communication with listeners and
> viewers via telephone calls, letters, voting for Norway's national bird, national dish
> and national flower. But there are bigger things spanning a longer period of time than
> those spontaneous surveys that ask—things like "Do you think traffic wardens are
> robbing people?" First and foremost, this takes place within an entertainment sphere,
> and people understand that. I don't find it difficult to see that this approach could be
> doubtful in the news and in editorial contexts. (IO21).

We believe that the concerns voiced by many informants about democratisation trends and the enhanced opportunities for audiences to express themselves indicate fundamentally different ideas about what it means to participate, and what role media participation might play in society at large. If we only apply the term democratisation to the "hard" political aspects of social life and to "important social issues", a substantial portion of what these informants think is important will be lost. The strategic reasons media leaders cited for choosing to focus on audience participation, and the examples they gave, are generally connected to expression and participation in a communicative and entertainment-dominated sphere of social life that has not typically been considered relevant in the same way as, for example, politics.

While participation in traditional political processes, elections and organisations appears to be declining, social, communicative and entertainment-dominated participation is growing dramatically; according to media leaders, this represents an expression of the fundamental human need to be heard and to participate. The media leaders generally described the audience as "leaning forward" in its use of the media and applauded their clear wish to express themselves, state their opinion and have an impact (see also Sundet & Ytreberg 2006). Bjarne André Myklebust from NRK draws perhaps the clearest picture of the audience:

> I believe that this is a left-over from earlier times, partly instinctively. People love to participate, people want to join, people love to help create, people have opinions and people like to state their opinions—these are simply new ways of doing this. I believe people are born to participate in some form or other, there is an engagement there to begin with. When you ask people to be interactive, you are really tapping into a primal thing [...] When it is made simple and accessible for them, I believe people find it quite natural to participate. (IO5).

As mentioned above, a more active audience is important to the broadcasting sector but truly crucial to the press. Espen Egil Hansen from VG Multimedia believes that the public's desire to participate is the most important trend in today's media use: "[The public] does not only wish, but expects [to participate], and they have a legitimate right to expect so" (IO10).

The strong notion among media leaders that "people love to participate"—and that this urge could be connected to a new form of democratisation—must be linked to the number-one rationale for audience participation: the desire for loyalty. If people want to participate and the media enables this participation, the audience will have a stronger sense of ownership in the content and therefore the platform, which in turn increases their loyalty to the media company supplying it. Thus, the focus has changed from giving the audience what they *should* receive to giving them what they want or "deserve" to have.

All in all, our findings suggest that managers at media institutions are now thinking about their role in society, and their audiences, in a new way. To them, it is not only important to facilitate participation and influence possibilities in relation to traditional political and democratic processes but also to enable the audience to participate and express themselves in almost any mediated context. Many of the media leaders in fact pointed out that this new opportunity to participate is a fundamental *right*. The idea of freedom of expression thus appears to be connected not only to political contexts but also to all aspects of social life, the latter of which are no longer considered "trivial".

We may also be seeing the outline here of what has been termed "media-twisted democratisation". Gudmund Hernes has shown how the media's selection and presentation of news and social debates is dominated by a "logic of attention" (Hernes 1977, 1984; see also Maasø 2002b:249). The media-twisted society also affects itself, as its members compete for attention among the increasing number of their peers who want to express themselves. Thus many of the audience's gestures of expression adopt the same attention strategies in public as they do in private, including exaggeration, simplification, polarisation, intensification, concretization and personification (Hernes 1977, 1984). While such strategies perhaps suit less-mediated forums and subcultures, they present challenges to platforms intended to reach as many people as possible. Media strategists, it appears from this study, are interested in producing loyal users who become attached to their content and express themselves in the arenas offered by the individual media companies around the clock. They therefore welcome this "media twist". Yet the media's function as an arena and role as cultural identity builder—both key elements for understanding the media's role in society and in relation to democracy—appears to be somehow fortified and undermined at the same time.

Conclusion: Audience participation and the media's role in society

We have now accounted for the seven main reasons why the Norwegian media industry embraces audience participation. Overall, these reasons have certain important—albeit ambiguous—implications for the media's role in society. As indicated above, these implications have not been exhaustively discussed in this article. However, we can draw some conclusions and make some preliminary observations about the consequences of audience participation for media development and for the media's ability to exercise its social responsibility.

It is obvious that new forms of audience participation are expanding the public's *genuine opportunities to express themselves*. There are more and more channels through which the public can do so, and these channels are being welcomed more and more into the media fold. The growth of new platforms and of the possibilities for combining them also leads directly to a greater *diversity of channels*. But here we find a paradox: as diversity and media volume increase, the media providers themselves become more concerned with retaining their audiences and in fact restraining them to platforms they have designed. In this article we have framed this paradox using such terms as *media centralisation* and *media-twisted democratisation*. We have looked at how a market value such as loyalty is to some extent supplanting traditionally important values such as credibility and trust (see, for example, Helland 1994; Maasø 1995; Syvertsen 1997). At its most extreme, this devotion to loyalty results in media strategies that *prevent* the public from taking advantage of the diversity of opportunities available to them.

When it comes to the related traditional expectation that the media shall ensure *reliable and good information on important social issues*, the dedication to audience-participation formats also yields ambiguous results. On the one hand, the growth of these formats has made it substantially more difficult to distinguish important from unimportant information. The abundance of online media's more or less reliable sources means that the general credibility of the web is low, and many public-generated opinions are unhelpfully characterised by the classic tabloid techniques of exaggeration, polarisation and personification. On the other hand, the sheer number of sources means it is possible to correct erroneous information quickly, and this has called into question the media's exclusive access to information and sense of authority (Ytreberg 1999). This continues a trend from the 1990s of growing public access to more and different sources and thus different versions of the same events (see, for example, Larsen 1992).

As we pointed out in the introduction, media policy in recent years has attached more importance to strengthening the *responsibility of editorials*. It is perhaps no surprise that this has occurred while audience participation, which in itself challenges the role of the editor, has been on the rise. In this article, we have examined the transformation of the position from guarantor of content quality and relevance to moderator of all sorts of content for the audience.

One expectation long connected to broadcasting has been that television channels should play the role of *cultural identity builders,* and general broadcasting companies have been given explicit responsibility for promoting national culture and identity. Given the increasing

number of channels and other network media platforms, however, this role has become less well defined than ever, even as broadcasters have struggled to develop concepts that encourage audience participation for "the entire population". At the same time, the role of the media as an *arena for dialogue and communication* between individuals and groups—the media's acknowledged "forum function"—has obviously been strengthened. Finally, it would appear that concepts that include audience participation may in fact allow *individuals and minorities* in particular to cultivate their own communication and special characteristics. Of course, as individual citizens gain access to a growing number of channels that can be used to promote an issue, they become more vulnerable to unfair personal attacks and to the blight of inaccuracy as well.

Also in the introduction, we pointed out that commercialisation is thought to be the greatest threat to the media's proper role in society. In this article, we have argued that the media's ongoing expansion of real opportunities for the public to express itself has had a positive effect on commercialisation. Yet it remains true that the now common bottom-line approach of the media means that some types of arena will be preferred over others, and that those generating the most revenues will be the ones prioritized when establishing niche products to accommodate them. As a result, we will continue to see less innovation in media products that target the elderly and the poor, for example.

The media companies' focus on audience participation has made the relationship between the public and the media more direct and immediate. The public has more opportunities to express themselves, while media institutions work as best they can to control the ways this is done. At the same time, media companies have changed their notion of the audience, which is now seen to be composed of "active" users rather than "passive" recipients (see also Syvertsen 2004; Livingstone 1999; Sundet & Ytreberg 2006). This notion of the public has even moved from digital media to traditional mass media. The idea that the audience "loves to participate" and that participation in the media is a democratic right is clearly compatible with the media industry's need for loyalty (and new revenues). Ultimately, the picture of the audience and *their* needs thus appears to change in accordance with the media industry's ability to exploit them.

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Interviews

The informants are addressed by the title and affiliation they had at the time of the interview. Some informants are interviewed more than once. All interviews were done in Norwegian and have been translated by the authors. The "IO" reference in the text refers to the informant number below.

IO1. Are Nundal, Head of NRK Online. Interviewed 16 August 2005.
IO2. Arild Kveldstad, Editor in Aftenposten Multimedia. Interviewed 24 May 2005.
IO3. Arne Thoresen, Producer in MTV Mastiff. Interviewed 25 April 2005.
IO4. Barbara Jahn, Project Leader in NRK Youth. Interviewed 17 November 2004.
IO5. Bjarne André Myklebust, Director of Technology in NRK Development. Interviewed 26 May
        2005.
IO6. Bjørn Gundersen, Director and Chief Editor at Rabitt.no, Aller Digitale Media. Interviewed 19
        May 2005.
IO7. Dag Lein, Producer in Rubicon. Interviewed 23 November 2004.
IO8. Einar Røhnebæk, Editorial Secretary at Monster, previously producer for *Mess-TV*.
        Interviewed 22 March 2004.
IO9. Eivind Landsverk, Programme Director at TVNorge. Interviewed together with Peder O.
        Krogh 17 March 2004 and 19 May 2005.
IO10. Espen Egil Hansen, Editorial Secretary at VG Multimedia. Interviewed 31 May 2005.
IO11. Finn H. Andreasen, Director at Telitas Interactive Production. Interviewed 14 June 2005.
IO12. Gunnar Stavrum, Director and Chief Editor in TV 2 Interaktiv/TV 2 Nettavisen. Interviewed
        4 December 2003 and 23 May 2005.
IO13. Guy Haddeland, Production Manager at Strix Television AS. Interviewed 20 May 2005.
IO14. Haakon Flage Bratsberg, Senior Advisor in Telenor R&D. Interviewed 24 March 2004.
IO15. Hans Peter Hognestad, Programme Director at TV3. Interviewed 6 May 2005.
IO16. Hege Andreassen, Producer at *Idol*, Monster Media AS. Interviewed 27 May 2005.
IO17. Helge Øgrim, Editorial Secretary at dagbladet.no. Interviewed 30 May 2005.
IO18. Håvard Bungum, Partner and Business Manager Partner at Inpoc/Aspiro (Schibsted).
        Interviewed 12 May 2005.
IO19. Jarle Nakken, Producer at *19.30,* TVNorge. Interviewed 24 March 2004.
IO20. Jørgen Hermansen, Head of Development at Strix AS. Interviewed 22 November 2004.
IO21. Kari Werner Øfsti, Director of NRK Broadcasting. Interviewed 18 May 2005.
IO22. Kjell T. Skrunes, Chief Editor at aftenbladet.no (Stavanger Aftenblad). Interviewed 27 April
        2005.
IO23. Kjetil Bonde, Director at Mediateket. Interviewed 29 April 2005.
IO24. Klaus Børringbo, Editorial Secretary at aftenposten.no. Interviewed 13 May 2005.
IO25. Kurt Rune Leirvåg, Director of TV 2 Interaktiv. Interviewed 26 November 2004.
IO26. Lars Lønne, Production Manager at NRK Interaktiv tv. Interviewed 24 November 2004.
IO27. Lars Winsvold, Director at Statens medieforvaltning (later Medietilsynet). Interviewed 19
        March 2004.
IO28. Nils Ketil Andresen, Programme Director at TV 2. Interviewed 13 May 2005.
IO29. Oddvar Bull Tuhus, Project Leader at NRK. Interviewed 6 January 2004.
IO30. Peder O. Krogh, Online Director at TVNorge. Interviewed together with Einar Landsverk 17
        March 2004 and 19 May 2005.
IO31. Per Håkon Fasting, Director at Hjemmet Mortensen Interaktiv, previously Director at
        Schibsted Mobile, Inpoc. Interviewed 27 May 2005.
IO32. Per Selstrøm, Advisor at NRK Entertainment. Interviewed 18 May 2005.

IO33. Rolf Brandrud, Head of Information at NTV. Interviewed 9 December 2003 and 21 June 2005.

IO34. Rolf Wenell, Project Leader at *Idol*, TV 2. Interviewed 13 May 2005.

IO35. Rune Hafskjær, Head of Format and Development in P4. Interviewed 27 May 2005.

IO36. Rune Røsten, Director and Chief Editor at DB Medialab/dagbladet.no. Interviewed 11 May 2005.

IO37. Sebastian Løberg, Programme Director at Kanal 24. Interviewed 24 May 2005.

IO38. Stein Johnsen, Producer at *Big Brother*, Rubicon. Interviewed 6 May 2005.

IO39. Steinar Brændeland, Director and Chief Editor in Mobil Media Interaktive. Interviewed 19 December 2003 and 18 May 2005.

IO40. Svein Aronsen, Director of NRK Development. Interviewed 22 June 2005.

IO41. Svein-Thore Gran, Director and Chief Editor at DN Nye Medier/dn.no. Interviewed 7 June 2005.

IO42. Therese Fjellgård, Production Manager and Moderator for *Mess-TV*, Rubicon Interaktiv. Interviewed 23 March 2004 and 3 May 2005.

IO43. Tor Arne Fanghol, Chief Editor at bt.no (Bergens Tidende). Interviewed 25 April 2005.

IO44. Tor Fuglevik, Director at NTV. Interviewed 25 May 2005.

IO45. Tore Meling, Director of Markets in NRK Aktivum. Interviewed 11 May 2005.

IO46. Torry Pedersen, Director and Chief Editor, VG Multimedia. Interviewed 25 April 2005.

IO47. Trond Aas, Director in Funcom. Interviewed 14 December 2003.

IO48. Trond Kvernstrøm, Producer and Co-Owner of Monster Media. Interviewed 22 November 2004.

IO49. Trygve Rønningen, Programme Director at P4. Interviewed 23 May 2005.

IO50. Øyvind Klausen, Director and Chief Editor in Ivisjon AS. Interviewed 23 May 2005.

IO51. Øyvind Vasaasen, temporarily appointed Programme Director at NRK Radio. Interviewed 24 May 2005.

Article III. Working Notions of Active Audiences: Further Research on the Active Participant in Convergent Media Industries

Abstract

Recent research on the media industries has been centrally concerned with the blurring of boundaries between production and reception in an era of digitalization and convergence. The article argues for a need for research to consider more closely the importance of notions of the 'active audience' within today's media industries. Overall conceptual work has been done on 'convergence culture', and much scholarly debate currently centres around the pros and cons of convergence; whether it empowers 'produsers' or the industries themselves. Important as they are, these debates run the risk of stagnation if they are not informed by further empirical research on the concrete ways that media institutions put 'activity' to strategic use. The article reports from a survey on how notions of activity, sociability and technological novelty function as strategic 'working notions' for Norwegian media industry executives.

Key words

Activity; communities; convergence; digitalization; institutional strategies; media industries; participation; platforms.

Research on Industry Uses of Active Audiences

By now it seems clear that digitalization and convergence has blurred the boundaries between producers and audiences. On the whole, this research seems to accept the notion that a significant shift is going on, as opportunities for audience activity and participation expand, across platforms and on an international basis. This has formed the basis for some valuable conceptual work. Perhaps the single most influential is Henry Jenkins' (2006) discussion of 'convergence culture' as a general tendency. 'Convergence culture', he claims:

> […] represents a paradigm shift – a move from medium-specific content toward content that flows across multiple media channels, toward the increased interdependence of communications systems, toward multiple ways of accessing media content, and toward ever more complex relations between top-down corporate media and bottom-up participatory culture. (Jenkins, 2006: 243).

In their introduction to a recent themed *Convergence* issue on convergence culture, Henry Jenkins and Mark Deuze (2008) have summed up the state of research. They see it as one where initial beliefs in convergence's ability to empower a new breed of 'produsers' and 'prosumers' have then been critiqued by researchers who point out the downsides of convergence, the limits of actual 'interactivity' and new forms of power through surveillance. In response, their argument becomes one of balancing the negatives and positives, the top-down and bottom-up aspects of convergence:

> Sometimes, these two forces reinforce each other, creating closer, more rewarding, relations between media producers and consumers. Sometimes the two forces conflict, resulting in constant renegotiations of power between these competing pressures on the new media ecology. (Jenkins and Deuze, 2008: 6).

Whether a balancing act between the power of convergent media institutions and 'produsers' is what is needed, and just how to perform it, constitutes highly contested terrain among researchers, however. A panel session at the 2008 ICA conference on 'The challenges of popular communication research in the 21st century' revealed sharp antagonisms over the need to critique notions of empowered audiences. These antagonisms echo earlier ones, such as administrative versus critical research, political economy versus cultural studies.

Important as such debates are, they risk turning into mere replays of earlier ones if the drive to conceptualize is not matched by concrete insights into the complexity and range of the processes in question. So far, there has been a strong drive toward generating general theories and concepts, while empirical research does not quite seem to have developed at the same rate. Research seems often to be based on empirical material that is anecdotal or based on cases that provide limited bases for generalization (but see Huang et al., 2006). At least this seems to be the case for research on how media institutions put active audiences to strategic use. Henry Jenkins' *Convergence Culture* is case-based, as is the recent anthology on *Participation and Media Production* (Carpentier and De Cleen, 2008). It presents a combination of fairly general 'think pieces' and case studies that are valuable but rather limited if the ambition is to provide an empirical basis for more general assertions about the current state of 'convergent media industries'.

In the following are some arguments and results from a research project that provides an empirically based overview of the main sectors and organizations involved in the convergence process and in harnessing participation. A series of 45 structured interviews were made with Norwegian media executives in 2005.[76] These interviews focused on issues less developed in the research: What discourses on participation prevail in the media industries across sectors and organizations, and how these are linked to industry strategies for future expansion, revenues and

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[76] The survey provided an overview over notions of audience activity across the range of media industry sectors, including the press, radio, television and mobile content production. The informants were actively involved in facilitating audience participation, either on an overall strategic or a hands-on decision-making level. They all worked with audience participation; the great majority via digital platforms, some via reality TV. All interviews followed the same standardised questionnaire, to facilitate a comparison between different institutions and industries.

loyalty. The material also provided empirical ground for generating concepts at a meso level, rather than the macro level on which much diagnosis and discussion of convergence works. Our research follows a number of recent research contributions on audience participation in a convergent institutional setting (Bruns, 2005; Carpentier and De Cleen, 2008; Deuze, 2007; Enli, 2007; Siapera, 2004; Syvertsen, 2004, 2006; Ytreberg, 2009). It looks into the concept of 'activity' in institutional discourses, seeing it as a working notion; that is, as a key component in certain professional discourses whose notions of what it means to be 'active' can be understood in terms of their need to develop institutional strategies of competition, legitimacy and revenue. This research follows up the observation that convergence sometimes involves the harnessing of audience activity for institutional purposes, by asking just how this happens, by means of what discourses and strategies that span across the media industry's industries.

The Naturalization of Activity

Across media industry sectors, a number of the media executives in our study emphasized 'activity' and 'being active' as key attributes of their audiences. 'Activity' was presented in very general terms as something close to a primal urge, immanent in all people. Hence there was a strong naturalization of active-ness in evidence, where activity was seen as an innate disposition of audiences:

> I believe people are born to participate in some form or other, there is an engagement there to begin with. When you ask people to be interactive, you are really tapping into a primal thing [...] People are keen to voice an opinion, speak their minds, show off and so on and so forth. When it is made simple and accessible for them, I believe people find it quite natural to participate. (Director of Technology, television industry).

As his statement illustrates, it is not only that 'activity' is associated with digital media, rather, the media are seen as tools for bringing out more effectively the natural urge to participate. Hence, the active attitude toward participating is seen as a basic and enduring characteristic of audiences, not as something new and unique to the current media situation. The adoption of digital media is a result of technological forces, but rather in terms of a response to preexisting individual, social and communicative needs.

At the same time, the executives emphasized how participation is set to expand and take on new forms with digitalization. Many of them described a strong demand from the audience themselves to participate or voice an opinion. Thus, if we take the informants at face value, the media industry is simply responding to the initiatives of their audiences when facilitating audience activities. That this should be so is hardly surprising; after all the legitimizing line of 'giving the audience what it wants' is nothing new in the media industries.

If being active as a media participant is assumed to be a natural, innate thing it seems logical to assume also that it serves actual, felt needs for participants. And there is plenty in our study to indicate that the media executives were concerned to work out explanations on motives and needs: why the public want to participate and what it does for them. From the analysis, we

will highlight three main motives for participating that were ascribed to the audiences by executives: emotional engagement, socializing, and the pursuit of technological novelty.[77]

Emotional Engagement, Socializing, and Experimenting

More than other motives ascribed by the media executives, the motive of *emotional engagement* seemed to work as a basic and unqualified premise for the informants who emphasised it. According to them, whatever else may drive participants, being engaged with one's emotions lies at the heart of participation. For instance, one of the informants described how the vocabulary of emotional engagement becomes articulated in company slogan form:

> Audiences use activities if the programme in itself is engaging. And you can ask; what is engaging? I have a philosophy that you have to construct television programmes that appeal to the receiver's register of emotions. We distinguish these emotions in a few main categories: 'love and hate', and 'sad, mad and glad'. If you can construct a program with these emotional elements, you will always get a response of some sort. (Director of Programmes, television industry).

The emphasis on emotional engagement not only characterizes perceived needs among the audiences; it also does strategic work for the media executives. It may work as a basis for what Jenkins labels the new 'affective economics', a marketing theory that 'seeks to understand the emotional underpinnings of consumer decision-making as a driving force behind viewing and purchasing decisions' (Jenkins, 2006: 62). The logic of affective economics encourages media institutions to transform media products into brands, and brands into 'lovemarks' (see also Roberts, 2006). The point is to blur the line between media and entertainment content on one side, and brand messages and commercial products on the other side.

A second motive for participating ascribed by the media executives in our study was that of getting to *socialize*. As argued by one of the informants from the television industry about digitally 'enhanced' television: 'TV has gone from being an activity were you sit alone, to being an activity where you have the opportunity to interact with others'. Generally, we found that executives across different media industries paid close attention to the social aspects of media participation. When participating, several informants stressed, participants were made to be part of a community and to feel socially included in it. Several executives held strong beliefs about the importance of such communities for the individual: 'It actually becomes very important for people's identity to be a part of such a community' (Editor-in-Chief, newspaper industry).

