Dear Readers,

Welcome to Volume 5 of JMM with a very vibrant and current focus theme – The Future of Convergence. Five years ago, in Autumn 1999, the first issue of our journal started with five articles all devoted to various aspects of convergence in, very new at that time, the media environment – Web TV, multimedia and digital news. All those excellent contributions have been widely read and referred to.

In this issue we revisit the same theme with new insights and five more years of ongoing debates and research. This time invited Guest Editor – Michael O. Wirth from University of Denver, U.S.A. provided us with great support and involvement in the whole process. We would like to express our warmest thanks for his generous assistance and valuable input. The debate on convergence and its future is continuing and we hope this issue will make an important contribution to it.

Since the very beginning of JMM’s existence all articles have been available on-line completely free of charge. There is no doubt that free access has been very popular with readers and authors, and has greatly increased the journal’s visibility. However free access has been an alternative to print subscription. With regard to the growing international reputation of the JMM we decided (reluctantly) to start with charging for electronic downloads of our articles, beginning with volume 5. Access will continue to be free for every subscriber through Ingenta platform. (www.ingenta.com) and the subscription prices will not change. It will also be possible to subscribe to our electronic only version for price with a discount compared to the “print plus electronic” subscription. The table of contents and abstracts will continue to be free to everyone. Individual article purchase will also be possible.

With many thanks for supporting and reading JMM.

The Editorial Team:
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The concept of convergence came into vogue in the 1970s (Parsons & Frieden, 1998, p. 11; Preston, 2001, p. 193). Thanks in large part to digital signal compression, the growth of the Internet, and regulatory liberalization, convergence strategies (technological, regulatory, market, industrial, journalistic, etc.) within the information and communication technology (ICT) industries became an across the board mantra, during the 1990s, leading to a large increase in mergers and acquisitions and to the formation of a myriad of convergence-based strategic alliances within ICT industries (Compaire & Gomery, 2000). The one clear result of convergence-based consolidation within ICT industries has been a move toward ever larger transnational corporations dominating the communications industry (Schiller, 2001; Gershon, 1997). However, the results of some of the most aggressive attempts to achieve communication industry convergence (e.g., AT&T, Bertelsmann, AOL/Time Warner, Vivendi Universal, etc.) have been unsuccessful to date (Ozanich & Wirth, 2003; Fransman, 2002; Arlen, 2002).

There are a large number of factors accounting for the lack of success with respect to many convergence-based strategies. Owen (1999) contends that the technology driven nature of most convergence strategies, coupled with a failure to adequately assess the market for the converged technology driven vision, is at the root of the problem (see also Stipp, 1999).
“Convergence is a possibility not a reality, because it is much too expensive. One way to think about the future is to ask which technology is most likely, at scale, to reduce the costs of these services to levels consumers will find attractive... Is such a system possible? Technically yes. It is already being done... But how about costs? And consumer demand?” (Owen, 1999, pp. 192, 313)

Preston argues that the barriers to achieving convergence within ICT industries are very high due to the fact that “The core competencies and distinctive industrial structures and organisational cultures which favour success in one domain of the primary information sector do not automatically translate into other domains. There remain many important barriers to the successful production and sale of new-ICT based multi-media services, however ‘convergent,’ interactive or customizable these may seem at the level of technical delivery systems or technology-centered analyses” (Preston, 2001, p. 194).

In spite of the lack of financial viability of many convergence-based strategies to date (Fransman, 2002; Lewis, 2003; “AOL Disaster a Timely Reminder,” 2003; Vlessing, 2002; Denison, 2002; Waters, 2002; Ries & Ries, 2003; Creswell, 2002), the allure of convergence remains very powerful for entrepreneurs, policy makers, and technologists (Thielmann & Dowling, 1999; Preston, 2001, p. 194; Lewis, 2003; Broadband: Bringing Home the Bits, 2002; Shepard, 2002; Rayport & Jaworski, 2002, pp. 513-14; Van Tassel, 2001; Wirtz, 1999). As Lewis indicates, “Few media-convergence deals have yet measured up to their billing. That does not mean Levin and Messier necessarily were wrong to chase the mirage. The future is bound to get here at some point, and somebody will profit enormously from the delivery of content to millions of consumers via broadband and high-speed wireless networks” (Lewis, 2002).

