Synergy Bias: Conglomerates and Promotion in the News

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The "church-state" division between the editorial and business departments of a news organization is threatened by corporations who promote cooperation (or "synergy") between and among divisions. A content analysis tested the research questions that the influence of parent companies on news content might produce an increase in the quantity and quality of company-related materials mentioned on the news, especially in larger, more diversified, and more integrated firms. Such effects were found for total stories run and for tone. Topic-based effects were minimal, and play-order effects were not found.

As media conglomerates have grown rapidly in size and scope in recent years, scholars and critics have worried about the independence of news divisions. The fear is chiefly that traditional journalistic values will suffer if they conflict with the profitability of the larger parent corporation. In response, this paper examines whether large corporations with national news outlets influence the delivery of the news. Such influence could take one of two forms: removing stories that are thought to be detrimental to the corporation, or the placement of stories that are thought to be helpful to the corporation. While critically oriented scholars have uncovered anecdotal evidence of this first type of offense (Herman & Chomsky, 1988; Lafayette, 1998; Lee & Solomon, 1990), systematic measurement and analysis remains elusive. It is possible to measure the second type of offense, the unwarranted placement of non-news items within the news product helpful to the corporation, without resorting to anecdote. The history of "gatekeeper" studies teaches us that what may once have seemed arbitrary or subjective in the practice of placing or removing stories (e.g., White's "Mr. Gates" study, 1950) is often found to be systematic (McQuail, 1994; Shoemaker & Reese, 1996; Snider, 1967). Such placement might be seen as a result of three types of influence within a large conglomerate: influence across product lines, influence within media divisions, or influence from advertisers. This study

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focuses on the first two, or what McAllister (2002) characterizes as "plugola" in news.

This paper explores such corporate behavior, assumed to be the result of an increasingly synergistic form of corporate structure. It evaluates whether or not conglomerate media and non-media holdings might predict both the kinds of stories a network will run and the way in which it will run them. Research on one other medium, newspapers, has shown conflicting evidence of ownership's influence on content (Coulsen & Hansen, 1995; Donohue, Olien, & Tichenor, 1985; Lacy, 1991, Lacy & Fico, 1990), and paid attention to the effects of private and public ownership models on content (Blankenberg, 1982; Blankenberg, 1983; Thrift, 1977). While there has been research into the relationship between ownership and programming for television (see, for example, Anderson, 1972; Baldridge, 1967; Nestvold, 1973), to date there has been no published systematic research specifically examining the relationship between the conglomeration of integrated firms and news content on television. To qualify, this study is exploratory and the results are not intended to generalize across time. It asks basic research questions to see if the phenomenon in question is actually present. The presence of the phenomenon must be established before more targeted studies establish generalizability. It also proceeds with the assumption that the press should operate in a socially responsible manner. These assumptions draw from the Hutchins Commission's 1947 report (Bates, 1995) and Petersen's notable chapter "The Social Responsibility Theory of the Press" (Siebert, 1973).

We begin with an inherent contradiction in both print and televised newsgathering: it seeks to be a nonbusiness-oriented and fair dispenser of the news, and yet like any other for-profit industry it has payrolls, revenues, and often stock values (Schudson, 1978). Thus, the influences on the process of gathering and reporting news are theorized to come from a variety of sources. Shoemaker and Reese (1996) conceptualize these influences on content as coming from five levels: ideological, extramedial, organizational, media routines, and individuals (p. 141). This study is concerned with influences at the organizational level that, in the words of Shoemaker and Reese, have a "pervasive, if not readily identifiable, effect on media content" (p. 125). They note that organization charts of the major media outlets show that those charged with editorial quality goals eventually report to someone charged with economic goals. Top-level executives typically make commercial decisions and bottom-level creative staff make editorial decisions, leaving the middle level of managers, editors, and producers as a buffer. But do editors feel more accountable to CEOs and stockholders than to their audience? In theory, freedom from any kind of business influence on reporting is possible because of the clear separation of business and editorial sides of a news operation (Silk, 1984), a "church-state division." While "objectivity" remains an unattainable ideal, it remains a professional standard among practicing journalists (Phillips, 1977; Schudson, 1978), just as the practices of fairness and balance have risen over the last century (Schudson, 1995).