The emphasis on socializing and communities has obvious strategic functions for the media industries. For one thing, communities can be used to sell personalized services and products. And this sales activity can be tailored on a more individual basis, if communities can be set up so as to require subscription. Also, the concept of 'communities' was strongly linked to that of 'loyalty' in our informants' answers. One informant described the challenge of achieving loyalty thus:

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[77] These three types of motives are based on answers to the question 'Have you formed an opinion on the reasons why audiences use your facilities for participation?'.

> [Community-type] services are able for instance to involve people who write their opinions down and develop an interest in coming back to check out the reactions of other readers to the opinion they put out there. That will secure us loyalty, and it is important for us to have loyal readers who will return and use us often. (Editorial manager, newspaper industry).

When asked to rank the top three reasons for promoting participation-based output out of a list of seven, executives ranked 'establishing audience loyalty' as the most important reason. In some senses, then, one might see the securing of loyalty as a main strategic aim that underlies the various concrete tactics for promoting and shaping participation. As one informant rather matter-of-factly put it: 'interactivity creates loyalty' (Director of Programmes, radio industry).

The third and last motive for participation ascribed to audiences by the media executives across sectors was that of *experimentation*. Generally, the attitude of audiences to the introduction of new digital media technologies is a contested point within the established media industries. Much of the rhetoric surrounding future developments tends to work with notions that the user will be keen to embrace the next 'killer application', given that the application is the drastic improvement it is presented to be (Gates, 1999; Gilder, 1992, Negroponte, 1995). But at the same time, the media industries have always worried about issues surrounding the uptake of new media technologies: How many will actually buy the equipment? What features will actually be used and how? (Flichy, 1995).

In our survey, some informants presented a distinct hypothesis about what they thought lay behind the interest in trying out new services and technologies. It is related to a key audience sub-category: the 'innovators' (Rogers, 2003 [1962]), who lead the way in adopting new technology:

> In the phase we are currently in, the innovators are jumping on the bandwagon first. That's because they think that the services are cool, that they offer good quality, and because they want to be ahead and trying out new things. (General Director, television industry).

As this quotation illustrates, some executives saw the eagerness to try out new technologies and new services as a goal in itself for key groups of participants. This implies that use might decline when the novelty factor wears off. One informant argued that such a motive of experimentation has historical roots well before the digital age, however:

> I think many of the services are used not so much because they are interesting, but because they provide the entrance to a new world [which is] their possibility to enter an unknown realm. (General Director, television industry).

The experimental attitude, then, involves seeing the media-technological future rather grandly as a 'new world'. The mentality involved in being drawn toward this 'other world' has similarities to the type of media participant Priest (1995) calls 'moths'. In her study of talk-show participants, this label was given to those attracted to the magic world of television.

The techno-utopian discourse not only influences media executives' own decisions

but also gets projected by them onto key audience segments. As for the younger generation, some informants considered them to already be inhabitants of that world – 'digital natives', as one informant termed it. This, then, is the hopeful scenario: the young and technologically adventurous early adopters will lead the way into the world of new technologies and services, and others will follow.

A number of strong driving factors combine to ensure that technological novelties are continually being introduced on the media market. Some of them have been mentioned in this article: the need for new revenue sources through new services, and the need to compete successfully in emerging markets. Also important to a significant number of informants in our survey is the strategy of establishing a multi-platform presence under the aegis of a common brand. And there is the impact of the media technology industry, which is continually launching new platforms, features, interfaces and software solutions. All these factors produce a media industry marked by the continual hyping of technological novelty. The working notion of an infectious spirit of experimentation among audiences allows executives to believe that there will be supply for these largely demand-led developments.

The Usefulness of an Institutional Approach to 'Activity'

The media industries are all about justifying the making of priorities, and nothing suggests convergent media industries are any different. The usefulness of a perspective on the institutional uses of 'activity' lies partly in the way it helps us to see just what was not made a priority. Here as so often in the media industries, actors' naturalized accounts tend to obscure how some very real choices are being made. For instance, the emphasis on emotional engagement seems to invite thinking about output in terms that will privilege the emotions over the rational. The emphasis on socializing will promote a certain coupling of socializing and consumerism. And the emphasis on experimentation tends to privilege youth and gadget lovers. These are of course all debatable priorities. One might even do well to question the fundamental assumption of audience activeness, once it has so obviously lost its innocence at the hands of executives and major media institutions. One might hypothesize that an ever-increasing offer to be active in all sorts of ways that serve purposes other than those of the participants themselves may make passivity a more attractive option for them.

The usefulness of the type of research presented here also springs from the way it allows us to understand a certain current media industry mechanism whereby the established media industries expand into digital media. It might be true that current technological developments tend to put established media industries in a situation of playing catch-up, and executives themselves frequently describe their current market situation as increasingly difficult. Still it seems necessary to acknowledge and understand the industries' capacities for containing such developments, finding ways of channelling and shaping them for strategic purposes. A key overall trend in Norway's media industry – one that seems to have numerous international parallels – is that of established mass media institutions expanding into digital media,

dominating them in terms of institutionalization and production (cf. Siapera, 2004). These 'old media' institutions now have a strong presence among the most popular national web pages and web news services. At the same time, these media institutions seem to have taken on a view of the audience that derives from the digital media. Digital media audiences have always been described by a metaphorics of active agency; they are 'users', 'navigators' and 'surfers' possessing intentionality and subjectivity. As established media institutions expand from their original base in the mass media into the digital realm, they seem to have adopted this discourse of active-ness and turned it into a tool for expansion into digital realms.

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Article IV. Innovation and Creativity at NRK: An Analysis of Platform and Genre in the *Rubenmann* Project

Abstract

"Innovation" and "creativity" are popular buzzwords in today's media industry. "Being innovative" is often thought to be crucial for established media institutions that want to maintain their position in a competitive media world dominated by digitalisation, convergence and new platforms. This article discusses the Norwegian public service broadcaster's ability to be innovative and creative in this new media setting, as exemplified by the Rubenmann *project (2007). The article asks how the project has been incorporated into NRK's orientation towards multi-platform distribution, and how the project compares to similar types of experimentation with formats and genres.*

Keywords

Innovation; public service broadcasting; mobile media; platform expansion

Introduction

Since the 1990s, NRK has gone from being a broadcaster of public radio and TV programmes to being a multi-platform media company with activities on a number of such platforms. The transition has been a successful one. The company continues to be a dominant actor in the Norwegian media market in general, and NRK's radio and TV channels are among the largest in their respective arenas. Even so, NRK face tough competition when entering new media platforms, and it does not enjoy the same key positioning online or on the mobile phone as it does on radio and TV.

The focus of this article is NRK's adaptation to a new media setting that is characterised by digitalisation, convergence and new media platforms. Together these new trends give rise to many opportunities for NRK, but they also present challenges and dilemmas. The article argues that NRK begins with a notion of the future in which NRK's position, particularly among young people, is threatened by social and interactive media services on the Internet and mobile phones. To counter this fate, NRK must be innovative and creative both in their use of platforms and genre.

Being innovative is not always easy, and Clayton M. Christensen (2005), professor at Harvard Business School, argues that established companies in particular face challenges when trying to be innovate. According to Christensen, these institutions are often bypassed by newer, generally smaller players in the race for innovative products and services, because good ideas in the long term do not always appear good (or profitable) in the short term. Christensen claims that established institutions often misinterpret or overlook the potential of new "disruptive" technology because it appears to undermine existing business models. Bearing Christensen's "innovation theory" in mind, we will ask the following question here: As an established media institution, what is NRK's potential for innovation and creativity in a new media setting?

More specifically, we aim to analyze this potential relative to the format and genre requirements that have come to characterize the new media. While NRK's efforts in the 1990s generally concerned developing services on the Internet and establishing the website nrk.no (see, for example, Moe 2008a, 2008b), they have focused more recently on developing mobile media services (see, for example, Sundet 2007).[78] The focus on the mobile phone as a new media platform intensified starting in autumn 2000, when the Norwegian UMTS licences (3G) were awarded. The development of 3G networks allowed for "rich" mobile media services and led NRK, and the rest of the media industry, to raise its expectations concerning the mobile phone considerably. Parallel to these high expectations, however, was widespread uncertainty about how to approach the field of mobile media with respect to technological solutions, business models and appropriate content. The mobile phone appeared to be a media platform that would be particularly responsive to innovation and creativity.

This discussion of NRK's potential for innovation and creativity on new media platforms will use as a case study the *Rubenmann* project, which was launched in spring 2007 as Norway's first video series produced exclusively for viewing on mobile phones. In this series, the Norwegian actor and comedian Harald Eia plays the "Rubenmann" character, a social critic and slightly geeky blogger from Bodø, a small town in the northern part of Norway. Although NRK had previously experimented with mobile video content,[79] the *Rubenmann* project distinguished itself from those attempts by not being based on either already produced material or familiar formats or characters. During the launch period (20 to 29 April 2007), the series was exclusively distributed on mobile networks and not on other media platforms. The mobile video series was thus in many ways innovative, and NRK presented it as a successful example of the company's leading position in the development of mobile media content.

Although the *Rubenmann* project was originally intended to remain exclusive to the mobile phone, it developed along the way to become an experiment in multi-platform media production, and to incorporate audience participation as an important component. For example,

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[78] Mobile phones—primarily via SMS—have, however, long played an important role as a return channel for various radio and TV channels (see, for example, Beyer et al. 2007).

[79] In 2005, NRK launched a mobile version of the TV show *Deadline Torp*. This show consisted of eleven episodes, each lasting ninety seconds. NRK was also one of the first broadcasting companies in Europe to transmit full real-time TV shows on the mobile phone network, and it has received a number of nominations and awards for its mobile media services (see, for example, NRK 2005:6, 114, 2006a, 2007a).

the universe of the "Rubenmann" character was expanded to include a number of external websites such as Facebook, YouTube and eBay. With this in mind, we will also address the ways in which the *Rubenmann* experiment is part of NRK's new orientation towards multi-platform distribution, and we will compare it to other similar types of experiments with formats and genres.

We will draw upon several methods and sources to analyse the *Rubenmann* project. First, we analyzed key documents, including political documents supplying the guidelines for NRK's operations and NRK-produced documents describing experiments with formats and genres on new media platforms. Second, we interviewed a group of NRK employees who worked on the *Rubenmann* project, selected by relevance and influence but also by role, so as to ensure representation of all of the various departments that were involved.[80] Third, we analyzed the material in the *Rubenmann* universe—first and foremost, the mobile video series, but also the *Rubenmann* blog (www.rubenmann.no) and the project's presence on external websites. While we will use the interviews and analysis of the *Rubenmann* material to illuminate the *Rubenmann* phenomenon in particular, we will use the document analysis to place the series in a larger context.

NRK's intimidating notion of the future: escapist youth

Public service broadcasters like NRK have always been shaped by their era, and they plan for the future based upon the opportunities, and especially the challenges, that arise in the present. While notions of the future in the 1980s and 1990s were related to increasing competition from commercial—and largely foreign—radio and TV channels (see, for example, Syvertsen 1992, 1997; Brandrud 1997; Søndergaard 1998; Collins 1998), today's notions of the future are informed by competition from new media platforms, and particularly by the fear that, over time, these platforms will actually replace the more traditional use of radio and TV (see, for example, Steemers 1999; Hoynes 2003; Harrison & Wessels 2005; Picard 2005a; Bardoel & Lowe 2008).[81] In these notions of the future, children and youths, both important user segments for the media industry, are most frequently described as deserting NRK. Youth in general appear to represent the most attractive target group for advertisers, and it is acknowledged throughout the media industry that branding and audience loyalty should be developed at a young age (Maasø et al. 2007:130; see also Jenkins 2006; Syvertsen 2006). For NRK, the search for young viewers and

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[80] The *Rubenmann* project was headed by NRK Development & New Media, which organized the rest of NRK's mobile media services as well. The project group also consisted of employees from NRK Entertainment, NRK Promo and NRK Event, as well as a couple of Internet journalists from the NRK Broadcasting Desk.

[81] Several researchers have drawn attention to the fact that public broadcasters are seldom in as weak a position as their notions of the future often suggest. In fact, many public broadcasters have coped fairly well with competition from commercial channels and with the development of new media platforms (Syvertsen 2008; Moe & Syvertsen 2008; see also Enli 2008; Lowe & Bardoel 2008). Working notions of the future must not be seen as static or even as particularly accurate responses to current events. Instead, they are simply part of the bigger picture that public broadcasters attempt to create of their own conditions at any given time, likely with the purpose of expanding their own flexibility and legitimising efforts that would otherwise be seen as outside their mandate.

listeners is also based on the rationale that a public broadcaster needs to have legitimacy among the next generation of licence payers.[82]

The current industry notion of the future outlines three trends with a great impact upon a public service broadcaster like NRK (as well as other mass-media institutions). These trends are tied to perceptions of *where* media in the future will take place, *how* media use will appear, and not least, *which types of players* are believed to be central.[83] To accommodate these notions of change and retain popularity in the future, NRK, as we shall see, advocates especially for the relevance of being innovative and creative in both the use of platforms and genre.

New media platforms—the need for platform expansion

The first trend in NRK's notion of the future is connected to *the emergence of new media platforms,* and particularly to the idea that new media platforms will either partially or completely replace the use of established mass media (see, for example, Gilder 1992; Negroponte 1995; Gates 1999; IBM 2006). More bluntly, new media platforms are described as "disruptive" technologies (Christensen 2005). If established media institutions are to survive despite this future scenario, they must both expand on and adapt to the possibilities that new media platforms present, but this process comes with difficulties and risks. The awareness that new media platforms are fundamentally different from established media platforms implies a particular need for restructuring and innovation. If Christensen (2005) is correct in his thesis that established institutions are particularly poorly designed to handle "disruptive" technology shifts, one might wonder whether established institutions should even attempt to expand into new media platforms, or whether they should maintain their focus upon core areas (see also Küng 2004).

For NRK, it is clear, the emergence of new media platforms has been used as an argument for expansion, and NRK has stated its aim to explore areas outside its core markets. The main argument has been that NRK, as a public service broadcaster, must provide something for everybody to the extent possible; hence, it needs to be part of those new media platforms that are so evidently popular with its viewers and listeners. By distributing the same type of content to several platforms, NRK allows audiences to select where and when they want to consume it (see, for example, NRK 2003:6). It is also clear that NRK wants to establish a constellation of *different or new* services that take advantage of the various media platforms. Platform expansion is thus not only a way to repurpose old content but also a way to achieve greater visibility for new content (and growth) in general (Picard 2005b). NRK recognizes the mobile phone as a

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[82] NRK's mandate concerning children and young people is embedded in its articles of association (section 3-5). The strategic importance of reaching children and young people is described in a number of NRK documents (see, for example, NRK 1999:2, 2000:3, 2002:9, 2003:50, 2004a:51–52, 2005:94).

[83] Such notions of the future not only characterize the public service broadcaster NRK but also other mass media institutions (see, for example, Maasø et al. 2007; Sundet & Ytreberg 2006); they can also be found in political documents (see, for example, the Report to Parliament no. 30 2006–2007: chapter 2; see also NOU 1999:26), in press coverage of media developments (see, for example, *The Economist* 20.04.06, 24.08.06; *Newsweek* 03.04.06; *Time* 13.12.06; *Business Week* 31.01.07; and *Forbes* 07.05.07 for international coverage) and in some academic literature and industry consultant work (see, for example, Gilder 1992; Negroponte 1995; Gates 1999; O'Reilly 2005; and IBM 2006 for more visionary descriptions).

particularly viable platform in this regard, especially for young people (see, for example, NRK 2000:21).

NRK has come a long way in securing political endorsement for the notion that new media platforms should be part of NRK's public service mandate. For example, in 2007, the Ministry of Culture included them in NRK's mission, stating that NRK must have a presence in, and develop new services, for "all important media platforms", and that new media services generally were to be funded through the licence fees (St.meld. nr. 6 [2007–2008]: chapter 4).[84] For NRK, the challenge is thus to balance the desire for innovative platform expansion with the need to minimize expensive and risky ventures.

New audience relations—the need for audience activities

The second trend that can be traced to NRK's notion of the future is linked to *the relation to the audience* and how NRK understands the needs of its audience. In short, NRK describes its audience as active and social participants who are eager to produce and share content as well as consume it. Audiences are described as "leaning forward", with a clear desire to express themselves, state their minds and have an impact (see, for example, Syvertsen 2004; Siapera 2004; Sundet & Ytreberg 2006). According to Henry Jenkins (2006), the relationship between the audience and media institutions has been so radically altered that it is no longer accurate to see them as two separate roles. Instead, he argues, they are *all* "participants who interact with each other according to a new set of rules that none of us really understands" (Jenkins 2006:3; see also Bruns 2005; Gillmore 2006).

The notion of audience members as active media producers has by now transcended the particular interests of the media industry—*Time* magazine, for example, selected "You" as its "person of the year" in 2006 (*Time* 13.12.06). This nomination came at the same time as several other developments that pointed towards the ways in which digital media enhances the opportunities for individuals to participate in social networks, which in turn can be used to share and generate knowledge and collaboratively resolve challenges (see, for example, Lévy 1997; Surowiecki 2004; Tapscott & Williams 2007).

For established media institutions like NRK, such a profound change represents a potential loss of audience, if it cannot find a way to include social activities and participation in its content. Thus NRK must be innovative not only in its expansion into new media platforms but also in how it addresses its audience on those platforms. Additionally, youths are seen as the most active new media users in general, and thus represent the group that is most difficult to reach through traditional channels and modes of address (see, for example, NRK 2003:50,

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[84] In St.meld. nr. 6 (2006–2007) the ministry gives three reasons why NRK should have a presence on new media platforms. The first is connected to *changed user habits*: when the public uses new media platforms, NRK should be given the "opportunity to accompany its audience to new media platforms" (chapter 7.4.4; my translation). The second is connected to *accessibility*: new media platforms give NRK the opportunity to supplement the distribution of radio and TV programming and thus increase accessibility (chapter 7). The third reason is connected to *quality*: the ministry claims that it is "important that also the new platforms should have players that base their activities on the classical public service broadcasting ideals" (chapter 7.4.4; my translation), thus arguing that NRK's presence on new media platforms may positively influence content offerings from other media players as well.

2004a:52, 2005:121). Expansion into new media represents an opportunity for NRK to reestablish contact with that audience segment.

New competitors—the need for genre experimentation

The third and final corollary of NRK's notion of the future focuses on which *institutions and companies* are considered to be the major competitors to its traditional offerings. Briefly put, one scenario of the future suggests that new Internet companies, particularly those that allow for web communities and user-generated content, will be the ultimate winners (typical examples are YouTube, MySpace and Facebook, all enterprises that allow for participation rather than content production).

The media industry fears these new enterprises because the Internet may allow them to explore completely new industry logics that threaten established business models (Anderson 2006; see also Anderson in *Wired* 25.02.08). It is also thought that innovation and creativity are better fostered outside the established media institutions. As mentioned above, Christensen (2005) argues that established institutions often misinterpret the import of new "disruptive" technology and find themselves left behind by the more proactive smaller actors who are willing to experiment and even gamble. In this case, NRK must rejuvenate itself not only with regard to new media platforms and how it addresses its audiences but also with regard to the *content* offered on those platforms.

NRK has a long tradition of experimentation with radio and TV shows that it can extend to new media platforms as well. This aim is clearly stated in the strategy document "Something for Everyone. Always" (in Norwegian: "Noe for alle. Alltid"), which outlines NRK's overall strategy for 2007 to 2012:

> NRK wishes to be perceived as innovative through new and experimental programmes and services, regardless of platform use. NRK shall be innovative in technology and form and in the use of new technology. NRK shall, alone or together with others, develop new business areas and seek new opportunities for generating revenue. (NRK 2006b: 9; my translation; see also NRK 2004b).

In the context of media production, "innovation" is seen as a positively charged term that is linked to playfulness, creativity and originality. On a strategic level, being innovative may be compared to being "cutting-edge" and in a position to influence and direct developments. However, excessive devotion to software and service development can also trigger public criticism regarding a perceived lack of quality or relevance. Still, the expectation both within NRK and among media policymakers is that NRK should be innovative and experiment, and that it should be expected to fail once in a while as well.

Because young people seem most to require experimental programmes and formats, NRK (and its peers) begins with them. Examples include Kristopher Schau's *Forfall* (*Deterioration*) project (2001) and *Are og Odin Individtour* (*Are and Odin Individual Tour*)

(2004).[85] Both projects functioned as creative playgrounds for NRK staffers, where new genres, technical solutions and organization forms were tested. The *Forfall* project, for example, served as a catalyst for strategic development agreements with Netcom and Telenor Mobil (NRK 2001:32), while *Are og Odin Individtour* was used to test new ways of narrating multimedia stories (Ytreberg 2007; see also Syvertsen 2006).

Platform use and cross-promotion

Clearly, NRK fears a future in which established media institutions will lose support in favour of innovative services on new media platforms. In the next section we will examine more closely how NRK attempted to address this perceived threat through innovative use of these platforms with the *Rubenmann* project. As we shall see, the project involved television, mobile phones and the Internet, albeit in different ways and with different purposes.

Television as a promotion channel

Despite the fact that the *Rubenmann* project was originally intended to be exclusively for the mobile phone, the first media platform it engaged was television, via the promos that were used to create an awareness of it. While NRK Promo produced a total of five television promos, only one was used in the period preceding the launch of the mobile video series on 20 April 2007; it was called "Rubenmann kommer" ("Rubenmann is coming"). This promo showed a close-up of a mouth whispering "Rubenmann is coming. Are you getting curious? That's the intention"; then the camera quickly zoomed out, giving the viewer a brief glimpse of a person who might register as the well-known comedian Harald Eia (see picture 1 and picture 2):

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[85] In the *Forfall* project, the show's host, Kristopher Schau, moved into a shop window located on Oslo's main street, Karl Johans gate. His aim was to see how much he would deteriorate in the course of a week. The project had two daily shows on NRK2 (television) and P3 (radio), continuous updates on the Internet, and audience voting via SMS and chat (NRK 2001:32). In *Are og Odin Individtour,* the show's hosts, Are Sende Olsen and Odin Jensenius (alias Klaus Sonstad) toured Norway from Alta to Oslo. The tour was covered by daily radio and TV shows, continuous updates on the Internet and live concerts in the evening. *Are og Odin Individtour* was presented as the very definition of a cross-media format concept, "produced, edited and presented as a total show using several media, by the same editors and with the same titles and graphical expressions" (NRK 2004a:88; my translation).

