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## The Dimensions of Convergence in the Media Industry

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**Abstract:** *The media convergence is an ever-evolving phenomenon that involves assimilation and the merger of old and new media forms which is fundamentally facilitated by economic interests and the advancing digital technologies. There is reasonable scholarly disagreement in the field of media studies regarding the definition and the subsequent explanation of the concept of media convergence. The generally agreed conceptualization of media convergence explicates it as an interconnection of information and communication technologies, digital networks and the media content. The media convergence can't be simply justified by the notion that it is a mere replacement of old media with new media rather it is an evolving interaction between various existing and emerging media forms and formats. Media convergence has been largely attributed to the revolution in digital technology which led to the merger of otherwise diverse media forms. So, the digitization of media content and advancement in internet technology can be considered as the main facilitators for the ongoing media convergence in developing as well as the developed nations. Media convergence has transformed the commercial as well as technological dynamics in the media industry and has enabled entirely new forms of media content to emerge across newly evolved multimedia platforms. This paper discusses how the technological transformation and the economic equations in the existing media business have emerged as the two main factors responsible for the convergence in the contemporary media industry.*

**Keywords:** *Media convergence, digital media, media industry, corporatization, media ownership*

### 1. INTRODUCTION

The digital advancement that led to the transformation in information and communication technologies, has revolutionised the media industry in the last two decades. The convergence in media industry relates to the assimilation and the merger of old and new forms of media. This convergence involves the interconnection of information and communication technologies, advanced internet networks and the digitized media content. The media industry itself has undergone a massive transformation due to the convergence of media technology and the content. Jenkins (2006) defined media convergence as the merger of different tools and equipment for the production and distribution of the media content. He argues that since the media audience today have become the content producers and distributors, the refore, the media convergence must be understood from the perspective of social as well as technological transformations within the human society. The interconnection of various media formats is the essential and fundamental characteristics of the media convergence. Deuze (2008) argues that the media convergence is the 'cooperation and collaboration' between diverse media forms which were previously unconnected (p. 5). Media convergence has blurred the boundaries between various media forms and assimilated the m is distinctive digital forms that are universally accessible to all the existing types of audience. Burnett and Marshal (2008) have defined media convergence as the blending of the media, telecommunications and computer industries (p.5). Under the rapid convergence which is happening in the contemporary media industry, various media formats- television, print, radio, and online media sources, facilitated by portable and interactive digital technologies. The scholars in the field of media studies have tried to develop a the oretical understanding of the concept of media convergence. The noted journalist and academic, Mike Gasher (2014) explained the two dominant perspectives of the media convergence; technological and economic media convergence. Media convergence is a product of advanced media technology and the digital revolution that has led to the merger of various media forms. Besides this, from the economic perspective, the change in ownership patterns, the evolution of corporate collaboration and cross-ownership in the context of rapid digitization in the media industry has facilitated the media convergence.

### 2. TECHNOLOGICAL CONVERGENCE IN MEDIA

The advancement in media technologies and the sophisticated ways in which the news information is transmitted across communication networks has been one of the most powerful driving forces behind the convergence in the

media industry. The proliferation of advanced internet networks and digital devices like smart phones, tablets and smart televisions, the media consumers today access the media content in a rapidly hybridizing media environment. The specificity of one media form is no more identified with a particular media category like a print newspaper, print magazine, broadcast, or radio. Today one particular device e.g. smart phone provides access to a diverse array of media content in multimedia forms and formats that include text, video, audio, and photos. The news organizations are no longer simply identified with one particular media form like print, audio-visual or radio rather as the resources of news information that constitute all media formats like text, videos, and audio podcasts etc. The convergence in media sector due to the advancement of digital technologies had led to the combination of digitization and computer networking that has transgressed the boundaries of traditional segregation of media forms. It has integrated all the existing media forms both old and new which has led to instant and rapid exchange of news information across the globe, possible. The proliferation of internet networks in the 1990s triggered rapid convergence in the media industry across the globe which led to the emergence of giant media conglomerates like Viacom, Disney, and Star. The convergence of media due to digital technology has led to the democratization of media which has enabled a common internet user to have access to digital media on a computer network and also produce or disseminate media content.

The media convergence facilitated by digital technology has brought some visible changes in the characteristics of professionalism and journalistic practice in the media industry. The media content producers and mediators no longer have a monopoly over the dissemination of information and the digital technology have equipped previously called 'media consumers' as 'media producers' as well as the 'communicators'. The concept of 'technological determinism' propounded by Marshal McLuhan (1963) rightly finds a significant relevance in the existing media convergence facilitated by growth in communication technology. The media technologies have given rise to a hybrid media environment which is leading to the convergence of media forms and providing space for user-generated content.