How is it, then, that critics have become so alarmed about the current state of journalism? One key factor is the rise of conglomerate interests in the newsroom that put profits ahead of professional reporting (McManus, 1994). According to some, market-driven journalism "gathers an audience not to inform it, but to sell it to advertisers" (Bagdikian, 1990). Carter (1991) claims that pragmatism rules all in today's mass media. Halberstam states that for news operations, "the stock price becomes the only part of the report card that matters" (1999/2000, p. 96). This orientation may be the result of deregulation and lower antitrust enforcement in the 1980s and 1990s. The recent and ongoing wave of media mergers has resulted in the conglomeration of formerly independent news agencies into large firms. Increasingly, news organizations now find themselves as part of a large "multitentacled" corporation (Farhi, 1998, p. 20). The resulting concentration of news outlet ownership has raised serious issues from both critical and economic scholars. The former are concerned with the absence of diverse viewpoints in the media (Albarran, 1996; Christians, 1995) and bias in reporting the interests of capital (Liebling, 1964). In contrast, Downing (1990) claims that this fear is a leftist, elitist exercise, and that the potential for alternative sources "has never been stronger" (p. 41). Economists have noted that the concentration of market power in the hands of a few will result in both inefficiencies (Adams & Brock, 1986; Lacy & Simon, 1993) and in more homogeneous content and higher prices (Litman, 1989). In the spirit of Schumpeter's "gales of creative destruction" (1950), the counterargument takes a Darwinist approach. For example, media analyst Andrew Tyndall (1999/2000) notes that the rise of competitive 24-hour cable news and the Internet have created new competitive paradigms in which these corporations have lost their oligopoly power. Regardless of what one thinks of concentrations of power, what is clear is that the way of doing business in both print and televised journalism has changed.

State of Affairs

Journalists value the church-state division in newsgathering and its clean separation of business and editorial staffs (Silk, 1984). Auletta puts it bluntly: "We want to keep the business and the advertising department the hell out of the news room" (Tucher, 1997, p. 46). This division is sometimes violated, creating anxiety in newsrooms, with the October 1999 scandal at the *Los Angeles Times Magazine* serving as a case in point (Barringer, 1999; Zacchino, 1999).[1]

Before the major networks became subdivisions of larger corporations, their news divisions operated relatively independently of the larger network corporate structure (Auletta, 1992). Pressure from the advertisers has persisted historically, but pressure from other parts of the organization itself appears to be a new phenomenon. The recent and massive corporate consolidation of media companies has changed the relative size and source of these organizational influences. In 1977, the six largest media conglomerates had combined annual revenues of $8.14 billion. By 1997, this had grown to $23.0 billion, and by 1998 had leapt to $85.06 billion (Waterman, 2000).

Instead of the traditional fear of alienating advertisers, an editor might now worry about alienating a powerful executive in another branch of the organization or hurting shareholder equity through inappropriate coverage or non-coverage of a story relating to the corporation's interests. Similarly, with simply more products and services under the corporate umbrella, it becomes more likely that some part of the parent company may become news itself.

Synergy Bias and Expectations

Bias in reporting is theorized to come from many different places, ranging from the ideological bias of reporters (Lichter, Rothman, & Lichter, 1986), the work environment of newsrooms (Gans, 1980), or from reporting variables such as source selection, story selection, bias in the play (story order), and bias in the duration of the story (Cirino, 1971). What's often lost in all of the competing complaints about reporters' backgrounds and other forms of bias—environmental, political, racial, etc.—is a macro form of bias. Shoemaker and Reese's organizational-level approach provides for bias coming not from the leanings or background of a reporter or editor, but from the structure of the organization creating the news: "financial interests play a major role in determining what we see—and don't see—on television" (Lee & Solomon, 1990, p. 59). This is what "synergy bias" is intended to convey, although this study constrains itself to promotional and not exclusionary bias. Synergy is cooperation between and among divisions, creating opportunities by working together that would have been impossible working apart. This concept is a basic business-world value that, true or not, is believed to improve the bottom line by many CEOs and, increasingly, by publishers (Auletta, 1998; Kurtz, 2000). Groups working together are thought to be more productive, more creative, more willing to take risks, and more innovative than individuals working alone (Schemerhorn, Hunt, & Osborn, 1991). Indeed, synergy is often the point of many conglomerate mergers where the strengths of one company or division complement the other. Proponents of synergy in journalism cite expanding bottom lines and opportunities for improved reporting (Schlosser, 1997). Critics have bashed synergy, calling it "the dedication of an entire, far-flung multimedia empire to selling its products with every means at its disposal" (Rich, 1996, p. 19).