Picture 1 and Picture 2. Cut from the TV promo "Rubenmann is coming"[86]
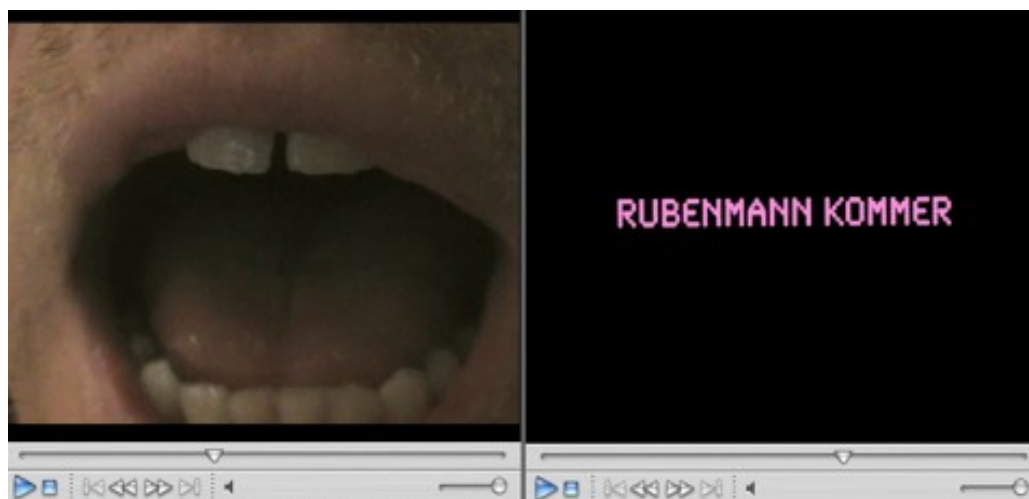
The aim of the promo was to give viewers a hint of something to come, without quite revealing what it would be. The *Rubenmann* editors wanted to create an air of mystery around the project and generate curiosity among viewers prior to the mobile launch, and this promo was different from ordinary NRK TV promos, as it did not clearly present what it was meant to be promoting.

Over a period of three weeks (18 April to 6 May 2007), the promo was aired 160 times during primetime on NRK1 and NRK2.[87] Thus, this little mobile video series was promoted as if it were a major TV series using NRK's biggest exhibition window—its TV channels. Because promotion airtime is a limited NRK resource, this indicates the high priority given to the *Rubenmann* project, at least in NRK Promo.

In interviews, several of the NRK informants also emphasized the importance of this TV promo, which reached a wide audience with its air of mystery and "star power" (the glimpse of the comedian Harald Eia). Producer Anders Hofseth said:

> I think that the most important support—at least initially—was the TV medium. It is easier to show a little and not everything on TV. You have the visual recognition thing; "Isn't that really Harald Eia?" [...] The truth is, of course, when Harald does something, it is noticed and has news value. (Anders Hofseth, producer at NRK Promo, interviewed 15.05.07).

The use of TV promos to promote new projects and services is of course not unique to the *Rubenmann* project; NRK has long used its key position in the television market to promote new services, channels and distribution systems. For example, TV clips have been used to promote websites (such as nrk.no and yr.no), Web TV (such as p3tv), distribution systems (such as DAB and digital terrestrial television) and new radio and TV channels. The *Rubenmann* project was another opportunity to exploit this system, albeit one that would guide TV viewers onto other NRK platforms and services as well.

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[86] Taken from NRK's web-TV: http://www1.nrk.no/nett-tv/klipp/250456 (accessed 07.06.07).
[87] Thanks to Anders Hofseth from NRK Promo and Yngvar Kjus from NRK Research for this figure.

This type of cross-promotion represents a general trend in the media industry, both nationally and internationally, as broadcasters use their TV channels to promote related online and mobile services (Ha & Chan-Olmsted 2004; see also Hills & Michalis 2000; Hoynes 2003). NRK's advantage over smaller channels, of course, is the coverage: in one week, as much as 87 percent of the Norwegian population will watch either NRK1 or NRK2.[88] Such a high rating must be seen as a significant competitive advantage in the effort to attract audiences to new media platforms.

The mobile telephone as a primary distribution channel

The other media platform that was exploited in the *Rubenmann* project, as mentioned, is the mobile phone, first and foremost as the primary distribution channel for the video series "Rubenmann's video blog". Originally, the aim of the project was, as outlined above, to test content exclusively made for the mobile, and to explore its possibilities as a new media platform. During the launch period (20 to 29 April 2007) the *Rubenmann* video series was exclusively distributed through the mobile telephone network and could not be watched on any other media platform.

The mobile telephone has a number of qualities that together distinguish it from other media platforms. It is portable, personal and continuously updatable via a built-in return channel. It also has a small screen, which places some restrictions on the amount of information that can be displayed at any one time (see, for example, Orgad 2006). According to Charlo Halvorsen, project manager for NRK Entertainment, it was screen size that most affected the design and production of the series:

> Just look at the mobile telephone: you cannot stage a big skit or a drama series on such a small screen [...] At any rate, I thought, we need a "talking head": one person—perhaps two [...] The mobile phone has its expression, and it is quite pragmatic in relation to the screen size. (Charlo Halvorsen, project manager at NRK Entertainment, interviewed 15.05.07).

Because the mobile phone, at the time, was little used as a media platform, Halvorsen thought it was necessary to have a famous face to front the project. Hence, to lure people to the service, NRK had to hire the "greatest star" and go for a "certain success" (Halvorsen, interviewed 15.05.07). The team chose Harald Eia, who was known from a number of popular Norwegian TV shows, such as *Lille lørdag* (1995), *Åpen post* (1998–2002), *Uti vår hage* (2003, 2008) and *Team Antonsen* (2004). The use of Eia to front the *Rubenmann* project represented another conventional means (like the television promo) of promoting an unconventional project.

Eia was given complete freedom to develop the narrative of the series itself, and the result was the "Rubenmann" character, a social critic and slightly nerdy blogger from Bodø. The series was presented as "Rubenmann's video blog", and each episode was framed as a blog post and concluded with a dilemma of some sort that the audience could vote and comment on (see table 1 for an overview).

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[88] Thanks to Hilde Thoresen from NRK Research for this figure.

Table I. Launch of "Rubenmann's video blog" on NRK's WAP portal[89]

Blog posts	Dilemma	Length	Launched
Video post 1: Why video blog?	Would you prefer to have a snotty nose every time you felt horny or that your mouth smelled like vomit the rest of your life?	02:05	20.04.07
Video post 2: Tricking the deaf	Urinate through your nose or uncontrolled farting—both for the rest of your life?	02:19	21.04.07
Video post 3: No cultural funding of blogs	Would you rather have been angry every time you got horny or horny every time you got angry?	02:45	22.04.07
Video post 4: Horoscope	French kiss your dead father or wear a bogey on your lip the rest of your life?	02:03	23.04.07
Video post 5: Ten good reasons for not leaving Bodø	Never brush your teeth again the rest of your life or eat your granny's pooh once?	02:07	24.04.07
Video post 6: Who is Rubenmann?	Hit Henrik Ibsen **|**Norwegian poet and playwright**|** ten times hard in the face or French kiss Vidkun Quisling **|**Norwegian Nazis**|**?	02:12	25.04.07
Video post 7: They say so much	Would you rather have lived in Helge Jordal's **|**Norwegian actor**|** underpants for a year or eat 100 spiders every day the rest of your life?	02:15	26.04.07
Video post 8: Dyslectic: Yes. Stupid: No!	Would you rather have your skin smell of onion the rest of your life or that the song "Bombadilla Life" was played in your head all the time?	02:15	27.04.07
Video post 9: Intelligent women are afraid of stupid men	Be 99 years old the rest of your life or sleep with a 99-year-old once every day?	02:31	28.04.07
Video post 10: Diabetes 2 vs. 1	Would you prefer to have pizza for all your meals the rest of your life or eat your own vomit ten times?	01:53	29.04.07

The mobile video series was launched on 20 April 2007. One episode was aired each day until all the episodes had been aired by 29 April. The episodes were relatively short (generally between two and three minutes) and dialogue-driven, basically showing the main character "Rubenmann" talking directly to the camera (see picture 3 and picture 4). The episodes were thus suitable for watching on a small screen, for "micro pauses" (Ling 2004) and for use "on-the-go" (see, for example, Orgad 2006; Ito 2005).

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[89] Available at http://wap.nrk.no/wap/underholdning/rubenmann/post.jsp?id=for-side&ML=xhtmlmp (accessed 07.06.07).

Picture 3 and picture 4. Excerpt from "Rubenmann's video blog", episode 1[90]

Using mobile networks, "Rubenmann's video blog" was played a total of 35,000 times (20,000 times during the launch period itself), which is a record for on-demand mobile content in Norway. Hence, the show was celebrated as a success by NRK Development & New Media and highlighted at industry meetings and in the press.[91] The project was used to demonstrate NRK's leading position in the development of mobile media content despite its large organization and entrenched historical traditions. The *Rubenmann* project thus had important symbolic value, because it highlighted the modern, youthful and experimental side of the public service broadcaster.

While the *Rubenmann* mobile video series was viewed as a success by NRK Development & New Media, several NRK informants from other departments found the mobile phone to be an "immature" media platform with many weaknesses. These issues centred around technical problems and poor user-friendliness—difficulties playing the videos on the mobile phone were cited most frequently. To watch the show, users needed a 3G phone and the ability to navigate to NRK's WAP site or to send the code word "Rubenmann" to a code number. Regardless, several "clicks" were needed, and these were often accompanied by technical problems as well. For this reason, Charlo Halvorsen from NRK Entertainment expressed a general reluctance to make NRK's content available for mobile reception before the technical quality and user experience were improved. He described a situation in which telecom operators wanted attractive content but providers like NRK would be hard pressed to contribute it in the long run:

> They [telecom operators] want an attractive engine to make people use their mobile phone, but I have never really understood why we should help them with this. First, they need to find a technology that works so we can deliver content if we find it good [...] We don't want to air TV shows nobody manages to watch. (Charlo Halvorsen, project manager at NRK Entertainment, interviewed 15.05.07).

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[90] Taken from NRK's Internet TV: http://www1.nrk.no/nett-tv/klipp/250456 (accessed 07.06.07).
[91] For instance, the project was presented at Nordic Media Days (Nordiske Mediedager) (10.05.07) and Digital-TV-forum (14.11.07). For press clippings, see for example *Dagbladet* (05.05.07); *VG* (02.05.07); *Nationen* (25.04.07); and *Kampanje* (11.05.07).

This quotation illustrates a typical dilemma for established media institutions using new technology: on the one hand, they would like to be in the forefront of the development; on the other hand, they are more likely to run into technical operations that do not work.

For the NRK informants with experience in the TV medium, the mobile phone also appeared to be a media platform with very low ratings:

> 20,000 downloads of *Rubenmann's* mobile video series is incredible in a mobile phone context, but in any other media sphere is too little "payoff" for our content, especially if we are to produce the content ourselves […] As a content producer, we want to be seen and heard. (Charlo Halvorsen, project manager at NRK Entertainment, interviewed 15.05.07).

Despite its vulnerabilities and low ratings, however, the mobile phone has the advantage of relatively little risk attached to it. Asbjørn Aga and Anders Hofseth from NRK Event and NRK Promo (both interviewed 15.05.07) recalled a great sense of freedom when working with the *Rubenmann* project. Precisely because NRK had not previously launched an exclusively made-for-mobile video series, no established procedures or standards existed regarding how such a video series should be promoted. Several informants, including Hofseth, also described the work with the *Rubenmann* project as very flexible and said they were welcomed to try new things:

> My idea working with this project is that everything goes. We're just trying things out and being playful all the way. Afterwards we may think, like, "Oh well, that didn't work, this worked well, we didn't expect this, we expected that". (Anders Hofseth, producer at NRK Promo, interviewed 15.05.07).

The *Rubenmann* project thus had the character of an experiment being managed "from below" by staff members playing with new ways of distributing and promoting content. *Rubenmann* echoed other experimental cross-media projects such as *Forfall* (2001) and *Are og Odin Individtour* (2004) within the more established NRK institution. This development of creative playgrounds agrees with Christensen's (2005) recommendations for established institutions wishing to pave the way for innovation (see also Syvertsen 2008).

The use of the mobile phone as a primary distribution channel also meant that NRK had the potential to reach some new user groups. According to Charlo Halvorsen from NRK Entertainment, one of the advantages of the mobile phone was precisely that "it's something new and amusing, and you may well reach some groups that are tired of watching TV" (interviewed 15.05.07). Anders Hofseth from NRK Promo also pointed out that the mobile phone did not fall under the segmented user pattern that was common to more established media channels:

> If you air the same TV show on NRK1 and NRK2, you may get 500,000 viewers on NRK1 and 50,000 on NRK2 because of regular user habits. On the mobile phone you don't have the same level of mature market, so here things can come "from the left" and still work. (Anders Hofseth, producer at NRK Promo, interviewed 15.05.07).

The Internet as a distribution and communication channel

The third and last media platform the *Rubenmann* project team used was the Internet—primarily a number of external websites known to be popular among youths. These websites were used to

redistribute the TV promos and later the mobile video series itself.[92] More importantly, they were used to further develop the universe of the "Rubenmann" character. The interest in online work was intensified when the project team realized that *Rubenmann* was indeed a hit with the younger audience:

> The idea was that we would have an experiment on WAP and see what happened. But then it turned out that we had reached a particular target group, from upper secondary school to the mid-twenties [...] This is a segment NRK has found to be difficult to reach. We thought this was cool, and then we thought we would try some new channels. (Cathrine Brekka, journalist at NRK Desk of Broadcasting, interviewed 07.05.07).

Interestingly, within NRK, this part of the *Rubenmann* project was seen as a promotional effort and primarily carried out by departments other than NRK Entertainment, which had produced the original mobile video series. Thus the dividing line between the promotion and the product was less clear than it was in traditional NRK projects.

The decision to launch the *Rubenmann* project online was a departure from NRK's original intention to test exclusively mobile video content. But it is clear that the *Rubenmann* project team wanted to make these videos available to a larger audience by taking advantage of a more widely used media platform. According to Gunnar Garfors, project manager for *Rubenmann* and head of mobile services at NRK Development & New Media, it was a matter of balancing the goal of an exclusive launch—which would hopefully tempt people to test the service—with the goal of making popular content available to as many viewers as possible (interviewed 08.05.07).

It is worth noting, however, that the mobile video series was never released on TV. The reason, according to Charlo Halvorsen at NRK Entertainment, was that the series had not been made for television, in terms of either screen size or content. Rejecting the TV as a distribution (but not a promotional) channel for the project indicates that, for NRK, it was more important to present the company as innovative with the mobile phone platform than it was to secure as many viewers as possible. Halvorsen also points out that his aforementioned scepticism regarding the mobile phone was not only about the size of the screen but also about what kind of *arena* the content was being distributed to:

> I am not against *Rubenmann* being launched on Facebook or YouTube. These platforms are fine. It's the idea of showing it on a big screen in Bodø and on NRK1 that are the problem [...] This is about the size of the screen, but also the exclusivity. *Rubenmann* should be in forums where the target group has the hegemony in some way or other. (Charlo Halvorsen, project manager at NRK Entertainment, interviewed 15.05.07).

One of the ways in which the project group extended *Rubenmann's* universe was to establish "Rubenmann's blog" (see picture 5). The blog began as a transcribed version of the video series,

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[92] When the final video episode had been posted for mobile phone reception on 29 April, the editors decided to air it again, this time on the Internet. On 30 April, NRK launched the video series via NRK's Web TV and YouTube. It was released in the same way as for the mobile telephone, as one episode each day for ten days. See http://www1.nrk.no/nett-tv/klipp/25056 and http://www.youtube.com/rubenmann (accessed 07.08.07).

but it was eventually developed to accommodate new items and content. The blog allowed users to vote on *Rubenmann's* "dilemmas" (see table 1) and post comments. Hence, the blog further developed the "Rubenmann" character, and the material that made up his universe became richer.[93]

Another way the project team extended *Rubenmann's* universe was to launch him on a number of external websites, such as YouTube, Snutter.no, eBay, SecondLife and Facebook. On all of them, "Rubenmann" appeared as a real person, not a character created by NRK.[94] This was a deliberate strategy by the *Rubenmann* project team:

> Eventually we decided that Rubenmann would not only be an NRK product, but that we would pretend "Rubenmann" existed and create his presence on Facebook and eBay. In these forums, we decided to speak using "Rubenmann's" tone of voice. (Anders Hofseth, producer at NRK Promo, interviewed 15.05.07).

Hence, it is clear that the *Rubenmann* project was launched differently from traditional NRK projects, where the line between fiction and reality is clear, and where it is clearly apparent that NRK is the provider.

The extended *Rubenmann* universe, and particularly his launch on Facebook (see picture 6), was another hit with the audience. Within two days "Rubenmann" had more than 5,000 Facebook friends, in addition to a number of fan groups.[95] To a larger extent than either the mobile video series or the TV promo, *Rubenmann's* appearance on Facebook allowed for new communication and audience participation. For example, friends of "Rubenmann" could access pictures, write greetings on his profile page and—if they were in luck—receive an answer. The Internet thus proved to be superior to the other platforms in its ability to create dialogue. Not surprisingly, the Internet was also the media platform that best reached the target group of young people. The presence of Harald Eia also drew attention to the service:[96]

> I believe some of the magnetism on Facebook and the blog has been that people for the first time in their life could be represented with their name and picture next to Harald Eia. They are in a virtual dialogue with Harald Eia wearing a wig. (Anders Hofseth, producer at NRK Promo, interviewed 15.05.07).

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[93] In addition to text versions of the ten video blog posts, twenty-two text posts were added to *Rubenmann's* blog (the final one coming on 28 June 2007).

[94] Even if "Rubenmann's" blog was established by the *Rubenmann* project team and placed on NRK's servers, it appeared as an external website that was somewhat amateurishly designed and did not include NRK's familiar logo.

[95] *Rubenmann's* Facebook appearance also received a lot of attention in the press; see, for example, *VG* (24.04.07, 26.04.07), *Nationen* (25.04.07), *Kampanje* (29.05.07) and *Avisa Nordland* (27.04.07).

[96] Eia's role in the project was also highlighted by the media; see, for example, *VG* (20.04.07), *Dagbladet* (21.04.07), *Adresseavisa* (20.04.07), and *Avisa Nordland* (20.04.07).

Picture 5 and picture 6. "Rubenmann's blog" and "Rubenmann" on Facebook[97]

According to Anders Hofseth from NRK Promo, it was not a problem that *Rubenmann*'s presence on the Internet gained so much more attention than the mobile video series, as long as people associated it with NRK:

> The metaproduct *Rubenmann* has been greater than *Rubenmann* on NRK […] Perhaps *Rubenmann* has been just as much a Facebook product, for that matter. Anyway, I think it earns NRK kudos. This is what I believe about marketing: Whether 50,000, 100,000 or 200,000 watch *Rubenmann* is not so important. It is much more important that people think that *Rubenmann* and NRK have a link. (Anders Hofseth, producer at NRK Promo, interviewed 15.05.07).

Given that the original purpose of the *Rubenmann* project was to test exclusively *mobile* content, it is telling that Hofseth sees it as so much more expansive later on. It is clear that partway along, the project team redefined their aims and, importantly, their measures for success. When informants said why the *Rubenmann* project had worked so well, they noted its presence on different media platforms, its ability to involve young people, and its innovativeness in the eyes of the public.

Though several informants saw the successful launch of *Rubenmann* on Facebook and other external websites as basically a stroke of luck and good timing, it was more than that. The project team had set itself the specific goal of establishing *Rubenmann* in the forums where young people already had "hegemony" (Halvorsen, interviewed 15.05.07), such as Facebook. Some team members drew attention to the fact that NRK wanted to reach its users where they were, even if this meant moving beyond NRK's traditional platforms:

> While we had good luck with timing [*Rubenmann* on Facebook], there has been an idea in NRK for some time now that we should use other websites than only our own. If more people watch YouTube than NRK's web-TV, why not post things on YouTube? (Gunnar Garfors, director of mobile services at NRK Development & New Media, interviewed 08.05.07).

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[97] Taken from http://www.rubenmann.no (accessed 07.06.07) and http://facebook.com (accessed 22.04.07).

The use of external websites to promote and construct the *Rubenmann* universe is in fact notable. Only a few years before this, NRK had a more closed approach, the aim of which was generally to retain the audience within NRK's orbit (Maasø et al. 2007). One of the dominant features of this approach was to protect and control NRK's content (see also Jenkins 2006: chapters 4 and 5). By the time of *Rubenmann*, this had obviously changed. In addition, NRK had begun to offer a number of radio shows for free download via iTunes and had launched its own "channel" on YouTube; a number of NRK shows and services were also registered on Facebook in the same way as the *Rubenmann* project. Lastly, NRK had established "NRKBeta", a blog for presenting, discussing and testing new technology and distribution methods with its users.[98]

The trend of using external websites can also be found with other broadcasters, both in Norway and abroad. One of the foremost exponents is probably the British BBC, which already in November 2005, only six months after the launch of YouTube, had established its own YouTube channel. Further, the BBC early expanded to external digital networks and has gained much attention for its presence in the Internet-based virtual world called "Second Life" (see also Moe 2008a).

Genres and trends

We have now explored the ways in which the different qualities of television, mobile phones and the Internet were used to promote, launch and develop the *Rubenmann* project. In the final section we will look at the ways in which NRK's ability to innovate was expressed through new formats and genres.