In the production of media content, the distribution and the dissemination has been accelerated, expanded and facilitated by the technological convergence. For instance, in the parlance of photojournalism, the digital photographs are shot and circulated across the world through internet which has significantly minimized the cost of film processing, printing photographs and physical distribution. Digital technologies enable users to generate content and consolidate the role as a media producer. The digital networks like social media allow users to take the role of media producers and distributors and make the productive use of content being disseminated. The social media platforms, unlike the traditional media forms, are providing a fertile space for people to make the much more effective promotion of the information or product. For example, the contemporary filmmakers, musicians, advertisers and artists avail social media to promote their product in much more sophisticated and effective ways by merging various forms of media like text, video, audio and pictures. Filmmakers across the world, including the Indian film industry, no more rely on posters and hoarding and are availing online platforms like *YouTube*, *Facebook* and *Twitter* to reach out to larger audience instantly to promote their films. The promotion process of media content has become more vibrant and lower in cost with an extensive reach across the internet.

### **3. ECONOMIC CONVERGENCE**

The convergence in the media industry for greater revenue and corporate business prompted the merger of big media houses in the beginning of the 21<sup>st</sup> century that led to the emergence of giant digital media players who are controlling the media content across the globe. The giant media players that merged as a result of corporate convergence are *Viacom-Paramount* (1994), *Disney-ABC* (1995), *Viacom-CBS* (2000), *NBC-Universal* (2004) (Flew, 2017). The merger between media entertainment giant *Time Warner* and *AOL* (America On Line) is often considered as the biggest corporate merger and a great example of media convergence that engulfed various forms of media content production and distribution.

The evolving factors like digital technology, corporate concentration and government deregulations are considered as determinantal for the media convergence in the present era. While the digital technologies have led to the convergence as discussed above, the news media organization are switching over to multimedia forms of news production and distribution to have a wider reach and higher economic dividends. The corporate concentration and cross-ownership patterns have been the trend in the contemporary economic setup across the world and media

organizations are following the suit by corporate mergers. Moreover, the government deregulation is allowing media conglomerates to own and invest in multiple media forms e.g. news channels, newspapers and radio stations. For instance, the corporately driven convergence is enabling a media group to publish a newspaper, run a news portal, own a television channel and also own the direct satellite broadcasting through DTH. These business equations are helping greater convergence in the media sector and earning phenomenal profits to the media corporates.

The corporate convergence in the media industry is allowing the owners to reduce expenditure on manpower, execution and infrastructure. This also helps media companies to use the same media content across all the sister media outlets which attract advertisers for cross-promotion and cross-selling with relatively cheaper package deals. While corporate convergence has led to higher revenue and profits for big media companies, it has proved some potentially negative effects on the growth and diversity in the media industry as mentioned below:

1. Corporate convergence in the media industry has led to a reduction in journalistic competition. The giant media players are ruling the sector and they face no challenge from lesser significant media houses.
2. Media convergence in the corporate sector has led to the emergence of bigger media houses with large investment and advertising revenue. These increased barriers have made it difficult for new companies to make an impact or flourish.
3. The information and news media content is highly commercialized. The news culture is itself driven by the factors of profit and loss in the same manner as in other corporate businesses.
4. The corporate convergence in media has transformed the ethical code in journalistic practices and the media audience are treated as consumers and the news content is sold as the product.
5. In corporate media cultures, the media's role in democratic societies as an agency for objective information and analysis is diminishing. The news media industry is competing with other corporate businesses to have larger revenue and profits and the sole purpose of media being the fourth state in a democracy is losing its value.

#### **4. MEDIA CONVERGENCE IN INDIA**

The Indian media industry is a booming business and a significant asset to the country's growing economy. The growing consumer demand, the involvement of digital technologies and improving advertising revenues are prompting convergence in India's media industry. The media convergence in India follows the suit of global economic dynamics and involves both the technology as well as corporate economic convergence in the media industry. The media industry in India has phenomenally flourished in the last two decades which has been largely attributed to increasing digitization and growing internet penetration in the country. There is a large number of print and broadcast media organizations in India, yet only a few media businesses control and own Indian media market in both vertical as well as the horizontal pattern of ownership (Thakurta, 2012).