In this study, "synergy bias" has a specific, qualified meaning: It is the extent to which the business world value of synergy interferes with balanced reporting by adding promotional items within the newscast. A second and equally important type of synergy bias would be the omission of items in a newscast. Measurement of such a non-entity would require establishing an objective baseline for comparison, and is a worthwhile project, if beyond the scope of this study. This study is limited in scope only to "crimes of commission", and noteworthy omissions in the sample are mentioned only anecdotally in the discussion, not to suggest a systematic analysis.

If pressures come on a news division from outside their walls, the pressure should change in size and scope as the corporation grows. Greater absolute size means that the news division is smaller and likely wields less institutional clout. Greater diversification means that the news division is less and less important, vis-á-vis the other divisions, to the firm's survival. Most importantly, better vertical integration creates opportunities for natural media synergies to take place; as one division becomes more interdependent upon another, it makes more sense for them to cooperate as much as possible. Therefore, we should expect promotional synergy bias to be most likely present in larger, more diversified, and especially in more integrated corporations, and not as evident in smaller, less diversified and integrated ones. By measuring the size, diversification, and integration of corporations, we obtain a rank order expected effects size (see Appendix). Of the four firms studied here, CBS is the smallest, with its small size, poor diversification, and low integration (note that this is before the Viacom merger and after divesting Westinghouse). Next is G.E., which, although very large and diversified, is poorly integrated and so limited from taking advantage of media synergies. Disney and Time Warner are both fairly large, well diversified, and very well integrated, and so they are expected to yield the largest effects.

Claims of Synergy

Anecdotes suggest the presence of the phenomenon: ABC's (i.e., Disney's) *Good Morning America* spent two hours covering Disney World's 25th Anniversary, including an interview with CEO Michael Eisner (Kaufman, 2000). Anchor Tom Brokaw repeatedly promoted his book "The Greatest Generation" on NBC News shows, but neglected to mention that NBC owns nearly 25% of the book's profits (Rosenwein, 1999/2000). And the May 20, 1996, cover of *Time* featured a movie still from Time-Warner's "Twister" for a science story on tornadoes, coinciding with the movie's release.

A conglomerate's best interests may directly conflict with the news division's role as protector of the public interest: "The clash between shareholder responsibility and the public trust will not subside" (Auletta, 1992, p. 569). Investors and shareholders are, in general, forcing "media companies toward strictly market (profitability) objectives" (Herman & Chomsky, 1988, p. 12). Problems in newsgathering may result from external business pressures. Self-censorship may be a stronger force than direct influence—the danger would not be so much in a corporate head exerting influence, but in reporters and editors anticipating reprisals on their careers for not being team players.[2]

Not everyone is alarmed. Synergy may be too difficult to actually carry out in large, complex organizations, and the resulting lack of credibility not worth the effort (Pearlstine, 1999/2000). Likewise, Meyer (1987) argues that the market contains adequate safeguards against abuse. Echoing this laissez faire approach, Gordon and Kittross (1999) contend that the influence of business values within an organization is irrelevant because market forces will necessitate whatever product consumers want. Indeed, a 1998 poll found network news to have a "net trust" rating of only 43% (Newport & Saad, 1998).

The issue of placing products and services remains problematic, not because the audience can't discount it when it is apparent, but *precisely because this placement is unlabeled as such within the newscast.* Still, actual evidence of the phenomenon occurring systematically has never been published. This study explores the issue, seeking to quantify and analyze promotional synergy bias in the context of media and non-media holdings promoted within newscasts, and to better inform the debate that continues. The content analysis here tests for the amount of self-promotion present.

The study's research questions are:

RQ1: Will the holdings of the conglomerates match the topics covered in their news content?

RQ2: Will the holdings of the conglomerates predict the time and placement of their products and services in their news content?

RQ3: Will the conglomerates cover their own products and services more often than each other's within their news content?

RQ4: Will the conglomerates cover their own products and services more positively than each other's within their news content?

RQ5: For RQ1-RQ4, will the smaller, less diversified and integrated media companies show less promotional synergy bias than the more diversified and integrated ones?