Using irony as an approach towards youths

One of the most obvious modes of addressing the young audience via the *Rubenmann* project was irony. Though the project team claimed that young people were not initially a defined target group, it is evident that the whole project—including the mobile video series—was aimed in their direction. This is obvious in the dilemmas *Rubenmann* presents in each video episode, which evidence a particular type of (often physical) humour that also evokes NRK's earlier *Forfall* project (2001), which was also aimed at a young audience. The *Forfall* audience could, for example, vote for stunts the main character would carry out, such as eating sausages boiled in Cola Coca or allowing himself to be infected by fleas and lice. These stunts resemble "Rubenmann's" dilemmas, such as choosing between the following: "Never brush your teeth more the rest of your life or eat your granny's pooh once?" (see table 1).

The packaging of the mobile video series as a blog—and the topics of the blog posts—also points towards youthful minds as a particular target group. Generally, the self-referential style of the *Rubenmann* character in the blog posts may be read as satirizing the younger generation's need to express itself and document its life. In this way, "Rubenmann's video blog"

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[98] See more at http://nrkbeta.no (accessed 15.09.08).

resembles other famous video blogs distributed by YouTube, such as Lonelygirl15 and geriatric1927.

Like these video blogs, "Rubenmann's video blog"—and the material making up the universe around the *Rubenmann* character—was produced in a rough and apparently "amateurish" way and did not include NRK's familiar logo. Apart from the introduction and final vignette, no other video clips or audio were added. According to online journalist and *Rubenmann* project employee Cathrine Brekka, the idea behind this was that the "Rubenmann" character should appear to be a "geek sitting in his room, filming himself":

> It was designed to look homemade and amateurish. It was designed to look like something that could be uploaded to any blog, something anybody could do. (Cathrine Brekka, journalist at NRK Desk of Broadcasting, interviewed 07.05.07).

Another explanation for the rough style of the video blogs is of course that the production was to be distributed on a marginal media platform with low expectations for viewer ratings—in fact, Harald Eia, with the help of only a cameraman, produced the whole series in a couple of days. For a performer used to a large audience in primetime television and national comedy scenes, this must have represented but a minor diversion between other, more prestigious projects.

Audience participation as a mode of address

The second, and perhaps more central, mode of address the *Rubenmann* editors used to reach a younger audience was to allow for audience participation. Several informants pointed out that the project was successful precisely because it opened up a dialogue with its audience. This contact was important not only to the fans but also to NRK. Gunnar Garfors, director of mobile services as NRK Development & New Media, observed: "It shows involvement. We have opened for two-way communication, and this is probably one of the success factors of *Rubenmann*" (interviewed 08.05.07). It is particularly interesting that the *Rubenmann* project team prioritized dialogue with audiences, given that this generally took place online rather than on the mobile phone, the original platform of the project.

Audience participation in the *Rubenmann* project meant that the project took some unanticipated turns as well. For example, a promotional picture of Harald Eia drinking from a green cup on "Rubenmann's" profile on Facebook started an unsolicited ripple effect among Facebook users, who began to send in pictures of themselves drinking from green objects (see picture 7).

Picture 7. Green cup pictures (taken from Facebook, used with consent).

Based on the audience's interest in the green cup, the *Rubenmann* project team decided to put the cup up for sale on eBay to see what would happen. Several people made bids, and the cup was eventually sold for $81. This rather impromptu auction received media coverage and generated further attention for the *Rubenmann* project, and the green cup became a cult object for *Rubenmann* fans and even appeared in a virtual version on NRK's Second Life island.

However, audience participation was not problem free, as it added significantly to the project team's workload. Team members were forced to spend time nurturing audience relations, and as Harald Eia had moved on to other projects, they were left with responsibility for the "Rubenmann" character and his growing universe:

> Originally, the project was meant to finish when Harald Eia had made the ten mobile video episodes, but this turned out to be less than ten percent of the job. Most of the work has been to respond to people who have asked questions on Facebook and to carry on his presence there. (Anders Hofseth, producer at NRK Promo, interviewed 15.05.07).

The *Rubenmann* project therefore also illustrates some of the capacity challenges that new media platforms (and dialogical modes of address) bring to more traditional mass media institutions.

According to Anders Hofseth from NRK Promo, nurturing contact with the audience was an important task that could not be avoided: "In a way, you enter into a contract with the audience that 'Rubenmann' exists, and then you actually have to ensure that he does" (interviewed 15.05.07). In spite of the heavy workload, Hofseth still argued for the importance of taking the audience seriously when a dialogue has been opened:

> When making something in dialogue with an audience, it is essential to bear in mind that this is a dialogue, and that it goes both ways. You can't really plan what will happen or which way it will go […] This has been an important experience: if we open things up and listen to what comes back to us, we can take it in a direction that is both entertaining for them and for us. (Anders Hofseth, producer at NRK Promo, interviewed 15.05.07).

This audience contact thus led the *Rubenmann* project in unforeseen directions, which in turn strengthened its experimental and innovative nature.

Conclusion: NRK's potential for innovation in a new media setting

The theme of this article has been NRK's potential for innovation and creativity in a new media setting, particularly in light of Clayton M. Christensen's (2005) thesis that established institutions are not well suited to those things. Through an analysis of the *Rubenmann* project, we looked at NRK's undeniably innovative engagement with various media platforms, formats and genres.

This analysis of the *Rubenmann* project showed that NRK has taken advantage of its position as a multi-platform media company. TV promos generated broad attention for the project; the initially exclusive distribution of it through the mobile phone gave the project a touch of novelty; and the Internet was used to create a much broader context (and longer life) for the project through interaction with the audience. In addition to effective promotion through its own channels, NRK benefited from its—and Harald Eia's—branded identities in its promotion on external websites. This use of both new and old media platforms in and outside NRK illustrates the real ability of even an established public service broadcaster to be innovative. Furthermore, it demonstrates the company's prospects for learning from its experiments and further exploiting various cross-media arrangements.

This analysis of the *Rubenmann* project also illustrated NRK's ability to be experimental in its use of genre. Though the elements in the *Rubenmann* project are not unique as such, it is clear that NRK is well oriented toward national and international trends and tendencies and is willing to use them to reach generally fickle target groups. By using the genre of the video blog to launch its mobile video series, NRK exploited a contemporary cultural expression that dominates areas of culture that our normally outside of NRK's purview.

All in all, it can be claimed that the *Rubenmann* project is an example of how successful NRK can be at cross-promoting its own content on several platforms while adapting national and international trends and genres to its own goals. In spite of its long history and large organization, NRK can be innovative and experimental, at least in small ways. Admittedly, the

Rubenmann project team did not take on any major financial or editorial risks with this project. It was completed within a small budget and was basically run as a community-spirit venture with other NRK departments besides NRK Entertainment. Furthermore, the mobile video series was never release to any national public arenas but reserved for the still relatively exclusive mobile phone platform as well as youth communities online. Nevertheless, the *Rubenmann* project displayed a great degree of flexibility and changed as its popularity grew. Bottom-up management also characterized this project, and the team was in fact encouraged to test new services, new content genres and new ways of promoting content. In this way, the *Rubenmann* project team managed to establish an experimental space for innovation and development *within* the established institutional framework of the NRK, which is ultimately in accordance with Christensen's (2005) own recommendations.

Is there then reason to believe that the *Rubenmann* project will be followed by similar experiments and projects? The answer is undoubtedly yes. NRK needs projects such as *Rubenmann* to demonstrate its adaptability and willingness to experiment. As this analysis has shown, these projects are also eagerly used by NRK to demonstrate its relevance to young people. This important target group is extremely relevant to all who would compete in future media markets, particularly as an arbiter of future trends and tendencies. Experimental projects such as *Rubenmann* thus have a symbolic value for NRK that even transcends their practical benefits.

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Gunnar Garfors, Director of Mobile Services at NRK Development & New Media, interviewed 08.05.07.

Article V. Approaching the Mobile Media Market: An Analysis of Strategic Perspectives, Plans and Patterns in Telenor's Mobile Football and Mobile Music Service

Abstract

This article investigates how one of the largest telecom operators in the world, Telenor, approached the emerging field of mobile media in its home market, Norway, during the first decade of the 2000s. Hence, the article addresses how a well-established company with institutional legacies from traditional markets adapts to change when expanding into new and emerging markets. It applies Henry Mintzberg's differentiated strategy concept to ask which strategic plans, patterns and perspectives that can be found in Telenor's approach towards, respectively, a mobile football and a mobile music service, as well as how experiences from the past inform Telenor's actions in the emerging mobile media market.

Keywords

Introduction

Since the mid-1990s, a new market in mobile media has slowly appeared. In this market, as in digital and convergent media markets more generally, market players are searching for competitive strategies, suitable content and profitable business models while struggling to make sense of the shifting developments as they are taking place (see Feldmann 2005; Dunnewijk & Hultén 2007; Gogging & Spurgeon 2007; Lee et al 2008; Orgad 2009; Chan-Olmsted 2009; Wilken & Sinclair 2009).

The focus of this article is the ways in which established companies, with their institutional legacies from traditional markets, adapt to change when expanding into new emerging markets. It investigates how one of the largest telecom operators in the world, Telenor, approaches the emerging field of mobile media in its home market of Norway during the first decade of the 2000s.

Telenor is a former state monopoly that has managed to succeed in a liberalized domestic market while expanding extensively internationally (see Skogerbø 2003). In Norway,

Telenor has maintained its key position in several markets, and in 2010 it represented the nation's largest provider of fixed and mobile telephony, broadband and broadcasting. As for mobile telephony, Telenor holds a market share of more than 50 percent (Post- og teletilsynet 2010). Hence, Telenor has a stronger position in its domestic market than most other incumbent European telecoms, which typically operate in a more diverse and competitive landscape (see, for example, Dunnewijk & Hultén 2007; Ulset 2007; Bijwaard et al. 2008). Furthermore, Telenor also holds a strong position internationally: in 2010, it had operations in fourteen countries around the world, including mobile operations in thirteen of them (see also Storsul & Sundet 2007).

Clearly, mobile services are an increasingly important part of Telenor's activities, both in terms of numbers of subscribers and in terms of numbers of revenues (see, for example, Telenor 2006c:4, 2007c:1). Yet Telenor is first and foremost a mobile operator and network owner, and it has less experience with exploiting the mobile phone as a *media* platform. Applying Henry Mintzberg's (1998) differentiated strategy concept, this article investigates which strategic plans, patterns and perspectives inform Telenor's approach towards the emerging mobile media market and how previous experience plays a role as well.

To structure this discussion, the article focuses on Telenor's two most important mobile media services during the first decade of the 2000s: a mobile football service and a mobile music service. While the mobile football service was intended to provide exclusive content to paying customers (Telenor 2005, 2006a, 2007a, 2007b), the mobile music service was intended to provide songs and albums to the "disloyal" and hard-to-retain youth audience segment (Telenor 2004, 2006b, 2009a, 2009b). The article discusses how these two services were launched and presented by Telenor, how they developed over time and which working notions of the mobile phone as a media platform they reflected.

Strategic perspectives, plans and patterns

As a concept, "strategy" can imply, respectively, a plan, a ploy, a pattern, a position and a perspective (Mintzberg 1998; see also Roos et al. 2002). In this article, the term will be used in three ways: first, to reflect Telenor's *plan* towards approaching the mobile media market, as stated in Telenor's annual reports and strategy documents; second, to reflect a *pattern*—in other words, the strategy that evolves from Telenor's actual actions within the mobile media market; and third, to reflect a *perspective*, focusing on how collective ideas, thoughts and working notions within Telenor's organization influence the company's intentions and actions towards the emerging mobile media market.

Many studies address strategy as plans and patterns, and this is clearly the most common uses of the term (see, for example, Aaker 1988; Porter 1998 [1980]). This article, however, argues for the benefit of including analyses of strategy as perspective, because this involves a productive focus on how organizations, or, more precisely, key executives and leaders within those organizations, perceive and consider their positions and environments (Weick

1995, 2001). A strategic *perspective* involves addressing the ways in which key ideas and observations are shared among managers in a company—or even in an industry more generally—and how this kind of "collective mind" (Minzberg 1998:19) in turn directs intentions and actions (Choo 2006; Hay 2006; see also Berger & Luckmann 1991 [1966]).

Strategic perspectives arise, at least partly, from experience, as Henry Mintzberg observes: "Organizations would appear to develop 'character' much as people develop personality—by interacting with the world as they find it through the use of their innate skills and natural propensities" (Mintzberg 1998:19). Just as perspectives influence plans and patterns, patterns can give insight into perspectives through a process of "path dependency", whereby previous experiences guide future plans and actions (David 1985). According to Douglass C. North, "Path dependency is a way of narrowing conceptually the choice set and linking decision making through time"; as such, "Path dependency means that history matters" (North 2009 [1990]:98, 100). For Telenor, this implies that its track record in established markets naturally informs its actions in emerging markets, both on an economic level—path dependency could lead to processes of increasing returns, self-reinforcement, positive feedback and lock-ins (Page 2008)—and on a conceptual level, as past experiences guide the ways in which Telenor executives perceive their opportunities and challenges. Edgar H. Schein (1984) observes further that this process will often happen unconsciously, not because such basic assumptions are repressed but because as they are repeated and continue to work, they become taken for granted. Thus strategic plans and patterns are normally much easier to obtain than strategic perspectives.

Method

In order to structure the analysis, this article is based on a comparative case study (Yin 2003) of Telenor's mobile football and mobile music service. According to institutional documents (see, for example, Telenor 2004, 2005, 2006a, 2006b, 2007a, 2007b, 2007d, 2009a, 2009b) and the Telenor executives interviewed for this article, these services were highlighted as the two most strategically important mobile media ventures in Telenor's domestic market of Norway during the first decade of 2000s.[99] Both services were launched shortly after Telenor opened its UMTS (3G) network in Norway in 2004 and used to promote the opportunities for "rich" mobile media services on the new network.

Two main methods have been used to analyse these two cases. First, key documents were selected and analysed—most importantly, Telenor annual reports, press releases and other strategy statements. The aim of the document analysis (Syvertsen 1998) has been to identify Telenor's strategic plans regarding the emerging mobile media market, as well as their related strategic perspectives, as they are expressed by their basic assumptions, working notions and expectations. Most of the documents are related to the two selected services; however, the study

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[99] A third service often mentioned in interviews was mobile television. This service, however, did not live up to its expectations and was not emphasised towards the end of the analysed time period.

also includes a systematic review of Telenor's annual reports from 2000 to 2009. Here, the aim was to contextualize the services and map important strategies, events and actions within Telenor as a whole company during the first decade of the 2000s.

Second, a selection of Telenor executives and managers working with the football service, the music service, and mobile media more generally was interviewed.[100] The people were all "key informants", in the sense that they possessed particular insight into the topic of interest for this study, as well as a broader awareness of the company's goals (Andersen 2006). The interviews further elaborate upon Telenor's approach towards the mobile media market with regard to its strategic plans and perspectives.

Football: Exclusive content for paying customers

Telenor's mobile football service was launched in 2006 as an exclusive benefit for Telenor customers only. The service provided users with both text-based and "rich"-media football content, ranging from football news, information and goal alerts to streaming and downloading of football videos. Telenor also used the service to experiment with mobile-TV technology, offering live distribution of football matches as well (Telenor 2006a). The basic services—the text-based information services and goal results—were available to any user regardless of network provider, while the "rich" content, such as mobile football video and TV, were subscription services for paying customers only (Telenor 2007a).

The mobile football service was based on exclusive rights to Norwegian elite football, which Telenor, in collaboration with the Norwegian broadcaster TV 2 Group, had acquired from the Norwegian Football Federation in 2005. This agreement included the ability to distribute Norwegian elite football via television (pay TV and free TV), the Internet, broadband and mobile phones from 2006 to 2009 (Telenor 2005; see also TV 2 Group 2005). The price for these exclusive rights was one billion NOK (about 125 million Euro)—at the time, the most expensive content rights ever sold in Norway. Telenor and TV 2 then split the rights between them, and one of the areas Telenor controlled was the mobile football distribution. Consequently, Telenor had unique "believed-to-be-attractive" content for the mobile phone. In addition to its exclusive football rights, Telenor entered into partnerships with a selection of high-profile football clubs, acquiring even more material for their service.

It was not the first time Telenor had contracted for exclusive sports rights. Telenor has in fact been actively engaged in acquiring attractive sports rights since the late 1990s, as part of its expansion into the pay-TV market through its broadcasting subsidiary Canal Digital (Telenor 2001). For Canal Digital, as for other players in the pay-TV market, attractive and exclusive sports rights have been crucial (see also Papathanassopoulos 2002). Exclusive sport rights have been one of the most attractive content categories that are available in the convergent media

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[100] In total, six interviews were conducted, all in autumn 2007: Anne-Lise Katle, Head of Mobile Content in Telenor Nordic; Christian Victor Bernau, Director of Football in Telenor Broadcast; Pearse Connolly, Vice President Football in Telenor Broadcast; Hilde Lovett, Project Leader in Telenor Research and Innovation; Klaus M. Sørland, Head of Music in Telenor Nordic; and Erik Nord, Senior Vice President in Telenor Media and Content Services.

market, as well as one of the content categories that audiences have been most willing to pay for (Boyle & Haynes 2004, 2009; Hammervold & Solberg 2006). Telenor states: "Football content is attractive, there is a large audience that has shown a willingness to pay and there is a high degree of loyalty" (Telenor 2007a; see also Telenor 2007d).

Plans: Differentiate, increase usage and gain experiences

The exploitation of its football rights involved several different Telenor departments; however, the project was managed from Telenor Broadcast, where Telenor's pay-TV service was organized. While the football agreement was thus clearly first and foremost a television product, the mobile football service was also framed as a big strategic asset for Telenor. Based upon documents and interviews, it is clear that Telenor saw three strategic purposes for the mobile football service. First of all, it was intended to *brand and differentiate* Telenor Mobile from its mobile competitors, in the same way that exclusive content was used to differentiate players in the pay-TV market. Hence, people who wanted to access "rich" football content (for example, video and television) on their mobile phones had to become Telenor customers. Telenor's vice-president of football observed, "Football is something that differentiates us from the others" (Connolly, interviewed 29.10.07).

The purpose of this "exclusive strategy" is clear: Telenor could differentiate itself from its mobile competitors while increasing its revenue from paying customers. The drawback, of course, was that the strategy reduced the potential number of customers for the service to existing customers. According to Telenor's vice-president of football, Telenor was constantly weighing the gains of exclusivity against its costs (Connolly, interviewed 29.10.07).

Second, the mobile football service was intended to *drive "rich" mobile media traffic*. As already stated, Telenor had launched its UMTS network in 2004, and it needed attractive content to demonstrate this increased capacity for content delivery. Here again, the business plan was clear: if people were to grow accustomed to using their mobile phone to access football, they might also use it for other "rich" mobile media services, thus increasing mobile media traffic and, as a result, Telenor's revenues (Telenor 2007a, 2007d; see also Telenor 2003).

The mobile football service began in a promising fashion—its users on average spent more money on their mobile services than regular mobile customers. Yet it soon became clear that an open, non-exclusive service would attract a larger user group than the exclusive service. Telenor stuck with it, however, deciding that it was simply too important to condition people to the idea of paying for mobile services, so that the emerging mobile media market did not develop the same "free problem" that was considered the problem with online distribution (Anderson 2009). Telenor felt that it had to imitate the pay-TV model that had proven lucrative for the company in the past, even if it meant that many potential customers would be denied the new mobile service.

Third, the mobile football service was indented to give Telenor *firsthand experience with developing "rich" mobile media services*. Telenor's director of football noted, "Instead of buying expensive consultant reports, we can use real data" (Bernau, interviewed 29.10.07; see also

Telenor 2007a). In particular, informants stressed that the mobile football service gave Telenor useful experience with mobile video and TV, which, at the time of the interviews, at least, was a priority (see also Orgad 2006, 2009). Telenor's vice-president of football said:

> There are so many questions to answer: Which types of form and content works? What types of editorial criteria should we look for? Do we need different camera angles? What about the production? This is an entirely new medium, and it is not the same as the web. We need to learn how to make "made for mobile", and now we have primary data about it. (Pearse Connolly, Vice-President of Football at Telenor Broadcast, interviewed 29.10.07).

Perspectives: Increased accessibility for paying customers

Turning to Telenor's strategic *perspectives*, we can identify at least two key working notions of the mobile phone as a media platform. To begin with, interviewed football executives seemed to operate from the basic assumption that users would be interested in paying for exclusive and attractive content on the mobile phone in much the same way that they had been willing to pay for it on TV. Hence, the mobile phone was perceived as *a media platform suitable for direct user payment*. Clearly, this notion was not unique to Telenor but was a general industry perception about mobile media throughout the 2000s (see, for example, Orgad 2006; Informa & Telecom 2006; Goggin & Spurgeon 2007; Fagerjord et al. 2010).

The executives also seemed to operate from a notion of the mobile phone as *a media platform suitable for increasing accessibility*. Telenor's director of football said, "The great benefit [with the mobile phone] is that you always have it with you. It's accessible" (Bernau, interviewed 29.10.07). One expression of the importance of this accessibility can be found in Telenor's mobile football slogan: "Everything everywhere!" (Telenor 2007a; see also Telenor 2006a). Telenor's head of mobile content added:

> Our vision is that the mobile becomes the most frequently used media platform. The word "frequent" is important—the mobile phone does not necessary need to be the media platform users use the most, but the one they enter most often [...] What's important for us is that the mobile phone becomes an important part of your media day. In order to be so, we need to be constantly present. (Anne-Lise Katle, Head of Mobile Content, Telenor Nordic, interviewed 12.11.07).

The mobile phone was seen to have some important obstacles as well, connected to screen size and the capacity to view things live, but Telenor's director of football averred, "Both the screen and the capacity are improving. So, if you can see a film on your iPod clearly, you can also see a football match" (Bernau, interviewed 29.10.07). The informants seemed to think in terms of a screen hierarchy, whereby watching football on a television screen was best, followed by a computer and then a mobile phone. In order to counteract the disadvantage of the screen size and attract users nevertheless, Telenor needed to make their mobile football service different by arranging for exclusive content (see also Sundet 2008). Telenor's director of football explains:

> Exclusivity on different platforms is important. We have things that are exclusively on the mobile phone, things that are exclusively on the web, and things that are exclusively on television. We know television is the preferred media platform to see a

In the end, however, the mobile football service, and particularly the "rich" mobile football content, did not live up to Telenor's expectations. According to the director of Telenor Nordic, this was due to both technical and formatting issues, as Telenor struggled to develop that attractive, made-for-mobile football content:

> We have made several mistakes and I've got a lot of jawing from my boss, Jon Fredrik Baksaas [CEO at Telenor], for our attempt to get football on the mobile phone […] We never edited the content and did not have good enough image quality. We realized it, but failed to do anything about it. (Morten Karlsen Sørbye, Director of Telenor Nordic, quoted in Kampanje 08.10.08).