With the above as background, the purpose of this issue of the International Journal on Media Management is to provide a forum for papers focused on the future of convergence in light of the economic, financial, managerial, marketing, technological and regulatory realities of today’s marketplace. The issue contains two invited essays and five articles.

The first invited essay, “Prospects for a Big Idea – Is There a Future for Convergence?,” is provided by Everettette Dennis who has been writing about convergence for many years (Pavlik & Dennis, 1993). In his essay, Dennis provides a historical view of convergence, as both a theoretical and a business concept. He also discusses the realities of convergence in today’s marketplace, but argues that failed convergence-based ventures of the 1990s and early 2000s have laid the groundwork for more successful convergence-based strategies going forward.

A. Michael Noll, whose past work in this area includes Highway of Dreams: A Critical View Along the Information Superhighway (Noll, 1997), provides the second invited essay, “The Myth of Convergence.” Noll’s provocative essay discusses the problems associated with using convergence as a business strategy and argues that use of such convergence-based strategies is unwise.

The first article included in this issue is by Asle Rolland, “Convergence as Strategy for Value Creation.” In this paper, Rolland documents the lack of financial success experienced by leading Norwegian media companies with respect to convergence-based business ventures. He then uses Stabell and Fjeldstad’s value configuration analysis to examine how traditional mass media fit into the three configurations of value creation – value chain, value shop and value network – in order to increase our understanding of value configurations which might lead to value creation in the converged ICT sector for traditional mass media organizations.

Robert Frieden’s article, “Fear and Loathing in Information and Telecommunication Industries: Reasons for and Solutions to the Current Financial Meltdown and Regulatory Quagmire,” utilizes Moore’s Law and the problems related to the use of convergence-based business strategies to identify the reasons behind the implosion of the Dot-com and Telecom Industries. The article also discusses the near term outcomes of the implosion and makes recommendations for how policy makers should deal with the Information, Communications and Entertainment Industries (ICE) going forward.

The third paper is by Kenneth Killebrew, “Culture, Creativity and Convergence: Managing Journalists in a Changing Information Workplace.” In this paper, Killebrew focuses on the problems associated with trying to achieve journalistic convergence within media organizations. Theories from media management, management and mergers, organizational culture, and organizational change provide a base for the author’s discussion and recommendations.

Fang Liu and Sylvia Chan-Olmsted’s article, “Partnerships Between the Old and the New: Examining the Strategic Alliances Between Broadcast Television Networks and Internet Firms in the Context of Convergence,” employs resource-based theory to conduct a strategic analysis of U.S. television network/Internet firm alliances. All such alliances, established during the four years examined by the authors, are fitted into a resource-based view (RBV) strategy framework in order to provide a qualitative assessment of the validity of utilizing a resource-based approach and to identify the general nature of network versus Internet firm strategic alliance contributions and structural preferences.

The final article of this issue is by Martha Garcia-Murillo and Ian MacInnes, “The Impact of Technological Convergence on the Regulation of ICT Industries.” In this paper, the authors identify a range of alternatives for achieving regulatory/agency convergence within the ICT sector. They then utilize institutional change theory to examine the advantages and disad-
vantages associated with the various regulatory/agency convergence alternatives identified.

I hope that readers will find this issue of the International Journal on Media Management a valuable resource in expanding their understanding of convergence. Likewise, I hope that the diverse set of essays and papers included will provide a base for further scholarly inquiry into the issues, challenges and possibilities of convergence within ICT industries. In closing, I express my thanks: to the authors for their excellent work, to all of the individuals who reviewed articles for the issue, to the Editors of JMM for giving me the opportunity to edit this issue, and to the Executive Editor of JMM, Bozena Mierzejewska, for her excellent work and support throughout the editorial process.

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References