Method

Sample

Television was chosen because of its importance as a source of news information. An important factor in studying promotional synergy bias in television news is that it has to be possible. This restricts the population to newscasts produced by corporations that operate national news programming and have other substantial non-news-related interests: Disney, News Corp., Time-Warner, CBS, and General Electric. Each company operates a regular news outlet, with Disney, CBS, and G.E. operating the most highly rated nightly network shows, *ABC World News Tonight*, the *CBS Evening News*, and *NBC Nightly News*. Time-Warner's *CNN Headline News* represents the program closest in format to the other half-hour programs. For comparability, *Headline News* was recorded at the same broadcast times as the other programs. Pre-test and final data analysis showed that these four programs had comparable story totals and durations, and are standardized for direct comparison where appropriate. Resources permitted pretesting, sampling, and coding only four newscasts, and so the least-watched national news show at the time, *Fox News*, was excluded from the study. The sample included a one-week pretest and four full weeks for each program.

If the likelihood of bias increases with size, diversity, and integration, CBS will show the smallest effects as the smallest, least diverse, and least integrated of the four. As noted above, the rank order of expected effects sizes is CBS smallest, then G.E., then Disney or Time Warner. Note that this does not mean we expect CBS will show zero bias effects, just the smallest ones. According to RQ5, CBS should cover its own topics less than others, should put mentions of its own products at the same point in the broadcast as it does others, and cover its products qualitatively the same as it covers others.

There were four full weeks in the sample. Weeks were selected purposely on the basis of when synergy bias was thought to be most observable, based on the industry interests of the four corporations and their business cycles. Note that the sample for this exploratory study was selected as a test of the critical case, and not for purposes of generalizability. The chief goal was to establish the presence or absence of the phenomenon. If results were negative here, they were unlikely to be detected in a representative sample. A study of Disney, Time-Warner, CBS, and G.E.'s corporate structures revealed a wide range of interests in fields from nuclear power to publishing. However, each of the four, except CBS, has strong retail interests in at least one field, and all have strong interests in broadcasting. Therefore, a strong retail season and an important broadcasting period made up the sample: the two weeks preceding Christmas (December 12-25, 1998) and the February sweeps period (January 25-February 7, 1999).

Coding Scheme and Definitions

The broadcast was defined as the time between the start of the broadcast's music until the beginning of the credit sequence, excluding commercials. The main unit of analysis was the individual story. The coding definition of a story was the part of the broadcast during which a particular topic was covered. In the case of a longer, more complex story, individual segments reported by separate journalists were assigned as stories. Pre-commercial teases and "top story" recaps were left out on the assumption that they offered no new information to the viewer. The study's final sample was 1,405 stories.

In order to say that a corporation's other divisions have influenced news content, the analysis must first identify their interests—Corporation X mentioned their products more or less often than others did and more positively or negatively than others did. Therefore, each story was coded for topic, its order in the broadcast ("play" or "position"), whether or not it contained a mention of any product or service owned by any of the four corporations, and for valence. To address RQ1, each story was assigned a topic code, based solely on corporate holdings, and all other stories (politics, weather, etc.) were coded as miscellaneous. Topic codes were mutually exclusive and allowed later analysis to determine whether the specific industries covered matched the holdings of the broadcasting conglomerate. Additionally, stock prices were recorded from the bottom-screen "ticker" to see if both share losses and gains from the four were reported equally.

To answer RQ2 about preferential placement and attention, each story was also assigned a simple play order for position within broadcast and was measured for duration. For RQ3, stories were coded for the presence of their own and others' corporate products and interests, referred to as "mentions." The coding scheme allowed for any number of mentions within a story unit (the most observed in any one story was six). Capturing these mentions required a code for both affiliation and a comprehensive list and methodology for assigning them. An exhaustive list was created from SEC 10-K filings, the *Columbia Journalism Review's* database, articles, and interviews with corporate officers. The final dataset included the authentication of every possible mention found by any coder, and included joint ventures when the company held a 50% or greater share. Mentions of news web sites and other news division programs were coded separately because self-promotion of other news division products and services does not fit the operating definition of potential synergy bias.

Story valence allows a contextual test of RQ4 in that we can see if corporate products are mentioned within stories with a more positive tone. Valence was recorded on three dimensions within a story unit. In each case, valence was coded as a five-level interval variable with the following values: −2 for very negative, −1 for somewhat negative, 0 for neutral, 1 for somewhat positive, and 2 for very positive. For example, a story about a small rise in the GNP would be somewhat positive, while the story of a triumphant balloon voyage around the world would be very positive. Either story might also have mentioned a corporation's product. To directly test RQ4, each such mention within a story/unit was coded for valence as well.