Music: Songs and albums for the "disloyal" youths

Telenor's mobile music service was first launched in 2004 as a made-for-mobile music service, where Telenor's customers could download a specific number of songs to their mobile phones (Telenor 2004; see also Nag 2010). The service was originally exclusive to customers of Telenor's mobile youth brand, "djuce". In 2006, the service was extended to other Telenor customers (Telenor 2006b).

The service was built from extensive partnership with the music industry that grew over time. In 2007, for instance, Telenor entered into a strategic relationship with Warner Music Group, so that Warner's songs, ring tones, mobile music videos and wallpapers were made available through Telenor's mobile music service (Telenor 2007b). Telenor's partnership with the music industry also encompassed specific mobile music campaigns, such as the exclusive launch of singles (Telenor 2007e).

The music service was reorganized on several occasions, most importantly in 2009, when Telenor entered into a more formal partnership with the biggest music store in Norway (Platekompaniet) and a mobile content provider (Aspiro) and relaunched the music service under the brand name "WiMP" (see Telenor 2009a, 2009b). According to Telenor, WiMP was "a music service accessible through the Internet giving users full, legal access to millions of songs with their PC or mobile phone" (Telenor 2009b). In addition to this formal partnership, WiMP also signed agreements with major record companies (Universal Music, Sony Music, EMI and Warner Music) and smaller independents (Phonefile, Artspage, IOEA; see Telenor 2009a, 2009b), increasing its catalogue of artists and albums.

Unlike the original version of Telenor's music service, WiMP was not a mobile-only service. Instead, it was a promoted as a digital music store where customers paid a monthly subscription fee and could stream music and download MP3 files. In 2009, 6.5 million songs were available, as opposed to 250 songs in 2004 and 450,000 songs in 2006 (Telenor 2004, 2006b, 2009b). With the WiMP service, Telenor also abandoned its exclusivity approach, opening the service to anyone, including non-Telenor customers.

Plans: Attract youths, build brands and develop a new digital business area

Like the mobile football service, the mobile music service was intended to satisfy several strategic aims. However, its strategic application changed over time, as it evolved from being an exclusive music service for Telenor's djuce customers to a digital music service with a global reach. In the beginning, it was clearly intended to *attract younger age groups* to Telenor: "The mobile phone has developed into a key, integrated communication tool in young people's lifestyle, where music is one of the basic fields of interest" (Telenor 2004). The strong relationship between music, youths and the mobile phone was reemphasised on several occasions in similar terms. In 2006, the company stated:

> A number of analyses and industry players now argue that the mobile phone will be the prime music channel of the future. Telenor anticipated this development and started its own research aimed at turning the mobile phone into a music machine already several years ago. (Telenor 2006b).

The mobile music service was also intended to *brand and differentiate* Telenor from its mobile competitors, just as the mobile football service was meant to do. In particular, the mobile music service was intended to distinguish Telenor's djuce brand (Telenor 2006d) in the minds of young people while refreshing the overall Telenor brand for everyone. By supplying such innovative services and novel technology, Telenor hoped to acquire a more modern and dynamic appearance. Telenor's head of music stated:

> The Telenor brand is somewhat old fashioned and little known for innovation. But everyone has a relationship to music. The music service is technological, and in many ways advanced, but still it is really simple. You enter, download a song, it is really easy, fun and it works. What you get is technology made fun and gratifying. It transforms Telenor's brand from being boring and old fashioned to something more exciting. (Klaus M. Sørland, Head of Music in Telenor Nordic, interviewed 22.10.07).

Over time, however, the strategic applications of the music service changed, and by the end of the period under analysis, the (transformed) music service was increasingly intended to *develop an entirely new business area* for Telenor in the convergent media market. Telenor had abandoned its exclusive approach to a music service aimed at distinguishing the company for an open approach to a music service aimed at attracting a larger mass market. No longer was the music service intended to support other Telenor business areas; it was instead to become an entirely new area of its own. Parallel to this shift in strategic priorities, Telenor broadened its service from mobile only to multi-platform. As such, Telenor was no longer competing only with national mobile operators but also with global digital music services such as iTunes and Spotify (Telenor 2009b).

Perspectives: Facilitating for personal and communicative new media services

Turning to Telenor's strategic *perspective*, we can identify at least two key working notions concerning the mobile phone as a media platform. First of all, the mobile phone was considered to be *a personal media platform*. Telenor's head of mobile content observed, "It is personal, you

have it always with you, and you do not lend it out to anyone. There is something unique in the fact that it is personal; it means it gives something to *me*" (Katle, interviewed 12.11.07). As a personal media platform, the mobile phone was also an identity marker, and music was seen to be one way young people in particular could express their personal taste and identity with it (see also Ling 2004; Ito et al. (eds.) 2005).

Secondly, the mobile phone was considered to be an effective *platform for peer-to-peer communication*. Telenor's head of music noted, "The mobile phone is first and foremost a communication tool, not a media perception device" (Sørland, interviewed 22.10.07). The communication aspect of the mobile phone suggested new benefits to Telenor from its music service, as the service could be used to tap into user habits when customers shared content, songs and playlists with each other. Telenor's head of music continued:

> It's a phone, not an iPod. How can we benefit from that? On the phone, I have 200 friends. How can I download a song and share to my friends that this is a really cool song? [...] Today [October 2007], we have a new service where you can give friends music tips. The service can improve, so that every customer becomes a music distributor. (Klaus M. Sørland, Head of Music in Telenor Nordic, interviewed 22.10.07).

The usefulness of approaching strategy as perspective

Which strategic plans, patterns and perspectives, then, inform Telenor's approach towards its mobile football and mobile music services, and how does experience play a role as well? Regarding the mobile football service, Telenor operated from a working notion of the mobile phone as a media platform capable of distributing attractive content to paying customers. Following this line of thought, the mobile football service was indented to brand and differentiate Telenor from its mobile competitors, drive "rich" mobile media usage, and give Telenor first-hand experience with how to produce "rich" mobile media content. Based on these working notions and intended strategies, Telenor's facilitation of the mobile football service as an exclusive subscription service made sense.

Regarding the mobile music service, Telenor seem to operate from a somewhat different set of working notions about the mobile phone, seeing it as a personal media platform that was well-suited to communication and peer-to-peer content sharing. Following this line of thought, the mobile music service was intended to attract youths, build brand, and, as the service developed over time, become an entirely new business area in itself. Based on this shift in working notions and intended strategies, Telenor changed its mobile music service from an exclusive mobile service to a multi-platform digital media service that was open to any paying customer.

The comparison illustrates how the executives working with each service emphasised somewhat different aspects of the mobile phone as a media platform. While those working with the football service stressed that the mobile platform could increase accessibility to exclusive content for paying customers, the executives working with the music service stressed the benefit of the mobile phone as a personal and communicative platform. Furthermore, while executives

working with the football service described it as a mechanism that could be used to support the television product by increasing its availability, the executives working with the music service (eventually) described it as an entirely new business area in itself.

These differences in perspectives can be partly explained by looking at where in the Telenor system the two services was organized. The mobile football service was managed from Telenor Broadcast and hence informed by legacies from the pay-TV market, with its tradition of cultivating niche markets. The mobile music service, on the other hand, was managed from Telenor Nordic, the department of mobile communication, and hence informed by legacies from the premium rate market, with its tradition of cultivating the mass market. The two legacies clearly point in different directions, explaining to some extent the different approaches taken in the mobile football and the mobile music services. Table 1 summarizes the strategic perspectives, plans and patterns in the two services.

Table 1. Strategic perspectives, plans and patterns in Telenor's mobile football and mobile music services.

	Working notions (perspectives)	Strategy (plans)	Actions and service (patterns)
Mobile football service	The mobile phone as a media platform suited to increasing accessibility to attractive content for paying customers. Working notions informed by pay-TV and development of exclusive niches.	To use the mobile football service to brand and differentiate Telenor, increase usage, and gain experiences with "rich" mobile media production.	The mobile football service was launched as an exclusive subscription service for Telenor customers only (cf. legacies from pay-TV market).
Mobile music service	The mobile phone as a personal and communicative media platform. Working notions informed by the premium rate market and development of mass markets.	To use the mobile music service to promote and differentiate Telenor and develop a new business area.	The mobile music service changed from an exclusive Telenor service to a digital music service (cf. legacies from premium rate market).

Clearly, strategic perspectives, understood as expectations, basic assumptions and working notions, play an important role for industry players who are making decision about the future. Executives and leaders need a strategy when approaching emerging markets (Porter 2011 [1996]; see also Roos et al. 2002). Because they cannot predict the future, they need to base parts of their strategic decisions on variables with unknown outcomes. In this process of strategic decision-making, basic assumptions, working notions and previous experiences become very important (Mintzberg 1998; Schein 1984; Weick 1995; see also Fagerjord et al. 2010).

Addressing strategic perspectives involves highlighting how executives and leaders attach meaning to contradictory trends and developments. More often than not, different working notions will even coexist and allow for alternative interpretations of the same phenomena (Weick 1995). In this study, this is evident in the way executives made sense of the mobile phone as media platform.

The fact that expectations, basic assumptions and working notions are *constructed*, even though this process often happen unconsciously (Schein 1984), also indicates that they are informed by strategic purposes. Thus perspectives and plans are strongly connected. In this analysis, then, executives working with the football service appeared to emphasise aspects of the mobile phone that were beneficial to their product, whereas executives working with the music service did the same for their product. As such, working notions signal not only what key executives believe in but also what they hope for (or fear). Strategic interests influence how new phenomena are interpreted, while strategic perspectives influence strategy making. In this way, basic assumptions and working notions can even become self-fulfilling prophecies (Merton 1948), whereby those who make the predictions then fulfil them through their actions in response.

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Interviews

The informants are listed with the title and affiliation they had at the time of the interview. All interviews were conducted in Norwegian and have been translated to English by the author.

Anne-Lise Katle, Head of Mobile Content in Telenor Nordic, interviewed 12.11.07.

Christian Victor Bernau, Director of Football in Telenor Broadcast, interviewed together with Pearse Connolly, 29.10.07.

Erik Nord, Senior Vice President in Telenor Media and Content Services, interviewed 13.11.07.

Hilde Lovett, Project Leader in Telenor Research and Innovation, interviewed 23.11.07.

Klaus M. Sørland, Head of Music in Telenor Nordic, interviewed 22.10.07.

Pearse Connolly, Vice President Football in Telenor Broadcast, interviewed together with Christian Victor Bernau, 29.10.07.

Article VI. Established Media and Their Preconditions for Profitability: A comparative analysis of competition conditions in the Norwegian newspaper, radio and television industries

Abstract

The past twenty years have been marked by significant changes in the Norwegian mass media industry, due to a combination of technological, economic, political and cultural factors. Though many of the changes stem from the same root causes, they have had different effects on different parts of the industry. Using Michael E. Porter's classic model for industry analysis as a point of departure, this article will discuss the specific structural factors that form the basis for profitability trends in the various submarkets of the Norwegian mass media industry between 2000 and 2009. The article asks the following questions: Which competitive conditions are most challenging for the newspaper, radio and television industries, respectively, and how do digitalisation, convergence and new-media platforms, including the Internet and the mobile phone, affect the preconditions for profitability in those established media?

Keywords

Media industry, media economy, competition, Porter

Introduction

Scholars typically point to two central transformational trends when describing the dynamic of the current mass media industry. First, they see the demise of traditional media—titles of these works include *The Television Will Be Revolutionized* (Lotz 2007), *Losing the News* (Jones 2009), *The End of Television?* (Katz & Scannell [eds.] 2009) and *The Death and Life of American Journalism* (McChesney & Nichols 2010). A number of contributors to this debate over traditional media's viability have argued for a transition to a completely new paradigm, whereby active users, user-created content and a culture of sharing all represent threats to traditional media— both its content and its business models (see, for example, Rosen 2001; Bruns 2005, 2008;

Jenkins 2006; Gillmore 2006; Tapscott & Williams 2007; Shirky 2008; Keen 2008). In this paradigm, new media platforms would take center stage—especially the Internet and the mobile phone (Rheingold 2002; Shirky 2010; see also Fagerjord et al. 2010).

Second, scholars argue that the previously discrete media industries are in the process of growing together, and that the significance of old divisions has faded. These arguments have found a home in the notion of convergence—it is apparent, for example, that digitalisation and new technology have forced players in once distinct markets to compete for the same advertisements and media consumers on the same platforms (see, for example, Norwegian Media Businesses' Association 2010; see also Skogerbø 1998; Fagerjord & Storsul 2007). The idea of convergence rose to prominence at the end of the 1990s as several media enterprises developed "portfolio strategies" (Picard 2006) and expanded into submarkets previously driven by specialised media organisations (see also Syvertsen 2001; Storsul & Stuedahl [eds.] 2007).

While it is indeed clear that the traditional mass media face substantial challenges from media convergence and the growth of new-media platforms, it is by no means a given that those platforms will replace the established media or that the various media industries will wholly converge into one market. Many of the scholarly positions concerning the established mass media bear the stamps of polemics and in fact rely upon variously improbable future scenarios. In this article we will attempt to analyse in a more empirical manner the specific effects of digitalisation, convergence and the growth of new-media platforms upon our established media institutions in general, as well as their competition conditions and preconditions for profitability. Using the newspaper, radio and television industries, respectively, we will consider precisely which competition conditions are the most challenging and what impact digitalisation, convergence and new-media platforms have upon them. We will focus in particular upon the specific roles of the Internet and the mobile phone in this regard.

This article takes as its point of departure Michael E. Porter's classic model for the analysis of industry structures (Porter 1979; see also Porter 1987, 2008). This model will form the basis of a comparative analysis of the competitive conditions in the newspaper, radio and television industries during the period from 2000 to 2009, a time when trends that first became visible in the 1990s became entrenched. This period was also marked by important technological changes—the digitalisation of production, distribution and reception equipment, the almost universal penetration of new-media platforms such as the Internet and the mobile phone, and the growth of a number of new-media services, to mention just a few.

Porter's model for industry analysis established solid guidelines for methodological choices and analysis design by specifying five factors that bear examination. To this end, we will draw upon relevant information and statistics available via databases and Web sites such as Statistics Norway (SSB), Medie Norge, TNS Gallup, the Norwegian Media Authority (MBL), the Norwegian Media Businesses' Association, and the Norwegian Media Bureaus' Interest Organisation (MiO).

Porter's model for industry analysis

Michael E. Porter's model for industry analysis (1979, 1987, 2008) is primarily a strategic analysis model for external factors (Roos et al. 2002: chapter 5). Porter based it on the five factors that he believes best explain the ability of an enterprise to compete and the dynamic in which the enterprise does so. The model thus analyses structural factors that form the basis for trends in the profitability of different industries or industry segments (see figure 1). It is used extensively by the mass media industry itself as it surveys the competition and preconditions for profitability of different industry segments. It is therefore clearly effective when the objective is for an enterprise to identify the markets that will produce the best revenues. It is also effective, however, in an academic setting, because it provides researchers with a tool for deconstructing industry mechanisms. It thus provides an effective entry into an analysis of the mass media as an industry and its competition conditions.

Figure 1. Porter's five competitive factors
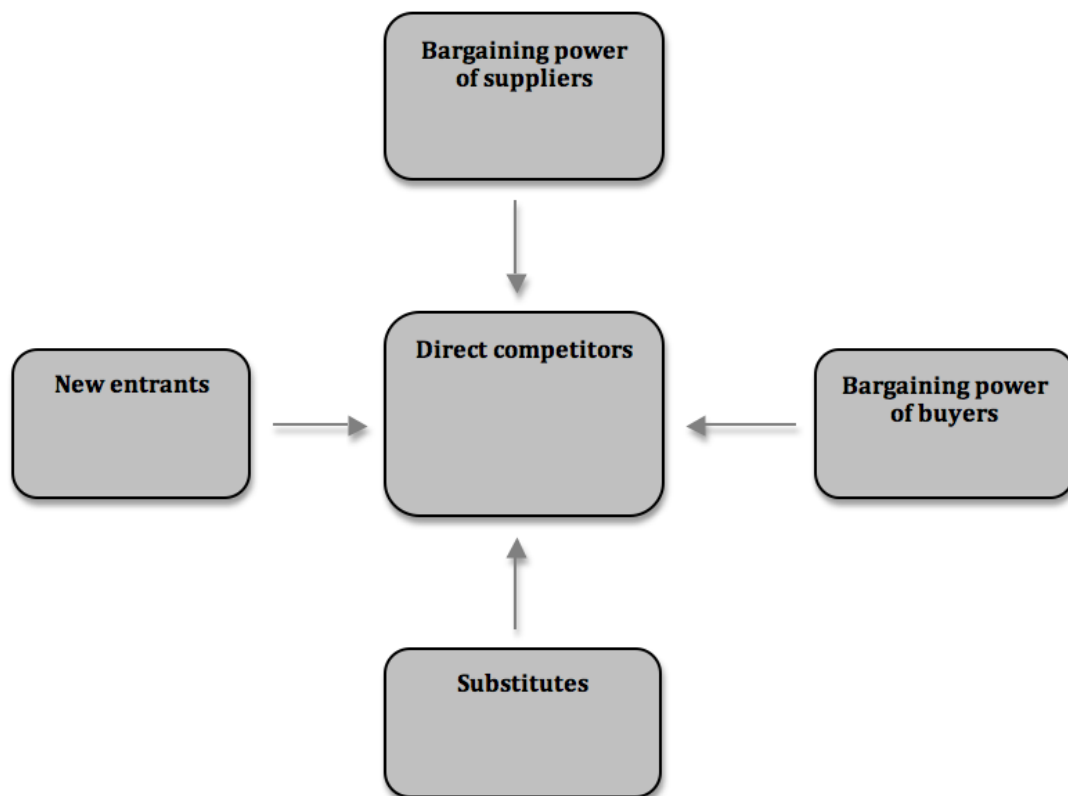
Source: Porter (2008).

The first factor in Porter's model concerns the immediate competition in the relevant market—that is, the relationships among existing *direct competitors*, or competing enterprises that offer the same things and thereby contribute to industrial rivalries. The direct competition conditions will depend upon the number of competitors, the growth rate of the industry and the magnitude

of an enterprise's fixed costs, among other things. In the mass media industry, for example, direct competition is minimised when different media enterprises customise their offerings for specific target groups or utilise different media channels. State regulation also minimises competition.

The second factor is the *bargaining power of buyers*—that is, the group that actually makes the decisions in the interaction between the customer and the enterprise providing the service or product. The bargaining power of the customer depends on how many there are in a given market and how many offers they can choose among (see also Roos et al. 2002:104–105). Because they operate a "two-sided market", media enterprises in fact deal with two types of customers: advertisers and media consumers. In either case, however, the customer wants prices down and quality up, but from the media enterprise's viewpoint this likely leads to reduced profitability.

The third factor is the *bargaining power of suppliers*. In the mass media industry, of course, suppliers range from printers on paper to distribution services. Suppliers can, under certain circumstances, also put downward pressure on an industry's profits (Porter 2008:6). In practice, this takes place via threats to increase prices or to reduce the quality of the goods and services that are delivered. For this reason, the newspaper industry has long established close relations with its suppliers, even to the extent of owning them outright. Broadcasters, on the other hand, historically have not had a similar influence over their suppliers, due mostly to the fact that the use of distribution resources has been subject to state-controlled regulation.

The fourth factor is associated with *possible new entrants to the industry* and the threat these players represent. New entrants typically commit significant resources to the securing of market share, which typically leads to pressure on prices or increased costs, and, therefore, reduced profitability for other participants (Porter 2008:3). The viability of the threat of new entrants depends upon the nature of any barriers to entry that might be in place. While it is very hard to debut a product in the daily newspaper industry, for example, it is much less so in the convenience store industry.[101]

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[101] According to Porter (2008) there are seven entry barriers that generally affect new entrants to an industry (see also Roos et al. 2002). The first barrier involves *economies of scale*, which arise when the unit cost of a product or service decreases as the production volume increases (as is the case for traditional mass media). In an industry with economies of scale, it is profitable to be large, and new, presumably smaller participants will find themselves at a competitive disadvantage. The second barrier involves *network effects*—that is, a customer's willingness to pay increases with the number of paying customers (see also Shapiro & Varian 1999). New entrants must make comprehensive investments in order to counterbalance this advantage. The third barrier involves *capital requirements*, which in turn relate to the prospects for investment and earnings in a given industry. Industries with large capital requirements admit fewer entrants, simply because of the amount of money required to begin. The fourth barrier involves *switching costs*—that is, those costs borne by users or customers when switching suppliers (see Shapiro & Varian 1999). The fifth barrier involves *access to distribution channels*. This barrier is especially associated with industries that have few retail dealer channels, such as the convenience store industry, where getting one's goods on the shelf in itself can be a challenge. The sixth barrier involves *cost disadvantages that are independent of the size factor*. Organisation and strategy researchers will often speak here of learning or experience curves, which refer to the total knowledge an organisation or enterprise acquires over time. Finally, the *policies of the authorities* comprise the seventh barrier to entry, according to Porter, because the authorities are always able to explicitly or implicitly restrict access to entry in individual industries. For example, in broadcasting, the authorities regulate who is allowed to use the national frequency resources.

The last factor that Porter highlights is associated with what he calls *substitutes*—products that come from one industry but fill a need in another, to the latter's detriment. Porter's own examples of substitutes are video conferencing as a substitute for travel, plastic as a substitute for aluminium and e-mail as a substitute for letters via the postal service (Porter 2008:8). Spotting potential substitutes is not always easy or straightforward, but it is extremely important:

> Substitutes are always present, but they are easy to overlook because they may appear to be very different from the industry's product [...] Strategists should be particular alert to changes in other industries that may make them attractive substitutes when they were not before [...] In this way, technological changes or competitive discontinuities in seemingly unrelated business can have major impacts on industry profitability. (Porter 2008: 8–9).