The advertising industry in India that forms one of the largest parts of the media industry in India, is currently projected as the second fastest growing advertising market in non-western economies after China (IBEF Report, 2018). The Indian media industry that provides employment to 3.5 million people is projected to grow at 13.9 CAGR (Compound Annual Growth Rate) by 2021 that makes a total whopping worth of 37.55 USD (KPMG -FICCI Report, 2017). There was a growth of 38 per cent in the number of newspaper readers in the country between 2016 to 2017 and has now reached 407 million (KPMG -FICCI Report, 2017). The media industry in India has witnessed a significant pattern of media convergence in the last two decades with corporate giants owning and cross-owning media houses and investing in various news media forms. The significant corporatization of Indian media under the larger convergence project was triggered by the largest business house in the country like Reliance. In 2012, the Reliance Industries Limited (RIL) formed the Independent Media Trust (IMT) and then in 2014 acquired the control over the media house- *Network18* and its subsidiaries by investing 4000 crores via its IMT (Bahree, 2014). The subsidiaries that went under the corporate control of Reliance included news channels- (*CNBC, TV18, CNN-IBN, CNN Awaz*) websites- (*firstpost.com, moneycontrol.com*), entertainment television- (*Colors, MTV and Homeshop Entertainment*) among other businesses. Moreover, the Reliance Industries also bought *ETV Network* under a deal of

2053 crore (Bahree, 2014). Another giant corporate house *Tata Group* ventured into media broadcasting by entering into a strategic joint venture with *British Sky Broadcasting* in 2004 to launch *Tata Sky*, a broadcast satellite television provider (Ravikumar, 2013). The corporate investment in DTH (Direct-to-Home) service in India that began in the early 2000's revolutionised the media convergence in India. The large business houses in the country began investing in this sector, entering into joint ventures with known media organizations. The corporate group *Bharti Airtel Limited* launched *Airtel digital TV* in 2008 and had a total subscriber of 12.5 million as of December 2016 (TRAI Report, 2017). The broadcasting service-*Dish TV* launched by *Zee Entertainment Enterprises* in 2003 was the first corporate-owned television satellite service which had reached a total of 15.6 million subscribers in 2016 (TRAI Report, 2017).

The news organization have transgressed the media nomenclature and are no more identified with one particular form. The print media has maintained its relevance in India and the recent boom in news television industry aided with digital communication networks has led to the convergence in the media industry. Media organizations that were earlier identified with one media form like print, television and radio are engaging with a variety of news formats disseminating the same news content across different media outlets. The largest media conglomerates in India like *Times Group* are dominating and setting new contours of media convergence in the country. The *Times Group* that began with the newspaper *Times of India* has transformed into the country's largest media conglomerate with diverse direct and indirect investment from corporate business. Today, the Group runs owns diverse print publications, more than a dozen news and entertainment television channels, news magazines and radio stations and digital ventures.

The growing penetration of internet in India and advancement in communication technology has led to the convergence in the media industry. The technological convergence driven by advancing media technology and the digital revolution has opened space for traditional media outlets to expand the organization by engaging with new forms of digital networks. Moreover, the economic convergence which is driven by the growing corporatisation in the country is becoming a potential force for the media convergence in the country. The media organization with an aim of expansion and consolidation are entering into different patterns of partnership with established businesses in the country. Since the media industry has the potential for larger business growth and profit, the business giants in India are also readily investing in the news industry.

## 5. CONCLUSION

The recent decades that were marked with the remarkable advancement in the media and communication technologies, witnessed the cooperation and collaboration of the diverse and distinctive media forms. The converged media forms disseminate the media content which is universally transmitted and accessed by the audience, instantly. The technological and economic factors involved in media convergence have redefined the definition of media content and the media audience today are fed with entirely sophisticated multimedia products. While the digital revolution has allowed the media consumers to access the media content in a rapidly hybridizing media environment, the profitable ownership patterns, the evolution of corporate collaborations and cross-ownership in the media industry has revolutionized the business in the media industry. The Indian media industry is an essential part of the country's growing economy and the growing consumer demand, the involvement of digital technologies and improving advertising revenues have been the main factors responsible for the media convergence in the country. Given the economic potential in the growing media industry in India, the big business houses in the country are investing in the industry through cross-ownership, corporate collaborations, and corporate mergers. The digital entertainment industry is growing exponentially, and the average media audience is reflecting growing inclination towards digital media platforms for news information and entertainment. According to a report compiled by I&B ministry in March 2018, the Indian Media & Entertainment (M&E) sector is expected to cross Rs 2 trillion by 2020 at a Compound Annual Growth Rate (CAGR) of 11.6%. The growth in 4G cellular networks in recent years is being considered as one of the potential reasons for the growing digital media usage within the media audience in India. It has been a major impetus to growing digital news media and entertainment platforms. In last one decade, the digital media platforms have emerged as potential spaces for business promotion and marketing.

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