Coding Reliability

Two coders were used in the content analysis, with one coding the entire sample of 100 broadcasts and the second double-coding a sub-sample of 50 broadcasts, randomly assigned but with equal weights given to the four networks. Scott's pi (Scott, 1955) was calculated for the study's five categorical variables: story topic and mention, affiliation of mention, Web site, and news division codes. For story topic, base percentage agreement was 94.18%, adjusted to a pi of .939. For mention, this same statistic was calculated with one complication. Since the possible number of categories of mention was, for practical purposes, infinite (consider the record catalogs of Time Warner, the retail products of G.E., etc.), this study limited the number of possible categories to the number of unique observations actually captured in the study. Pi was then .76.[3] Pi's for mention affiliation, Web site, and news division were .96, .80 and .80, respectively. Cronbach's alpha was reported for the study's interval-level variables: story and mention. Alphas were calculated as .90, and .84, respectively.

Results

The first research question asked: Will the holdings of the conglomerates match the topics covered in their news content?

Corporate interests did coincide with what story topics were run, but not for all industries, and as predicted, least of all for CBS. What effects there were were minimal, and empty cell bias precludes strong conclusions for RQ1. Table 1 shows how much attention each broadcasting network gave to particular story topics. As a non-probability sample, the results are not intended to be generalizable to a different time frame, and inferential statistics are not appropriate. Rows can be examined to see if differences between conglomerates are significant within the sample. Before

Table 1
Network Coverage by Topic (%)

Topic	CBS (CBS)	Disney (ABC)	G.E. (NBC)	T.W. (CNN)	Mean
Pro sports, athletes, events* **	4.8%	3.1	2.0	9.4	3.6
Movies*	0.0	0.7	0.0	2.7	0.9
Web sites*	0.6	1.4	4.2	1.7	2.0
Long distance phone service*	0.0	1.0	0.0	0.0	0.3
Broadcast channels, programming*	5.3	4.2	5.6	1.7	4.2
Cable providers	0.3	1.0	0.0	0.2	0.4
Book publishing	0.0	0.0	0.0	0.5	0.1
Home appliances & electronics*	0.0	0.6	0.0	0.0	0.2
Commercial music	0.6	0.7	0.0	1.0	0.6
Theme parks	0.0	0.0	0.0	0.2	0.1
Financial services	0.0	0.0	0.0	0.2	0.1
Information services	0.0	0.0	0.0	0.2	0.1
Outdoor advertising	0.0	0.3	0.0	0.2	0.1
Retail sales	1.4	1.0	1.7	2.2	1.6
Magazines & newspapers	0.0	0.3	0.3	0.5	0.3
Aircraft equipment, defense weaponry	0.3	1.0	0.8	0.7	0.7
Power: gas, crude, hydro, nuclear	0.6	0.7	0.3	0.5	0.5
Other: politics, economy, weather, misc.	86.3	83.6	85.1	77.8	83.2
	100.0%	100.0%	100.0%	100.0%	
	$n = 357$	$n = 287$	$n = 355$	$n = 406$	

Test of Table χ^2, 51 $df = 118.06$, $p < .001$.
*Test of row χ^2, 3 $df = p < .05$ when using raw numbers.
**Test of row χ^2, 3 $df = p < .05$ when using converted percentages.

converting to percentages (a parametrically bounded number), the following rows are significant by chi-square at $p < .05$ with 3 *df*: pro sports, movies, websites, long distance phone service, broadcasting, and home appliances. A few industries suggest positive results, others negative, and the rest were at best questionable.

Positive patterns of topic coverage emerged in sports, movies, and the Internet. All four networks have sport and broadcasting interests, and all four covered the topics. Only two of the four have movie holdings, and those were the only two with movie stories. All four have growing Internet assets, and all four covered the Internet; G.E. was the most invested Internet conglomerate with its Microsoft partnership, and it covered the topic twice as much as the next highest network.

Non-coverage patterns were also notable in that clear industry leaders could not be seen devoting more time to a topic. Time Warner was the leader in cable, but did not dominate cable coverage. G.E. was the only holder of phone services, home appliance, and home electronics, but ran no stories on these. Time Warner and Disney had heavy publishing interests, but showed no effects. G.E. and Disney had financial services interests, but ran no stories. CBS was the only holder of outdoor advertising, but ran no stories. Disney had the most magazine and newspaper interests, but ran no more stories than the others. G.E., often accused of promoting defense to boost its once-large military holdings, did not run the most aerospace or weapons-related stories. G.E. was also the largest holder of industrial power companies and ran the fewest stories. However, this may be notable in that all of the power industry stories aired were decidedly negative.