Substitutes, then, can claim market share or even supplant an industry's existing goods or services. In this respect, they evoke the concept of "disruptive innovation" (Christensen 1997), which also describes a replacement "technology" (in the broadest sense of the word) that modifies traditional consumption habits. Substitutes represent a real challenge to the traditional mass media industry, particularly in an era of convergence.

Two-sided market

As mentioned, the mass media industry serves two customer groups in parallel—media consumers and advertisers—and must account for the needs and behaviours of both in its business models (Doyle 2002; see also NOU 2010:14, chapter 6). Media consumers and advertisers are mutually dependent in ways that are not always clear, so advertisers typically play it safe, concluding that the more media consumers they can expose to their message, the greater the viability of their advertising. Of course, the reactions of media consumers to advertisements vary according to, among other things, the quantity and the specific media involved. Studies show, for example, that newspaper readers are often indifferent or even positive towards advertisements, whereas television viewers resent them (Lavik 2009). The relevance of the advertisements also matters, as does individual taste.

The coupling of advertisers and media consumers remains a central business model for newspapers, radio and television. Yet the growth of digital and Web-based media has challenged this model, in terms of both changing consumer habits and the goals of the advertisers themselves.

Characteristic trends in the consumer market
In the consumer market, three characteristic trends emerge between 2000 and 2009. All three appear in figures 2 and 3, which provide an overview of the percentage of people who have used

different media during an average day and the time spent on different media during an average day.[102]

Figure 2. Percentage of people who have used different media on an average day, 2000 to 2009
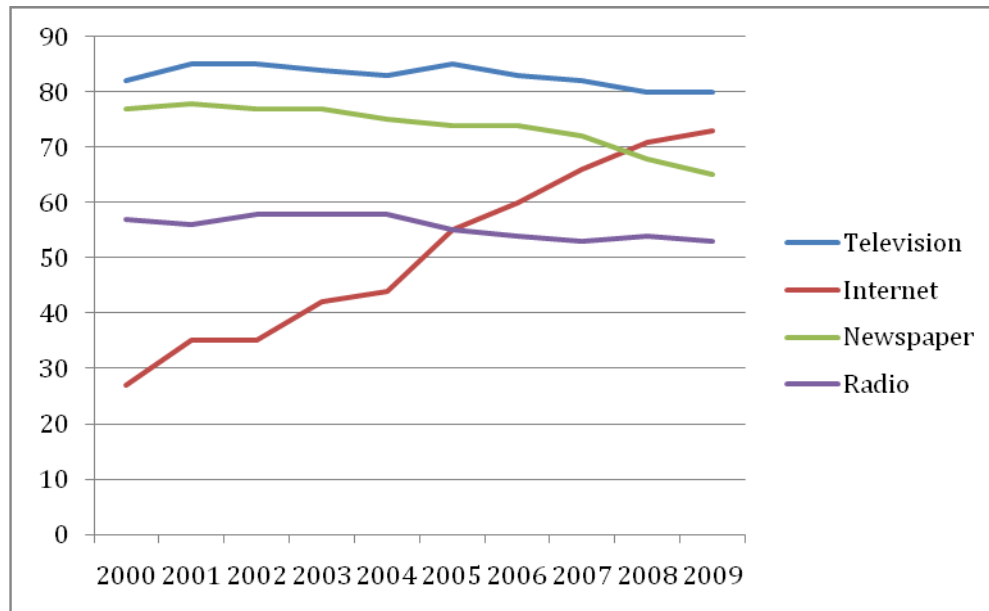
Source: Statistics Norway (2010).

Figure 3. Time spent on different media during an average day, 2000 to 2009 (in minutes)
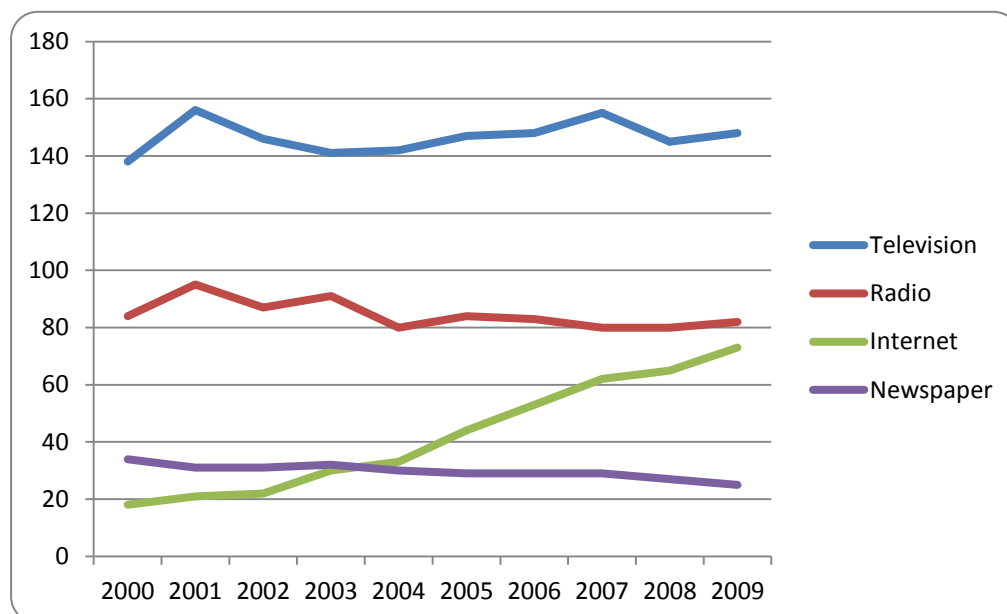
Source: Statistics Norway (2010).

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[102] Statistics Norway bases its numbers on a representative questionnaire study concerning mass media consumption. The statistics for Internet use include all usage situations—at home, at work, at school and so on—as well as all types of tasks (that is, everything from e-mail to watching Web television).

First, it is clear from these numbers that *new-media platforms are competing for the public's time*. Internet usage has increased markedly from 2000 to 2009, measured in terms of the number of users (from 27 to 73 percent of the population) and in terms of time (from 18 to 73 minutes per day). While the technology for the Internet existed even in the 1970s, the Internet as a *commercial* industry has a much shorter history. In Norway, it was first established as a commercial arena in the mid-1990s (Spilker 2005), and the first Web newspapers were launched in 1995 (Krumsvik 2006). Use of mobile media content in particular was not included in Statistics Norway's study (see figures 2 and 3), but according to TNS Gallup, the percentage of the population using mobile media content increased daily from around 3 percent in 2005, when the study was performed for the first time, to almost 9 percent in 2009 and 17 percent in 2010 (TNS Gallup 2010).[103] In addition, between 2000 and 2009, the penetration of mobile phones increased from 68 to 97 percent of the population (Statistics Norway 2009). Media services for the Internet and the mobile phone give the public ever-increasing latitude to choose exactly *what* content to spend their time on and *when* to do so (Jenkins 2006; Burgess & Green 2009).

While the graphs indicate the ascendancy of new-media platforms, then, they also indicate the obstinacy of established consumer habits: the other main trend is that the *traditional mass media continue to retain a strong position among Norwegian media consumers*. Large parts of the population continue to use these media every day. Yet differences among them exist— whereas listening to the radio and watching television remained relatively stable during the period analysed, reading the newspaper fell from 77 to 65 percent. For the newspaper industry, then, 2009 was the ninth year in a row with a drop in activity; more forebodingly, the decline in 2009 itself was also the largest to that point (Høst 2010a:5).

In addition to the two other trends, a third trend shows that *overall media consumption has increased*, particularly as computed in terms of the number of minutes spent on different media on an average day. If one looks at the sum of the time spent reading newspapers, listening to the radio, watching television and using the Internet, it has increased from 274 minutes in 2000 to 328 minutes in 2009 (Statistics Norway 2010). Obviously, Internet usage played the biggest part in this overall increase.

Trends in the advertising market

Significant changes also occurred in advertising during the period under analysis. First of all, it is clear that *the advertising market is cyclical*. Unlike consumer habits, which despite everything are relatively stable, the advertising market generally depends upon other market conditions. Table 1 gives an overview of advertising in Norway, as distributed via mass media channels, between 2000 and 2009 (sales by large media bureaus only).[104] As the table shows, the amount spent on

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[103] Mobile media content is defined here as mobile Internet (3G) and WAP but not SMS-based services.
[104] The Norwegian Media Bureaus' Interest Organisation figures do not cover all advertising but rather only that turned over by the largest media bureaus. These figures are estimated to represent around 65 percent of the total mass media advertising market in Norway. (These figures do not include international advertising either.) The table can be read relationally, however, and does indicate trends over time.

advertising ranges from NOK 4,809 million in 2002 to NOK 7,871 million in 2008, a substantial difference of NOK 3,062 million.

Table 1. Advertising market distributed by media channel, 2000 to 2009 (in percentages)

Media group	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Daily newspapers	43	42	39	39	39	36	34	33	31	30
Weekly newspapers/ magazines	8	9	9	9	8	7	6	6	5	4
Trade press	2	2	2	2	2	1	2	1	1	1
Total printed media	**53**	**53**	**50**	**49**	**48**	**45**	**41**	**40**	**37**	**35**
Television	33	34	37	36	35	35	34	32	31	31
Radio	5	5	4	4	5	5	4	4	4	4
Internet	2	2	2	3	4	5	9	11	12	13
Total electronic media	**41**	**40**	**43**	**44**	**44**	**46**	**47**	**46**	**47**	**48**
Cinema	1	1	1	1	1	1	1	1	1	1
Outdoor/traffic advertising	3	3	4	4	4	4	4	4	5	5
Direct advertising	-	-	-	-	-	3	6	8	9	10
Other media	2	2	2	2	2	1	1	1	2	2
Total media sales (percent)	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
Total media sales (NOK millions, nominal value)	**5 334**	**5 155**	**4 809**	**5 044**	**5 291**	**5 885**	**6 572**	**7 386**	**7 871**	**6 709**

Source: Norwegian Media Bureaus' Interest Organisation, Medie Norge.

Second, it is also clear that *new-media channels will compete for advertising money*. In particular, Internet advertising increased markedly during the period under analysis, from 2 percent in 2000 to 13 percent in 2009, or an increase in nominal terms of NOK 768 million.[105]

At the same time, however, we see that Internet advertising has not taken over the market from traditional advertising channels—a third primary trend, then, is that *traditional mass media continue to retain strong positions as advertising channels,* though they vary in their ability to do so. While the advertising figures for radio and television experienced a decline from

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[105] Internet advertising comprised NOK 97 million in 2000 and NOK 865 million in 2009. Source: www.medienorge.uib.no.

5 to 4 percent and 33 to 31 percent, respectively, newspaper advertising fell more precipitously, from 43 to 30 percent during the period in question.

This loss of market share for newspapers was counteracted, however, by a fourth trend, namely that *the total advertising market increased*. Advertising sales grew from NOK 5,334 million in 2000 to NOK 6,709 million in 2009. Paper newspapers lost money regardless—in table 1, we see a decline of NOK 284 million, from NOK 2,290 million in 2000 to NOK 2,006 million in 2009.[106]

We have now tracked significant changes in both the consumer market and the advertising market of the media industry, and the trends are broadly similar: new-media channels are entering and competing for both consumers and advertisers, yet the established media remain in a relatively good position, primarily because the consumption of mass media in general (as well as its advertising market) is growing. As opposed to the consumer market, however, the advertising market depends to a large extent upon the business cycle, which periodically fluctuates. With these trends as a backdrop, then, we proceed to our analysis of the newspaper, radio and television industries, respectively, using Porter's model.

Direct competitors

The first factor in Porter's model is the nature of the existing competition between direct competitors. In the newspaper industry, the conditions of competition vary for different types of newspapers (Høst 2010a). The so-called umbrella model (Rosse & Dertouzos 1978) differentiates based on geographical scale and is therefore particularly applicable to the modern newspaper industry. Sigurd Høst adapted it to the Norwegian market and came up with four situations that he saw as relevant to the local daily newspaper: traditional daily newspaper competition, competition with a so-called superlocal non-daily newspaper, competition with a larger district, regional or metropolitan newspaper and "border wars" with other local dailies published in different but potentially neighbouring locations (Høst and Severinsson 1997; see also NOU 2010:14, chapter 6). Advertisers' longstanding preferences for geographical segmentation have led to near monopolies in most of the local newspaper markets (Baker 1994). Those newspapers with the best circulation in a local market attract the most advertising money, which in turn allows them to further improve their product, resulting in still more readers and an even stronger position in the advertising market. The Norwegian state has used press subsidies for forty years to attenuate these sorts of self-fulfilling prophecies; nevertheless, there are now only a few local markets with directly competing newspapers.

Høst's four competition situations have different implications for the readership and advertising markets. In terms of readers, newspapers at different levels of geographical coverage try to distinguish themselves editorially and thus coexist despite their physical overlap. But that very overlap trumps content in the competition for advertisers, which in turn impacts profitability more than content could ever hope to. Figure 4 gives an overview of the operating

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[106] Source: www.medienorge.uib.no.

margin—that is, the portion of operating revenues that comprise the operating results—for different types of newspapers during the period from 2000 to 2009. As the figure shows, the operating margin is relatively good for sales of non-subscription newspapers and leading daily newspapers and relatively bad for national newspapers with a targeted editorial slant, second-largest circulation newspapers and weekly newspapers.[107] Several categories of newspapers are thus dependent upon press subsidies.

Figure 4. Operating margin by newspaper type, 2000 to 2009 (in percentages)
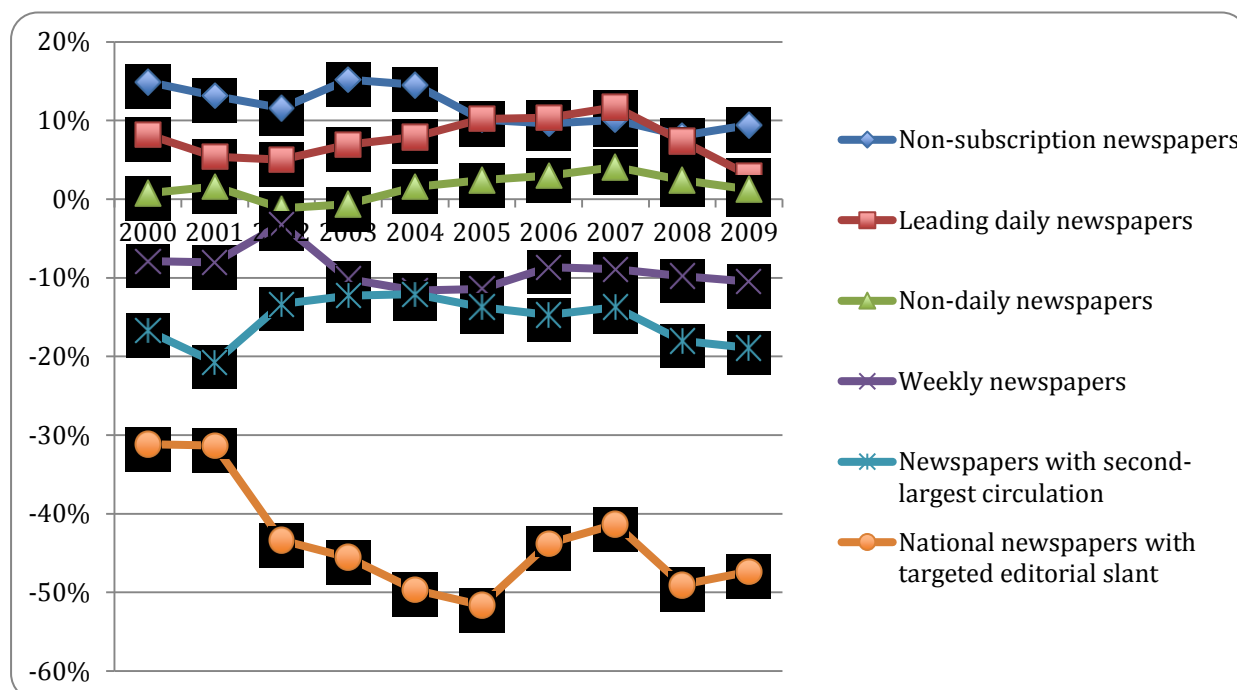
Source: Norwegian Media Authority (reproduced in NOU 2010:14).

In the radio market, direct competition is influenced by state ownership and a state system of licences that establishes the number of participants in a market. While the number of direct competitors is relatively stable, the licensing system does allow for changes and new entrants. In the national market, this occurred most recently in 2004 when Kanal4 (later Kanal 24 and Radio Norge) received a licence to start broadcasting as a national commercial station with public broadcasting obligations (Enli & Sundet 2007). The establishment of Kanal4 led to the modification of P4's licence agreement, and, of course, to more competition. In the local radio market, direct competition has also been affected by changes in the licensing system.

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[107] A "second-largest circulation newspaper" is the runner-up in a location with two or more competing newspapers. A "national newspaper with a targeted editorial slant" is in fact a subcategory of the previous category and involves vehicles of a specific philosophy of life, ideological viewpoint or commercial interest (Norwegian Official Report 2010:14).

Figure 5 shows the market shares of the five national radio stations (measured by total listener time) during the period from 2007 to 2009.[108] It indicates that NRK dropped slightly while Radio Norge went up slightly, but that the overall competition situation remained stable. Since this time, however, the Ministry of Culture has served notice that a transition to digital radio distribution via an expanded DAB network will take place in 2017 (Meld.St. 8 [2010-2011]). While the ministry expects this transition to be governed by the industry players, it has indicated its support for DAB+ as well, which is more efficient than the original DAB standard. Either way, this transition will open the door to more national radio stations and thus increase competition in the radio market.

Figure 5. Market shares of national radio stations, 2000–2009 (in percentages)
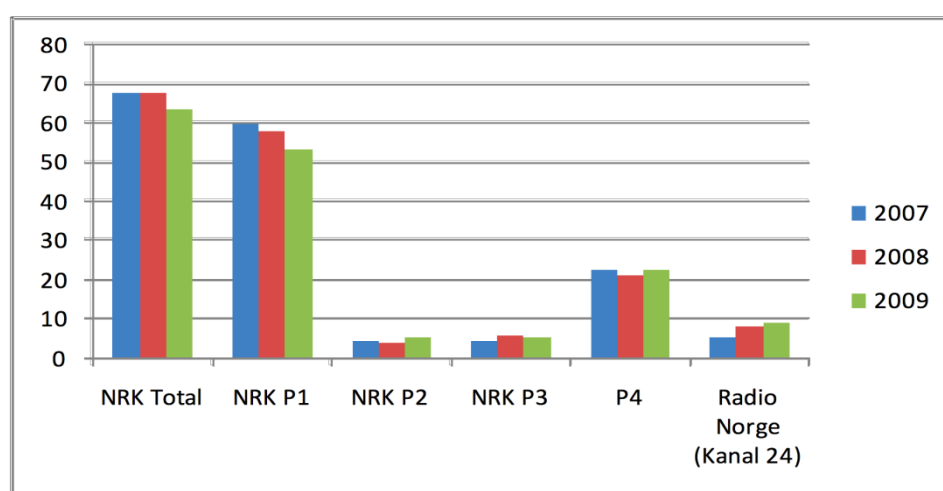
Source: TNS Gallup PPM, Medie Norge.

In the television industry, direct competition has also been influenced by state ownership and a state system of licensing. Yet the transition from analogue to digital television distribution, and especially to a digital terrestrial network, led to profound change in the daily operations of television enterprises and in their internal competition situations around individual channels (Storsul 2008b). The analogue terrestrial network placed clear limitations on the total number of television channels that could be broadcast, and only NRK1 and TV 2 qualified as "national". For TV 2, of course, this meant a clear advertising advantage, which was permitted in exchange for TV 2's timely satisfaction of various public broadcasting obligations (TV 2 Licensing Agreement 1992–2002, 2003–2010). The arrival in 2007 of the digital terrestrial network for television, however, allowed the two completely commercial channels, TV3 and TVNorge, to increase their geographical coverage substantially, and they were soon able to compete with TV 2 in the national television advertising market. In addition, the digital terrestrial network accommodated even more national channels, including those niche channels that had been launched by the

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[108] The official listener times for the radio stations are measured by TNS Gallup's PPM electronic study, which relies upon a "Portable People Meter". The PPM measurements started at the beginning of 2006, and the first official figures are thus from 2007.

established television companies both before and after the opening of the new network. For the local television markets, then, digitalisation undermined central parts of their revenue models (NOU 2010:14).

Figure 6 provides an overview of viewer hours for larger television channels during the period under analysis. While the primary channels NRK1 and TV 2 lost viewers and saw their market positions deteriorate, both NRK and TV 2's sister channels (NRK3/Super, TV 2 Zebra, TV 2 Nyhetskanalen, TV 2 Filmkanalen, TV 2 Sport) saw their audiences grow. Interestingly, then, the primary channels found themselves losing television viewers to their own niche channels, though both NRK1 and TV 2 still had the most viewers, as of 2009.

