

## Forward IMMAA—An Introduction

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The International Media Management Academic Association was founded in 2004 by John Lavine as a small-group discussion forum. After a lively early period it searched for a larger role. It has now grown into a wider academic association with global and open participation and an organizational structure. Its members are united by an interest in developing an international research agenda on media economics and management, bringing together academic investigators, private sector professionals, and government officials. Its proceedings have been published by Paulo Faustino, who combines academia and book publishing.

In 2013, addressing IMMAA in Lisbon as its Chairman as part of its rejuvenation, I asked the question, does media management exist at all, is there such a thing as media management, different from management in general, and if so, what were the factors that differentiate it from generic finance, marketing, etc? The conclusion was that while there were major similarities there were also major distinctions. Fleshing out these elements and distinctions has been a major task for those of us engaged in this research.

At the 2014 annual IMMAA conference in Pamplona, chaired by Mónica Herrero Subías, we addressed the transformation of media, the managing of creativity, and many other issues.

One common theme of these changes is their societal macro-economic impact. The question of inequality has been raised in the streets and in notable books<sup>1</sup>. In Pamplona we discussed it in the context of digital media.

The question is, is the internet the solution to the economic equality problem of rich industrial countries, or is it part of the problem? We in the field of media studies

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<sup>1</sup> Piketty, Thomas. *Capital in the Twenty First Century*. Harvard University Press. 2014

like to imagine that we are part of the solution. We are on the side of growth and of opportunity. But is that really true? And how do the economic and management characteristics identified for our sector help us answer that question? This is one major theme underlying the more specific research questions addressed in this volume.

To put things in perspective: the subject matter of our work is important not only culturally and politically, but also economically<sup>2</sup>. Content media<sup>3</sup> accounted for a combined \$810 billion, about 1.1% of the world's GDP, and platform media<sup>4</sup> accounted for \$1.7 trillion, 2.3% of world GDP. Consumer electronics devices used in the consumption of media accounted for another \$500 billion. Together, the consumption of media content, platforms, and devices is about \$2.9 trillion, 5.9% of the gross world product. If one adds the retail and wholesale markups, the share in GDP rises to \$3.6 trillion, or 7.3%<sup>5</sup>.

This percentage still understates its actual importance. Much of household income is spent on necessities. In the United States, 30.4% of household income goes toward housing (excluding telecom), 12.8% on food, 6.9% on healthcare, 2.4% on education, and 17.5% on transportation, etc.<sup>6</sup> These necessities leave only 30% for discretionary categories of spending. Media spending, including telecom connectivity, is mostly of a discretionary nature, and accounts for almost 20% of discretionary spending, a substantial chunk. It is even higher in terms of discretionary time. In the United States, average annual media consumption per person, as reported by the Census Bureau, has been measured to be an astonishing 3,545 hours per year for 2005–9, not including time for e-mail and telephone calls, or 9.7 hours per day<sup>7</sup>. This number implies that media consumption—including background music, multi-tasking, and multi-media—would occupy or overlap with 60% of all non-sleep time, including work time, meals etc.

Thus, media looms large in people's time and money. It is a vast and growing business, full of important management and policy issues. This is the subject matter of our work, and it brings us together.

2 Noam, Eli. *Who Owns The World's Media?* Oxford University Press, 2015 forthcoming.

3 "Content media" included newspapers, magazines, book publishing, film, radio, broadcast television, video channels, search engines, online news media, and one-third of the multi-channel industry's total revenues.

4 "Platform media" included wireless and wireline telecom, ISPs, and two-thirds of multi-channel industry revenues. The allocation for the multi-channel industry is based on its dual role as both platform and content aggregator, and approximates the cost shares.

5 There is, however, some double counting involved due to a vertical value chain, as is often the case in GDP and industry aggregations.

6 US Bureau of Labor Statistics, Consumer Expenditure Survey, September 2013.

7 US Census Bureau, Statistical Abstract of the United States: 2011, Table 1130, attributed to Suhler Stevenson, New York, NY, Communications Industry Forecast, annual.