Mixed results were found in commercial music, theme parks, and retail sales. Time Warner had dominant commercial music holdings, but did not run substantially more stories on music. Disney was the clear leader in theme parks, but did not cover the industry. However, it might be noted that there was an accident at Disneyland covered by Time Warner, but not by Disney or the other two. All four covered retail shopping, but the only non-retail entity (CBS) ran nearly as many stories as the heavy retailers.

One unexpected pattern in coverage was stock price reporting (reported in Table 1 under "Economy"-related stories). Time Warner consistently reported the fluctuations in the stocks of all four companies regardless of whether they were up or down. NBC tended to selectively report the stock movements of a select few companies described as "widely held stocks" that happened to include G.E. and corporate partner Microsoft. While it is true that those two stocks are among the most widely held, it was notable that they were only reported on NBC when rising during the sample and not when they dropped.

In sum, RQ1 can be generally answered with a "no," with the exception of certain industries. There was minor evidence of synergy bias overall in sports, movies, and the Internet, in some stock reporting, and possibly by G.E. in non-reporting on power. Still, empty cell bias precludes strong statements here.

The second research question asked: Will the holdings of the conglomerates predict the time and placement of their products and services in their news content?

If it could be assumed that stories given higher play are considered more newsworthy by the viewer, then we would expect broadcasts with synergy bias to mention their own products sooner than others' and to spend more time on them.

Table 2 shows the mean play order for each network for mentions by all networks. Because the four networks report a differing mean number of stories (CBS at 13.58/show, Disney at 13.67, G.E. at 12.89, and Time Warner at 16.24), the results here have been standardized to a base of 10 per newscast. For example, Disney mentioned G.E.'s products on average in about the fourth story in its broadcasts and its own products at about the eighth story. Surprisingly, none of the four conglomerates mentioned their own products before all of the others' in the newscasts. In fact, they consistently mentioned their own products *after* their competitors.

Table 2
Mentions by Mean Position in Broadcast

	CBS (CBS)	Disney (ABC)	GE (NBC)	TW (CNN)
CBS mentions	8.19	na	na	7.70
Disney mentions	8.84	8.19	5.43	8.72
G.E. mentions	5.29	4.39	5.22	5.98
Time Warner mentions	5.16	6.80	4.50	9.42
Mean	6.87	6.46	5.05	7.95

Table 3 shows the total time spent by each network covering its own and other networks' products and services. The time reported here is time within stories devoted to products and services. The general pattern here offers mixed support for RQ2. Conglomerates are spending more time overall on their own products and services, but not always the most per mention. Of the four, G.E. and Disney have the largest gap between total time spent on themselves and others.

We now move to the frequency and valence of specific mentions within the broadcasts. As noted in the Methods section, mentions were coded for affiliation and valence of the mentioned item. Mentions for corporate-owned Web sites and references to other news division programs, which were coded separately, show a wide range of patterns. Time Warner was the heaviest self-promoter of Web services, and G.E. was the heaviest promoter of its news division products. Web site references for the four networks were: CBS, 0.80/broadcast; Disney, 0.71; G.E., 0.43; Time Warner, 2.62. News division mentions were: CBS, 1.08/broadcast; Disney, 1.24; G.E. 2.07, Time Warner, 0.23.

The third research question asked: Will the conglomerates cover their own products and services more often than each other's within their news content?

Table 3
Mentions by Time & Frequency
(Excludes Web Sites and News Division Programming)

Mentions of:	CBS	G.E.	Disney	TW
Broadcaster: CBS				
Total time	3:32	3:55	0:02	2:02
# of mentions	7	11	1	2
Average time in seconds	30.3	21.4	2	62
Broadcaster: G.E.				
Total time	0:00	5:21	0:12	3:21
# of mentions	0	14	2	5
Average time in seconds	0	22.9	6	40.2
Broadcaster: Disney				
Total time	0:00	2:54	5:45	2:59
# of mentions	0	4	10	10
Average time in seconds	0	43.5	34.5	17.9
Broadcaster: T.W.				
Total time	1:28	8:36	7:50	6:46
# of mentions	4	14	24	23
Average time in seconds	22	36.9	19.6	17.7