Figure 6. Viewer hours of the largest television channels, 2000–2009 (in minutes)
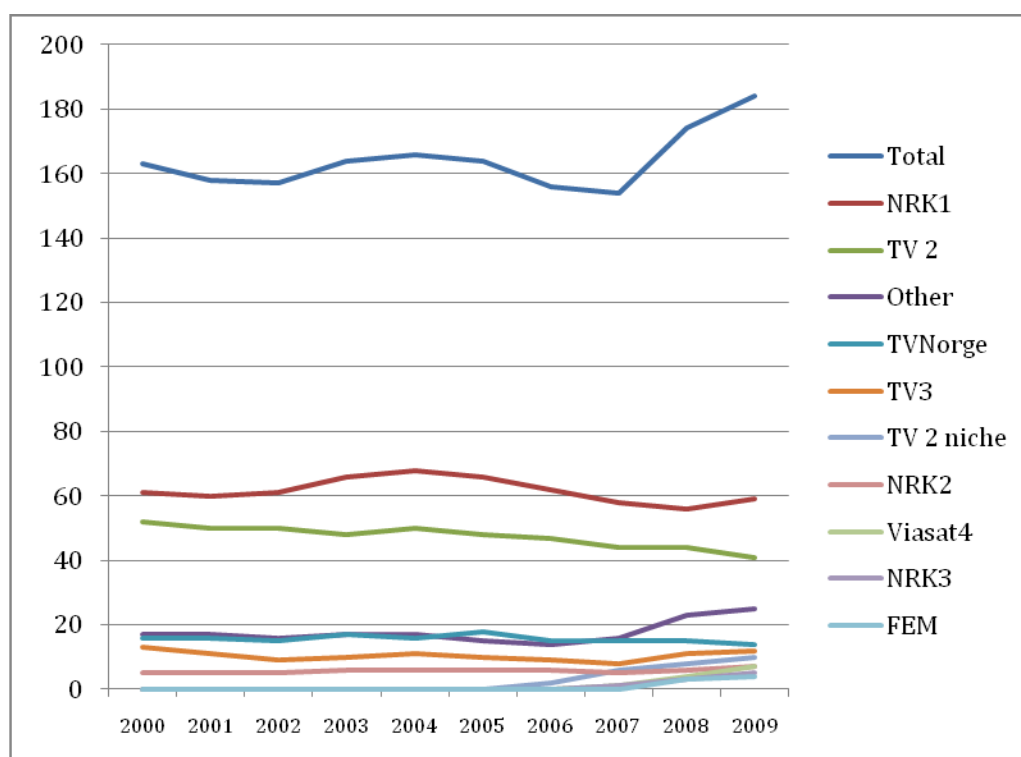
Source: TNS Gallup, Medie Norge.

Evidently, direct-competition conditions vary considerably for the newspaper, radio and television industries. A huge difference, of course, is that the radio and television industries are regulated through state licensing arrangements that historically have limited the number of national channels, while press subsidies in the newspaper industry are a state-sponsored means of *maintaining* competition. Geographical scale and reach affects each industry to a greater or lesser degree, externally and internally—while the competition conditions between the two national commercial radio stations (P4 and Radio Norge) have been relatively stable, local radio stations have not fared as well. The increased capacity of digitalisation also impacts competition, particularly in the television industry, though established players have controlled it to an extent by targeting their new content to niches that they can dominate.
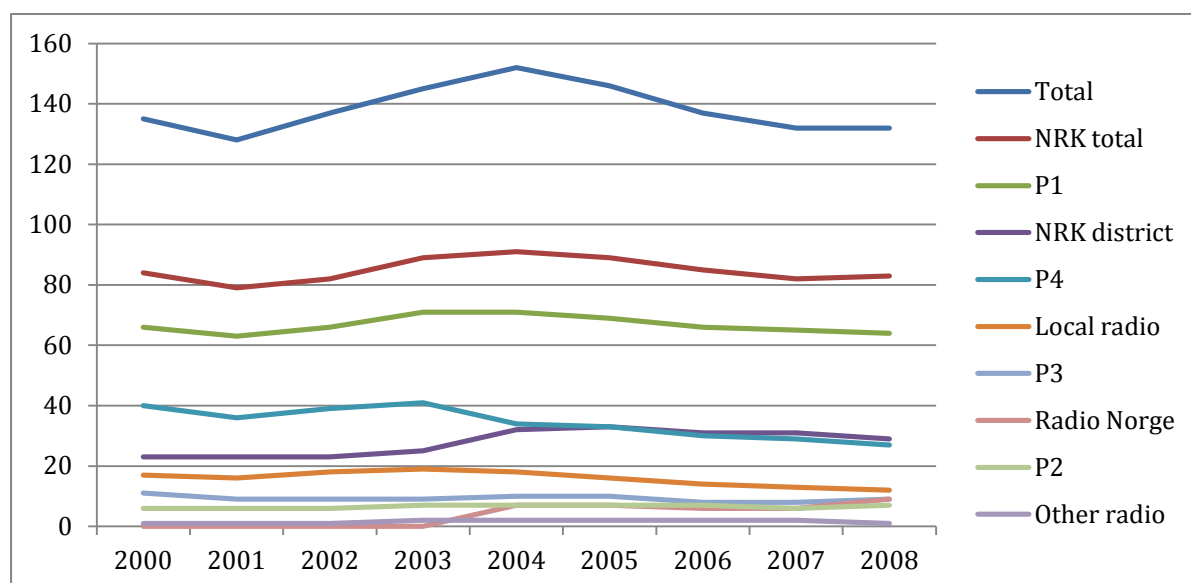
Bargaining power of buyers

The second factor in Porter's model is the bargaining power of buyers. In the newspaper, radio and television industries, "buyers" encompass both advertisers and media consumers. For both groups, the issue is always the price of the product.

In the newspaper industry, readers remain relatively inconsequential, but advertisers have strengthened their position. An increase in the presence of retail chains has centralised advertising decisions to an unprecedented degree and thereby weakened the bargaining power of the newspapers. In addition, professional advertisers are now using media bureaus to negotiate with mass media institutions, and these bureaus, which represent many advertisers, are able to put downward pressure on advertising prices.

Newspaper readers, of course, do not "centralise" their purchasing decisions, and since most local markets have a single dominant newspaper, the bargaining power of its readers is relatively low. There is little price elasticity in the newspaper market (Høyer [ed.] 1998; see also Doyle 2002), and there is a tendency for newspapers to follow each other in setting prices. In the Norwegian newspaper market, the circulation rules that, among other things, form a basis for both advertising decisions and the computation of direct press subsidies are formulated in a manner that prevents larger newspapers from engaging in opportunistic price dumping in the border areas. New studies indicate, however, that demand is more price sensitive than it used to be (Copenhagen Economics 2007; Høst 2010a; Gustafsson 2009; NOU 2010:14). One probable explanation for this change is that substitutes—especially Web newspapers—are making consumers more price conscious.

In the radio industry, the numbers for both advertisers and listeners are quite robust. Figure 7 provides an overview of listener hours for specific radio stations during the period analysed. Presumably this situation will change somewhat with the transition to digital radio distribution, when many more radio stations find themselves overlapping in coverage and therefore fighting for the same listeners and advertisers (Meld. St. nr. 8 [2010–2011]). At the same time, comprehensive digitalisation will probably make the medium of radio more competitive with other media, which will lead to a (perhaps substantial) increase in total listener hours.

Figure 7. Overview of listener hours for radio stations, 2000–2009 (in minutes)

Source: TNS Gallup, Medie Norge.

In the television industry, the bargaining power of advertisers as well as viewers went up as both were presented with more channels from which to choose. At the same time, an increase in niche offerings brought about a substantial increase in pay-TV channels. When a channel succeeds despite concentrating (at least partially) on supplying exclusive content to restricted target groups, it in turn acclimates the public to the idea of paying for television content (Papathanassopoulos 2002). In addition, the new digital technology has also made payment simpler and more flexible. In a number of countries, including the UK, France and Sweden, revenues from pay TV have in fact surpassed revenues from advertising (St.meld. nr. 30 [2006–2007]). Pay TV is also growing in significance in Norway, as evidenced by the popularity of "premium content" such as football broadcasts, as well as TV 2's overall transition to a pay-TV channel. Of course, advertising-financed channels can exploit their niche content with advertisers as well. By addressing a relatively homogeneous audience, this content demands higher payments from those advertisers who want to reach the very viewers in question.

In summary, we see that the bargaining power of advertisers is generally increasing in the newspaper, radio and television industries. The radio industry appears to be the most stable in this regard, due to the state licensing regimes, which regulate the number of participants in the market. The effects of digitalisation, convergence and new-media platforms are most pronounced in the television industry, where profound changes are accompanying the transition to digital distribution technology.

Bargaining power of suppliers

The third factor in Porter's model is the bargaining power of suppliers. In the newspaper industry, this is first and foremost a question of printing and distribution, two businesses that are

marked by high fixed costs. The newspaper industry has therefore historically had a close relationship with printers—the first newspapers, in fact, were established by book printers, who had complete control over the relevant production mechanisms (Thompson 1995).

In modern times, newspapers have also sought to influence their printers (or own them outright, sometimes in conjunction with other newspaper houses or corporate groups). For large parts of the newspaper industry, then, the bargaining power of suppliers is relatively low. But for newspapers with no control over printing and distribution, such as the national newspapers with a targeted editorial slant, the situation is very different (see also Norwegian Competition Authority 2007).

The transition to digital distribution via reading "tablets" and so forth may in principle link newspaper houses with consumers more directly. At the same time, however, new participants are claiming central positions in the digital value chain. Apple, for example, commands considerable leverage through its iTunes and iPad and therefore sets the conditions of any newspaper's appearance on those platforms.

In the radio industry, the bargaining power of the suppliers largely involves distribution. Radio is still currently distributed mostly in analogue form through the FM network. Radio frequencies are thus scarce commodities that are regulated through a licensing system. While licensing specifies the stations that can be distributed via the FM network, the stations themselves must negotiate their distribution costs. Norkring's monopoly as the national distributor weakens the bargaining position of the radio broadcasters considerably.

In addition to analogue distribution, various digital networks can also carry radio, and the options are increasing in this regard. Around 80 percent of Norway's population today has access to digital signals from the DAB network. Due to the low penetration of actual DAB receivers among listeners, however, the government has had problems selling the unused capacity on its DAB network. The Internet can also distribute radio signals via streaming, and listeners can utilise both stationary and mobile receivers—NRK has launched free applications that make it possible to listen to NRK's radio offerings with smart telephones. Digital radio listening also takes place via digital TV. Listeners will most likely continue to move over to digital platforms, especially given that the authorities are preparing to close down the FM network in 2017. As discussed above, the number of distribution channels will increase substantially at that point, which will in turn weaken the position of distributors in relation to the radio stations.

Like radio, television also deals with distribution in terms of supplier bargaining power—that is, the transfer of television broadcasts via satellite, cable, terrestrial networks and broadband. Over the course of the period under analysis, all of these distribution platforms were digitalised, which meant that the distribution costs per channel were reduced and the number of channels could increase. Television stations, then, could choose among a number of suppliers and platforms and still see their actual costs for distribution go down. The competition among distributors has therefore intensified, to the benefit of the stations. Yet distributors retain some leverage. First of all, networks offer different degrees of coverage, and a channel that aspires to call itself "national" has to be part of the digital terrestrial network. Secondly, channel "packages"

are critical to the media house's success, and it will go to some lengths to be part of a distributor's "basic" package if possible.

Like distribution technology, production technology has also been digitalised. This makes the production of content simpler and cheaper, allowing a broader base to deliver it as well (Burgess & Green 2009). Many freelancers are willing to accept small margins of profit in order to sell their content, which will likely weaken the position of established major content providers, except with regard to that mass-media content—like exclusive sports rights—that consumers are particularly willing to pay for (Hammersvold & Solberg 2006).

In summary, we find that the bargaining power of suppliers is rather low in the newspaper industry, rather high in the radio industry and dropping in the television industry, largely due in all cases to the advent of digital distribution and its impact upon any distribution monopoly in favor of multiple suppliers and possible platforms.

Potential new entrants to the industry

Porter's fourth competitive factor is associated with the possibility of new entrants into a given industry. In the newspaper industry, there have traditionally been substantial entry barriers for those who want to establish themselves, particularly as a result of the strategic control of the existing newspapers over printing and distribution suppliers. Table 2 provides an overview of the numbers of newspapers by type between 2000 and 2009 and indicates that there were no new non-subscription newspapers, leading newspapers in large cities or second-largest circulation newspapers in large cities during this period. The total number of daily newspapers in fact dropped, though there was an increase in the number of non-daily newspapers. We can thus say that the competition from new participants in the newspaper industry is low, particularly in the market for daily newspapers.

If we consider "tablets" strictly as a new reading technology—that is, a form of digitalisation of conventional paper newspapers—the prospects for new entrants to the industry go up, because the limitations associated with economies of scale, large capital requirements and the control of printers and distribution (Shapiro & Varian 1999) all change for the better with this platform.

Table 2. Numbers of newspapers by type, 2000 to 2009.

Type of newspaper	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Change
Non-subscription newspapers	2	2	2	2	2	2	2	2	2	2	-
Leading large-city newspapers	4	4	4	4	4	4	4	4	4	4	-
Second-largest newspapers, large cities	3	3	3	3	3	3	3	3	3	3	-
National newspapers with targeted editorial slants	6	6	6	6	6	6	6	6	8	8	+2
Local daily newspapers, leading	59	58	57	56	56	56	56	56	56	56	-3
Local daily newspapers, second-largest circulation	6	4	5	2	2	2	2	2	2	2	-4
Local newspapers published every 2–3 days	75	76	76	79	79	80	79	79	81	81	+6
Local weekly newspapers	48	48	50	54	57	57	62	62	63	61	+13
National non-daily newspapers	15	16	16	16	16	15	14	13	8	7	-8
Aftenposten Aften	1	1	1	1	1	1	1	1	1	1	-
Daily newspapers total	**81**	**78**	**76**	**74**	**75**	**74**	**74**	**74**	**76**	**75**	**-6**
Non-daily newspapers total	**138**	**140**	**142**	**149**	**152**	**152**	**155**	**154**	**152**	**150**	**+12**
All types of newspapers	**219**	**218**	**218**	**223**	**226**	**226**	**229**	**228**	**228**	**225**	**+6**

Source: Medie Norge, based upon Høst (2010a).

In the radio market, new entrants have long been regulated through demanding state licensing requirements—a new radio station must have a licence in order to establish itself, and only two such licences exist for the national commercial radio market. While the DAB network provides access to some additional national station slots, the overall transition to the digital radio network has been slow. As mentioned, the Ministry of Culture plans to shut down the analogue FM network in 2017 and will presumably abandon its licensing requirement once distribution is fully digitalised (Meld. St. nr. 8 [2010–2011], point 6.4.5.2). The transition to digital distribution will thus lower the barriers to entry in the radio market.

New entrants have also traditionally been regulated in the television industry, but the transition to digital distribution has already lowered those entry barriers, as costs associated with distribution have gone down and the available channels have gone up. There are thus more participants than ever before fighting for the same viewers and advertisers—between 2000 and 2009, in fact, the number of Norwegian television channels increased from six to sixteen (Enli et al. 2010:18). However, it is important to point out that though the transition to digital distribution technology did open the door to new entrants, most of the new channels were in fact launched by established television stations. The television industry thus continues to have

relatively high barriers to entry for participants without existing enterprises. Aggravating this condition is the fact that attractive programming content and format rights are often sold in large, expensive packages, so that the company owning multiple channels for the dissemination of this content is at a clear advantage.

In summary, we see that digital technology generally improves the prospects for new entrants to the mass media industry. Though the newspaper and radio industries continue to have relatively high entry barriers, due to factors such as economies of scale, high capital requirements and the licensing policies of the authorities, the television industry has seen its entry barriers lowered through the comprehensive transition to digital distribution.

Substitutes

The last factor in Porter's model for industry analysis is substitutes. Because the newspaper, radio and television industries operate in two-sided markets, substitutes will potentially address both the needs of media consumers and the needs of advertisers to reach potential customers. In addition, traditional media from different areas of the industry will often act as substitutes for each other, particularly in the case of the national mass media. An advertiser who desires to reach a broad audience can choose to place ads with VG, TV 2 or P4. In this analysis, we will focus instead on those new substitutes that have arisen in the wake of digitalisation.

Substitutes in the newspaper industry

The newspaper industry has an ambivalent relationship towards a substitute that they themselves have cultivated: Online newspapers. The first online newspapers in Norway arose in 1995 from existing newspaper houses (Høst 2010b). In 1996, Nettavisen came about as a uniquely Norwegian phenomenon, a new online newspaper with no anchor in an existing newspaper. The establishment of Nettavisen served notice to the newspaper industry that other media participants were attracted to news on the Internet, propelling Norwegian newspapers to begin to develop content for the online services earlier than newspapers in many other countries (Krumsvik 2006). While the traditional newspaper industry has long had high entry barriers, as discussed previously, this is not the case with online newspapers, whose distribution costs are basically negligible. In addition to online newspapers, mobile news services also comprise a potential substitute for the newspaper industry. While the newspaper industry has provided news content to mobile phones since the early 2000s (Sundet 2007), these services have only taken off in the past two years.

Certainly the relatively high price for a paper newspaper weakens its position as a platform relative to "free" web and mobile content, but this varies over different categories of newspapers. General non-subscription newspapers have been impacted the most by free substitutes on new platforms, whereas small local newspapers and a number of niche newspapers (such as Morgenbladet, Klassekampen and DN) have been challenged to a much lesser extent, because of their unique and less easily replicated content.

In addition to online newspapers and mobile news consumption, which act chiefly as substitutes in the reader market, at least three other substitutes impact the newspaper industry's advertising market. First, online advertising has represented a rapidly growing substitute for brand-name advertising in print media since 2000; advertising money has therefore moved away while expectations have grown concerning the documentation of the effect of the advertisements. Second, classified advertising has almost entirely migrated from paper to the Web. While the Norwegian media house Schibsted and the regional newspapers have succeeded in partly managing this change in the Norwegian market through the establishment of Finn.no, corresponding efforts by other newspaper owners have been unsuccessful. Furthermore, despite Finn.no's success in both national and many local markets, Schibsted's overall transition to the Web has also resulted in a significant drop in income. Third, free newspapers have arisen as another potential substitute in the newspaper industry—their full coverage of their impact areas challenges traditional newspapers in those advertising markets. Some newspaper publishers are themselves choosing to establish free newspapers to compete with the interlopers.

To summarise, it is clear that the preconditions for profitability in the newspaper industry are more challenged by substitutes than by anything else, and first and foremost by the rise of web-based and mobile news and advertising services. The pressure from substitutes in the reader market impacts primarily the large general newspapers. Advertising prices are likewise undermined by substitutes in new media with significantly lower advertising prices (as well as a general decline in circulation).

Substitutes in the radio industry

In radio, the challenge from substitutes is currently less profound. Online radio stations do not need a licence, and in general there are low barriers to entry, but the online radio market generally consists of offerings from existing radio stations. New online radio entrants remain insignificant with regard to the potential advertising market.

Podcasting represents another potential substitute for the radio industry, though it is probably better regarded as a time-displaced repurposing of existing services (Berry 2006). With podcasting, programmes, clips and broadcasts are transferred from the server of a content producer, typically a radio station, to a consumer's computer or mobile telephone in the form of a data file. Users may subscribe to podcasts and receive the programs of their choice as they become available over time (Murray 2009).

Lastly, services that offer music streaming (Nag 2010), such as Spotify or Wimp, represent a potential substitute for the radio industry. Consumers gain access to a library of music, playlists and catalogues that can be used on various playback mechanisms. While these new music services do not replace the program production of radio stations, they do challenge the function of radio stations as disseminators of music, thus affecting in particular those stations with a high degree of music content.

In summary, though the radio industry has several potential substitutes, including online radio, podcasting and digital music services, they do not appear to represent much of a threat at present.

Substitutes in the television industry

Like newspaper companies, television companies also launched websites relatively early on—NRK in 1995 and TV 2 in 1997, among others. Yet these websites were long characterised by text alone, and it was not until 2005 that television and radio became widespread services online (Krumsvik 2009). Improved technology and more attractive content have hastened the expansion in recent years. Today, NRK's website functions as a online newspaper featuring continuous updating of its news articles, as well as a platform for the dissemination of NRK's online television and online radio. While radio and television content online presents a real possibility of self-cannibalisation, the risk is counterbalanced by the demand for television companies to position themselves there. TV 2 also offers programming content via the web, but, unlike NRK, it has created a payment-based service called TV 2 Sumo. (Among other things, TV 2 has had exclusive web television rights for Norwegian elite division football for a number of years.)

In addition to the potential of its own websites to act as substitutes, the television industry faces other web-based substitutes, including newspapers' increasing interest in "moving images". VG has distinguished itself in recent years by launching a number of short web television series under the brand VGTV; YouTube and Hulu, among others, provide television-like offerings as well. Television content remains harder to imitate than traditional newspaper content, however, so the impact of this substitute is relatively small.

Mobile video content and mobile television comprise another potential substitute for the television industry. Like the newspaper industry, the television industry has also experimented with mobile media services since the beginning of the 2000s. Both NRK and TV 2 have redistributed selected television broadcasts for mobile reception via the 3G Web (Sundet 2007, 2008), but the use of these services has been quite limited. In addition, NRK, TV 2 and MTG have jointly launched the company Norges Mobil-TV, which offers real-time distribution of selected Norwegian television channels for portable reception via the DMB mobile broadcasting network.

In summary, it appears that mobile reception and online media will become continually more relevant substitutes for the television industry, though there are few signs that traditional television viewing will disappear in the foreseeable future. While advertisers are free to choose the form of their advertisements related to television content online, the impact area remains rather smaller than it is with conventional television.

Different competitive conditions for different submarkets

Overall, this industry analysis indicates that the competition situation is *not* the same throughout the different parts of the media industry. For newspapers, substitutes comprise the greatest

threat. New participants on new platforms have begun to offer the two main products of the paper newspapers—news and advertisements. This pressure from substitutes is especially strong in the reader market and for general national newspapers. A weaker reader position in the long run means a weaker advertising position; also, because new-media substitutes tend to offer free content and significantly lower advertising prices, traditional newspaper profits will fall. On the other hand, digital production and distribution present possibilities for traditional newspapers as well, particularly around reducing costs.

Interestingly, traditional newspapers have on a number of occasions tried to charge their Web users, but such attempts have generally been unsuccessful. Many media market observers claim that newspaper content on the Web has in fact contributed to its "for free" culture (Anderson 2009). However, the present analysis indicates that it is instead the innate characteristics of the Web market that have created this situation—there are relatively few barriers to entry and many participants fighting for the consumers there. It is also too easy to copy content or products and thereby undermine a peer organisation that is attempting to charge for the same sort of thing (see also Ottosen & Krumsvik 2008; Erdal 2010). Nevertheless, all of the newspaper houses are working on potential payment mechanisms for the Web market, particularly around reading tablet technology. The iPad has created considerable optimism around its potential enhancements to Web-based news content, and the fees that might follow from them.