Table 4 offers a direct test of RQ3, showing the percentage of the mentions on a given network that are in-house (with all Web and news references removed). For example, Disney mentioned products and services owned by any of the four corporations 24 times. Ten of these were mentions of their own products and services. Of the 21 mentions of network products observed during CBS's coverage, 7 were CBS's, or 33% of home-conglomerate mentions for the corporation expected to have the smallest effects in the established rank order. The differences from this baseline represent a measure of synergy bias; more than 33.3% of mentions should be considered biased. Each of the three can now be roughly shown to exceed this baseline by a relative amount. However, the accuracy of the baseline and the amount of bias for the individual networks is *not* critical for establishing the presence of the phenomenon in general. Promotional synergy bias can be observed in the aggregate by comparing the marginal totals; if all four, including CBS, had reported their share objectively, the percentages of total mentions should still sum to 100%. Instead, they sum to 177.1% (143.8% + 33.3%), meaning that *regardless of what baseline is used, the bias is present in the aggregate.* We can say that synergy bias is present, even if we cannot say with certainty in which networks it is most prevalent.

The fourth research question asked: Will the conglomerates cover their own products and services more positively than each other's within their news content? An inconclusive result would be no significant difference between the valence of the

Table 4
Corporate Product Mentions
(Excludes Web Sites and News Division Programming)

	Baseline (CBS)	Disney (ABC)	G.E. (NBC)	T. Warner (CNN)	Total
% of total mentions	33.3% (7 of 21)	41.7% (10 of 24)	66.7% (14 of 21)	35.4% (23 of 65)	177.1%
vs. CBS baseline	33.3%	33.3%	33.3%	33.3%	133.2%
Difference	na	8.4%	33.4%	2.1%	43.9%

baseline and the broadcasting networks' reporting of their own products and services.

The CBS baseline suggests that for a relatively independent news outlet, reporting on home-conglomerate products and services will be more critical than or nearly equal to reporting on others' (see Table 5). In the case of CBS, there were investigative stories on corporate holdings (e.g., one criticized an affiliate for age bias in its hiring of female newscasters while another criticized the NFL, a CBS broadcasting partner). The values of −.29 for CBS mentions and .43 for non-CBS mentions indicate objectivity in self-reporting. Results for G.E. were small and not significant at an acceptable level. The remaining two conglomerates' differences were statistically significant based on independent samples *t* tests, and show that the broadcasters were kinder to their own products and services, with Disney showing the largest gap. By mentioning its own products and services with a mean valence of .60 and others' at −.38, Disney is comparatively kinder to itself. Time Warner was generally more charitable to everyone with a value of 1.05, but even more so to itself with a 1.26.

Table 5
Valence of Corporate Product Mentions
(Excludes Web Sites and News Division Programming)

	CBS (CBS)	Disney (ABC)	G.E. (NBC)	T. Warn. (CNN)
Mean valence of in-house mentioned items	−0.29	0.60	0.07	1.26
Mean valence of others' mentioned items	0.43	−0.38	−0.14	1.05
p-value of independent samples *t*-test	0.210	0.016*	0.705	0.016*

Note: Valence scale: −2: "Very Negative," −1: "Somewhat Negative," 0: "Neutral," 1: "Somewhat Positive," 2: "Very Positive."
*$p < .05$.

The fifth research question asked: For RQ1-RQ4, will the smaller, less diversified, and integrated media companies show less promotional synergy bias than the more diversified and integrated ones? With the exception of the frequency of in-house mentions, CBS consistently operated with the least self-interest and operated as a good baseline. It did not run stories weighted to its corporate holdings, did not cover its own products and services more preferentially than others, and did not mention its own products in a manner consistent with the corporate interest. GE also showed limited effects in the predicted directions. Time Warner showed consistent effects, but they were not as large as Disney—the most well-integrated of the four. Overall, the expected rank order of effects sizes held.

Discussion

The results provide evidence of promotional synergy bias on some, but not all of, the dimensions explored. Overall, we can begin to say with some certainty that the phenomenon exists and is systematic, but we can say with less certainty who is doing it because of the difficulty in establishing a baseline. The key positive finding is that, in the aggregate, outlets include more references to their own products and services and treat those items more favorably than others'. While these effects are statistically significant, it is less clear if they should be considered large or alarming. G.E., for example, mentioned its own products and services disproportionately to others', but only 14 times out of 355 stories. Some critics will find any significant effect to be too large, but the small numbers might indicate that the phenomenon is less of a problem than suspected by many. For those who predict changes in the phenomenon, the numbers can provide a benchmark for future studies.