For the broadcasting industry, Web-based imitations of radio and television content represent the greatest threat, yet these services remain under development, and their penetration among the general public is relatively limited. The biggest change in the industry is the increase in new entrants that followed digitalisation and particularly the digital terrestrial network. Thanks to this increase, some channels have begun to target specific niche audiences, and the resulting fragmentation has weakened the position of the leading television channels in both viewer and advertising markets. The national companies behind both leading and niche channels have largely maintained their pre-eminence by establishing whole portfolios of channels, while for the local television industry, the digitalisation process has almost entirely undermined the prevalent business model.

In the Web market, participants are almost all direct competitors that in turn represent substitutes from various industries. Thanks to the low entry threshold, continual arrival of new substitutes, low customer loyalty and prevalence of payment solutions with substantial market power, Web competition is too intense to allow for much profit there. Market leaders tend to maintain their dominance, while others manage simply to hang on. The surplus of offerings, in fact, leads to fragmentation and polarisation at the same time.

Table 4 gives an overview of the newspaper, radio and television industries analysed in accordance with Porter's five competitive factors.

Table 4. Submarkets in the Norwegian mass media industry analysed in accordance with Porter's industry model

Industry	Market	Competition	Customers	Suppliers	New entrants	Substitutes
Newspaper	General public	Low	Low	Low	High threshold	High
	Advertise-ment	Low	Increasing			Increasing
Radio	General public	Increasing	High	High	High threshold	Increasing
	Advertise-ment	Increasing	Increasing			Low
Television	General public	High	High	Lower	Lower threshold	Increasing
	Advertise-ment	Increasing	Increasing			Increasing

Conclusion

Exactly what implications does our study have for profitability in different parts of the Norwegian mass media industry? First and foremost, it is clear that this industry remains comprised of several unique submarkets, each with different conditions for profitability. The present participants have unquestionably expanded into both new and adjoining media markets, and present products have generally been made accessible to different platforms and other markets. Still, we must continue to analyse the industry as a set of equally viable submarkets when we consider the significance of digitalisation, convergence and the growth of new-media platforms. While the newspaper, radio and television industries are all subject to competition, they do *not* represent a single integrated system.

Along these lines, even the concept of the "established media" (as opposed to the new media) ought to be shaded a bit in any discussion of competition conditions. As this analysis shows, these conditions vary considerably among the established institutions, and their fates will likewise be different. We must be prepared to entertain a number of alternative possibilities for the future of the mass media and recognise the various business models, strategies and subsidy arrangements that have been applied in relation to those competitive conditions.

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TV 2 Licensing Agreement 2003–2010.

APPENDICES

Appendix I. Informants

Appendix I is a list of informants interviewed in relation to this thesis. In total, seventy-three interviews have been conducted with sixty-four informants (some of the informants were interviewed more than once). The informants are listed by the title and affiliation they had at the time of the interview, and they are sorted into two main categories: the first list presents the *base set* of informants, understood as informants from the five selected media and telecom institutions (Telenor, NRK, VG, TV 2 and P4). The second list presents the *supplementary set* of informants, understood as other key informants who work in the convergent media industry. All of the interviews were conducted between 2003 and 2007. The interviews marked with an asterisk [*] were all included in a large-scale interview study designed and directed by the author in collaboration with other researchers from the research group *Participation and Play in Converging Media* at the Department of Media and Communication, University of Oslo, as well as by master's students affiliated with the research group. All of the interviews were conducted in Norwegian and have been translated from Norwegian to English by the author.

Base set of informants

The list consists of thirty-five interviews with thirty-one informants from the five selected institutions (Telenor, NRK, VG, TV 2 and P4). The list is sorted alphabetically by last name.

Aga, Asbjørn: Project Manager in NRK Event, interviewed together with Anders Hofseth, 15.05.07.
Andresen, Nils Ketil: Programme Director at TV 2, interviewed 13.05.05.*
Aronsen, Svein: Director of NRK Development, interviewed 22.06.05.*
Bernau, Christian Victor: Director Football, Telenor Broadcast, interviewed together with Pearse Connolly 29.10.07.
Bratsberg, Haakon Flage: Senior Advisor in Telenor R&D, interviewed 24.03.04.*
Brekka, Cathrine: Journalist in NRK Kringkastingsdesken, interviewed 07.05.07.
Connolly, Pearse: Vice-President Football, Telenor Broadcast, interviewed together with Christian Victor Bernau, 29.10.07.
Garfors, Gunnar: Director of Mobile Services in NRK Development & New Media, interviewed 27.10.06 and 08.05.07.
Hafskjær, Rune: Head of Format and Development in P4, interviewed 27.05.05* and 07.09.06.
Halvorsen, Charlo: Project Manager in NRK Entertainment, interviewed 15.05.07.
Hansen, Espen Egil: Editorial Secretary at VG Multimedia, interviewed 31.05.05.*
Hofseth, Anders: Producer in NRK Promo, interviewed together with Asbjørn Aga 15.05.07.
Holst, Morten: Head of Development in VG Multimedia, interviewed 13.09.06.
Jahn, Barbara: Project Leader in NRK Youth, interviewed 17.11.04.*
Katle, Anne-Lise: Head of Mobile Content, Telenor Nordic, interviewed 12.11.07.
Leirvåg, Kurt Rune: Director of TV 2 Interaktiv, interviewed 26.11.04.*
Lovett, Hilde: Project Leader, iLabs, Telenor Research & Innovation, interviewed 23.11.07.
Lønne, Lars: Production Manager at NRK Interaktiv TV, interviewed 24.11.04.*
Meling, Tore: Director of Markets in NRK Aktivum, interviewed 11.05.05.*
Myklebust, Bjarne Andre: Director of Technology in NRK Development, interviewed 26.05.05.*
Nord, Erik: Senior Vice-President in Telenor Media and Content Services, interviewed 13.11.07.
Nundal, Are: Director of NRK Online, interviewed 16.08.05.*
Øfsti, Kari Werner: Director of NRK Broadcasting, interviewed 18.05.05.*
Pedersen, Torry: Director and Chief Editor in VG Multimedia, interviewed 25.04.05.*

Rønningen, Trygve: Programme Director at P4, interviewed 23.05.05.*
Selstrøm, Per: Advisor at NRK Entertainment, interviewed 18.05.05.*
Sørland, Klaus M.: Head of Music, Telenor Nordic, interviewed 22.10.07.
Stavrum, Gunnar: Director and Chief Editor in TV 2 Interaktiv/TV 2 Nettavisen, interviewed 04.12.03*,
        23.05.05* and 12.09.06.
Tuhus, Oddvar Bull: Project Leader at NRK, interviewed 06.01.04.*
Vasaasen, Øyvind: temporarily appointed Programme Director at NRK Radio Broadcasting, interviewed
        24.05.05.*
Wenell, Rolf: Project Leader at *Idol*, TV 2, interviewed 13.05.05.*

Supplementary set of informants

The list consists of thirty-eight interviews with thirty-three informants from other key institutions within the convergent Norwegian media industry. The list is sorted alphabetically by last name.

Aas, Trond: Director in Funcom, interviewed 14.12.03.*
Andreasen, Finn H.: Director at Telitas Interactive Production, interviewed 14.06.05.*
Andreassen, Hege: Producer at *Idol*, Monster Media AS, interviewed 27.05.05.*
Bonde, Kjetil: Director at Mediateket, interviewed 29.04.05.*
Børringbo, Klaus: Editorial Secretary at aftenposten.no, interviewed 13.05.05.*
Brændeland, Steinar: Director and Chief Editor in Mobil Media Interaktiv, interviewed 19.12.03* and
        18.05.05.*
Brandrud, Rolf: Head of Information at NTV, interviewed 09.12.03* and 21.06.05.*
Bungum, Håvard: Partner and Business Manager Partner at Inpoc/Aspiro (Schibsted), interviewed
        12.05.05.*
Fanghol, Tor Arne: Chief Editor at bt.no (Bergens Tidende), interviewed 25.04.05.*
Fasting, Per Håkon: Director at Hjemmet Mortensen Interaktiv, previously Director at Schibsted Mobile,
        Inpoc, interviewed 27.05.05.*
Fjellgård, Therese: Production Manager and Moderator for *Mess-TV*, Rubicon Interaktiv, interviewed
        23.03.04* and 03.05.05.*
Fuglevik, Tor: Director at NTV, interviewed 25.05.05.*
Gran, Svein-Thore: Director and Chief Editor at DN Nye Medier/dn.no, interviewed 07.06.05.*
Gundersen, Bjørn: Director and Chief Editor at Rabitt.no, Aller Digitale Media, interviewed 19.05.05.*
Haddeland, Guy: Production Manager at Strix Television AS, interviewed 20.05.05.*
Hermansen, Jørgen: Head of Development at Strix AS, interviewed 22.11.04.*
Hognestad, Hans Peter: Programme Director at TV3, interviewed 06.05.05.*
Johnsen, Stein: Producer at *Big Brother*, Rubicon, interviewed 06.05.05.*
Klausen, Øyvind: Director and Chief Editor in Ivisjon AS, interviewed 23.05.05.*
Krogh, Peder O.: Online Director at TVNorge, interviewed together with Einar Landsverk 17.03.04* and
        19.05.05.*
Kveldstad, Arild: Editor in Aftenposten Multimedia, interviewed 24.05.05.*
Kvernstrøm, Trond: Producer and Co-owner of Monster Media, interviewed 22.11.04.*
Landsverk, Eivind: Programme Director at TVNorge, interviewed together with Peder O. Krogh 17.03.04*
        and 19.05.05.*
Lein, Dag: Producer in Rubicon, interviewed 23.11.04.*
Løberg, Sebastian: Programme Director at Kanal 24, interviewed 24.05.05.*
Nakken, Jarle: Producer at *19.30,* TVNorge, interviewed 24.03.04.*
Øgrim, Helge: Editorial Secretary at dagbladet.no, interviewed 30.05.05.*
Røhnebæk, Einar: Editorial Secretary at Monster, previously Producer for *Mess-TV*, interviewed 22.03.04.*
Røsten, Rune: Director and Chief Editor at DB Medialab/dagbladet.no, interviewed 11.05.05.*
Savio, Jarle: New Media Manager at EMI Music, interviewed 03.12.07.
Skrunes, Kjell T.: Chief Editor at aftenbladet.no (Stavanger Aftenblad), interviewed 27.04.05.*
Thoresen, Arne: Producer in MTV Mastiff, interviewed 25.04.05.*
Winsvold, Lars: Head of Department at Statens medieforvaltning (later Medietilsynet), interviewed
        19.03.04.*

Appendix II. Questionnaire used in the large-scale interview study

Below is the questionnaire used in the large-scale interview study from 2005 (drawn upon in articles II and III, and somewhat in article I). In total, forty-five informants were interviewed using this questionnaire (the informants are market with an asterisk [*] in appendix I) The questionnaire has three main sections. The first and largest section consists of open-ended questions concerning audience activities, usage, strategies and business models. In the second section, reserved for television and mobile decision-makers, informants were asked to estimate the actual usage of different return channels for participation, as well as the most common motives for using these return channels. In the last section, all of the decision-makers were asked to use the scale "strongly agree", "somewhat agree", "somewhat disagree" and "strongly disagree" to position themselves regarding a list of statements about multi-platform formats and participation. All of the informants approved their participation in the project and the use of interview statements for research, publication and teaching.

Section I: Audience participation in media institutions

[To be read by the interviewer before starting the interview]

The scope of this research project is audience participation and interactive services. By that, I mean a wide range of activities and services where non-professional people can be active or participate, as for example through phone, SMS, writing letters, e-mail, web features or other return channels. Some examples of such services are games, votes, chatting, news and entertainment services. In the first section, I would like you to draw on your own experiences from the media company you now work in.

Concrete audience activities

1. Please describe the kinds of concepts you have been working with/been responsible for in the last year.

2. What kinds of audience participation are featured in these concepts?
    Follow-up if there has been more than one form of audience participation: Which of these audience activities has been the most sought after by the audience?

3. Could you please give me a concrete example of a concept with audience participation that you have been involved with that you believe has worked well?
    Follow-up: Can you explain why you think it worked well?

Perceptions on audience participation

4. Are there different groups/segments of audiences that use the particular forms of audience activities that you offer?

Follow-up: Are the (different) audience groups/segments distinct in terms of age and gender?

5. Have you reflected on why audiences use the different audience activities that you offer or arrange for?
Follow-up: Do you think it is most important to be able to voice an opinion or a point of view, to compete, to play games, to be entertained or to achieve social contact with other people?

Strategies and priorities

6. Are concepts that include audience participation prioritised in your company, and can you explain how? [If no, go to question 12].

7. What would you consider to be the most important areas in terms of developing concepts that include audience participation in the next 1–2 years?
Follow-up: Do you think this will change a lot within the next ten years?

8. In what way would you say that arranging for audience participation has a value or advantage for your company?

9. Do you see any negative consequences of arranging for audience participation within your company?

Economy and business models

10. What kind of demands for economic profit do you deal with when you develop new concepts that include audience participation?

11. Based on your experiences so far, what kinds of formats that include audience participation seem to be the most economically beneficial for your company?

12. Do you see any new sources of income that you think will be central for your company in the future?

Strategies and priorities—ranking

13. I will now read a list with seven possible reasons why media companies arrange for concepts that include audience participation. Can you identify the three reasons you find the most important for your organisation/company/firm, and rank them—which is the most important, the second most important and the third most important reason?
i.   Audience activities are cheap to produce.
ii.   Audience activities establish audience loyalty.
iii.   Audience activities establish a consumer relation with the audience.
iv.   Audience activities open up for new income possibilities.
v.   Audience activities are innovative and experimental.
vi.   Audience activities are important in competition with other players in the market.
vii.   Audience activities are demanded by the audience.

Section II: Audience participation related to broadcasting

[In this section we asked the decision-makers from the television industry and the mobile content industry (as the two only groups) to estimate the actual use of different return channels for participation, as well as the most common motives for using these return channels. The thirteen questions in this section were designed to fit an empirical audience study conducted by the PaP research group in 2004 (see Karlsen et al. 2009).]

Section III: Audience participation in general

At the end, I would like to read you a list of statements on audience participation more generally in the media industry. Please use the scale 1–4, were 1 is "strongly agree", 2 is "somewhat agree", 3 is "somewhat disagree" and 4 is "strongly disagree" to position your point of view on the statements. You do not have to state the reason for your answer.

	1 Agree strongly	2 Agree somewhat	3 Disagree somewhat	4 Disagree strongly	- Don't know
For everyone:					
14. Audience participation will always be a "youth phenomenon".					
15. Youths are not very interested in formats/programs/concepts that do not feature any forms of audience participation.					
16. Use of SMS as a return channel for different forms of audience activities will increase dramatically in the next five years.					
17. Audience participation opens up for democratisation and an expansion of freedom of speech.					
18. People with high education are not very interested in audience activities.					
19. People who use audience activities do it primarily for fun.					
20. People are more willing to pay for contributing with their own content than for receiving content.					
21. Audience activities can contribute to expanding the social network of those who participate.					
22. When payments become *safer* than today, audiences will be more willing to pay for content on the Internet, television and mobile telephone.					
23. When payment becomes *easier* than today, audiences will be more willing to pay for content on the Internet, television and mobile telephone.					
24. People are more willing to pay for entertainment that for information.					
25. Within a short time, moving advertising banners and short commercials will replace static banners on the Internet.					
Only for decision-makers from television:					
26. SMS-based TV and chat make it easier for the socially deprived to express themselves.					
27. Users of SMS-based TV and chat are mostly lonely people.					
28. *Product placement* will be an increasingly important source of income for the broadcasting industry in the next five years.					
29. *Sponsoring* will be an increasingly important source of income for the broadcasting industry in the next five years.					
30. The general spread of digital TV will revolutionise the opportunities for audience participation in broadcasting.					
31. Media content created by the audience will increase dramatically in the next five years					
32. Split-screen will be more widespread					

in the next five years.					
33. We have not reached the peak of the docu-soap and reality programme trend.					
Only for decision-makers from the press:					
34. Media content created by the audience will increase dramatically in the next five years.					
35. Online newspapers will have an increased amount of readers within the next five years.					
36. The profit of online newspapers will increase dramatically in the next five years.					
Only for decision-makers from the mobile industry:					
37. The use of mobile content services will increase dramatically in the next five years.					
38. Norway is a world leader when it comes to the use of mobile content services.					
39. The profit of mobile content providers will increase dramatically in the next five years.					

Appendix III. Examples of interview guides

Below are three examples of interview guides used in articles I, IV and V, respectively.

Interview guide used in article I

This interview guide was used to interview Gunnar Garfors, at the time Head of Mobile at NRK Development & New Media, in the comparative case study of NRK, VG, TV 2 and P4's mobile-media strategies, services and business models. The interview was conducted at NRK on 27 October 2006.

Introduction

1. Can you briefly tell me what kind of background you have (education, previous work experience and so on)?
2. As Head of Mobile, what is your most important task at NRK?

Mobile-media content

3. Can you describe the main types of mobile content and services NRK facilitates?
4. Would you say that this is primarily reuse of content that is also distributed elsewhere (TV, radio, online) or do you also develop new mobile-media concepts and services?
5. Can you give an example of a mobile-media service that you believe has worked particularly well?
   o Can you explain why you think it has worked well?
6. Can you think of any mobile-media services you think will be particularly important in the future?
7. Are there any mobile-media services you have chosen *not* to pursue?

Mobile-media use and users

8. Have you formed an opinion on who is using NRK's mobile-media services, including mobile television?
9. Have you formed an opinion on when people use the mobile-media services NRK facilitates?
10. Have you formed an opinion on why people use the mobile-media services NRK facilitates?

Mobile-media strategies

11. Do you find mobile television and mobile-media content to be a prioritised area for NRK? (Cf. need for new revenues, innovation.)
    o If so, why and in what way?
    o When would you say mobile-media content became prioritised?
12. What would you say are the main reasons for facilitating mobile television and mobile-media content?
13. How are NRK's mobile-media strategies in line with NRK's more general (new-media) strategies?

Mobile-media regulation

14. Would you say that mobile television and mobile media is within NRK's public service mission?
15. Is NRK's development of mobile media subject to political regulation?
     o   If so, in what way?

Mobile-media business models

16. Do you operate with income requirements when you develop new mobile-media services?
17. What would you say is the most important business model for mobile-media services for NRK today?
     o   Is there any mobile-media service that seems to be particularly profitable, based on your experience thus far?
18. Can you think of some business models that you think will be particularly important in the future?

Mobile-media alliances

19. Does NRK have any partners in the development of mobile television and mobile-media services?
     o   Who are the most important?
20. Can you think of any partners that will be highly important in the future?

Mobile-media driving forces

21. So far, what have been the main driving forces behind the development of mobile television and mobile-media content?
22. What do you think will be the key drivers for the next five years?
23. What are the biggest challenges ahead?
24. Is there anything you would like to add?

Interview guide used in article IV

This interview guide was used to interview Charlo Halvorsen, Project Manager at NRK Entertainment, in the single case study of NRK's *Rubenmann* project. The interview was conducted at NRK on 15 May 2007.

Introduction

1. Can you briefly tell me what kind of background you have (education, previous work experience and so on)?

Background: Rubenmann

2. Can you tell me how and when NRK Entertainment became involved in the *Rubenmann* project?
    o   Do you remember the actual order?
    o   Do you remember if the project was targeted to any particular user group?
    o   Is this a common way of making orders within NRK?
3. What has been your most important task in this project?
4. Can you also tell me about Harald Eia's role in the project?
    o   How and when was he involved?
    o   Why was he involved?
5. Do you remember who came up with the *Rubenmann* idea?
    o   Was this a new or an established character?

Mobile-media production

6. How did you produce the *Rubenmann* video blog?
7. Were there any particular considerations regarding the use of the mobile phone as a media platform?
8. What were the main benefits of/obstacles in making the mobile video series?

Rubenmann on other platforms

9. *Rubenmann* was after a while launched online. Was NRK Entertainment involved in this decision?
    o   Did you discuss how the *Rubenmann* character was to be presented online?
10. What do you find important when transplanting a service from one platform to another?

Evaluation

11. Are you happy with the way the *Rubenmann* project turned out?
    o   What was the best part?
    o   What are you not happy with?
12. Why do you think *Rubenmann* became popular (among certain audience groups)?
13. Have you made any plans for *Rubenmann* in the future?
14. Do you plan similar projects in the future?

Closure

15. Is there anything you would like to add?

Interview guide used in article V

This interview guide was used to interview Anne-Lise Katle, at the time Head of Mobile Content at Telenor Nordic, in the embedded case study of Telenor's mobile football and mobile music services. The interview was conducted at Telenor on 12 November 2007.

Introduction

1. Can you briefly tell me what kind of background you have (education, previous work experience and so on)?
2. As Head of Mobile Content, what is your most important task at Telenor?

Telenor's approach towards mobile content services

3. What is the background for Telenor's focus on mobile content services?
4. What types of services does Telenor offer today?
   - Are there any of these services that you are particular happy with? If so, which and why?
   - Are there any of them that you are not happy with? If so, which and why?
5. Would you define mobile content services as a prioritised area for Telenor today?
   - Can you define when mobile content became a priority?
6. What is the main strategic focus area for Telenor's mobile content services in the future?

To make mobile content

7. Do you find the mobile phone as a media platform to have any particular features of importance when planning for mobile content?
8. What would you define as the main obstacles in making mobile content?
9. What would you define as the main benefits?

Business models: openness vs. exclusiveness

10. Can you briefly explain the CPA agreement and why it is important?
    - What was the historical background?
    - What does the agreement cover of today's mobile content services?
11. Do you find the agreement to have been important to the development of mobile content in Norway?
    - Is it as important today as before?
12. What are the main advantages and disadvantages of the CPA agreement for Telenor?
13. Telenor has some exclusive mobile content services. How and why is exclusiveness important for Telenor?
    - What types of services are offered exclusively?

Closure

14. Is there anything you would like to add?