The study is not intended to be generalizable over a calendar year, and causation is not yet clearly understood: time order has not been established, and plausible alternative hypotheses have not been ruled out. Still, the variables of corporate size, integration, and diversification have shown to be useful in predicting relative effects sizes where effects were found at all. Table 4 suggests that the larger and more diversified firms, regardless of their integration, will place more of their own items in their newscasts than others'. Table 5 shows the most integrated firms, Time Warner and Disney, exhibiting more tone bias on behalf of their products and services. Although this study has offered the variables of size, diversification, and integration as important, there is a clear need to confirm the approach by better understanding *how* the phenomenon occurs in news practices.

The other measures offer a more mixed bag of results and begin to shed some light on how the effect may or may not exist across other dimensions. None of the four corporations showed a systematic tendency to promote their own products over others' in all fields, a common accusation. Instead, their mentions were more often constrained to certain industries, typically the more visible ones like sports, motion pictures, and the Internet. We might speculate that these are the more natural synergies that can be done during "soft news," and that placement of corporate products and services outside the media realm is perhaps too sensitive or obvious. Total time spent on home-corporation mentions shows G.E. and Disney with a disproportionate amount of self-promotion, but time per mention is less clear. There was also no evidence to support the contention that networks place their own items higher in the newscast—in fact, the opposite was true.

Echoing Pearlstine (1999/2000), it may simply be that the supervision of topic selection from the corporate level is not worth the resources for the potential synergy gains. Likewise, play order did not conform to predictions. In effect, they buried their own references in the newscast. Why would the networks systematically mention their own products after their competitors' rather than before? It could be that the editors are more aware of who owns what than anyone else, and wish to avoid the appearance of impropriety in this most obvious fashion. Or it could simply be that their most publicized products and services tend to be more closely related to topics that run nearer to the end of broadcasts. In sum, there are synergy bias effects, but not along all of the dimensions that many critics expected.

The potential for promotional synergy bias was also affected by the concentration of the more visible corporate holdings. Disney mentioned five movies in the sample: three of its own versus two for others'. The numbers are too small for solid conclusions, but an anecdote here may be evidence of a pattern that a larger sample might detect. *ABC Nightly News* mentioned Miramax's (Disney's) *Shall We Dance* in a story on the rise of ballroom dancing in Japan. The movie was not covered by the other networks. Was it mentioned to give color to a story that was going to be reported anyway, or was the story reported to promote the movie? If feature stories are generated by reporters and editors more often than the commonly reported hard-news items, this may suggest that these reporters may be more prone to synergy biases than their hard-news counterparts.

Web and news division mentions were coded separately, but because of their ambiguous role, they deserve some discussion. Were these references also commercialized tools for the networks? The evidence suggests that they were. Time Warner gave the most substantial push to its news Web sites. And of the four, only Time Warner had a retail opportunity on its news Web site (CNN.com). G.E. gave the most substantial push to its news programming. Of the four, G.E. had the most successful and profitable news programs, *Today* and *Dateline*. Frequency of mention would therefore appear to follow profitability patterns. The notable exception was Time Warner's news promotions—it was surprising that the one all-news network did not promote its news programming to the same extent as NBC. This could be indirect evidence of differing management practices between the two networks.

It is worth noting the few obvious occasions when a story wasn't covered. For example, an event relating to Microsoft, a highly visible corporate partner to G.E. (Microsoft being the "MS" in G.E.'s MSNBC) during the sample, deserves some investigation. The Microsoft antitrust suit was in a particularly contentious phase during the sample period, including an incident during which Microsoft was embarrassed to admit that it had tampered with evidence. While ABC and Time Warner covered the event in terms unflattering to Microsoft, G.E. did not give it any play. Again, we cannot know exactly why that was, and the fact that CBS didn't cover it precludes the instant conclusion that the story wasn't run for reasons of self-interest. This finding is similar to Disney's failure to cover an accident at Disneyland. In the sample, there was also the case of a merger involving Time Warner and AT&T. Time Warner covered the press conference in a neutral, if uncritical, fashion, and the CNN reporter made pains to disclose that Time Warner was the parent company of his network. Neither G.E. nor Disney reported on the story, but CBS did and offered a more critical and balanced story than CNN.

This study cannot draw a causal connection between corporate intentions and resulting changes in news programming, nor can it say how those changes take place. What it can say is that integrated conglomerates—knowingly or unknowingly—are placing products and services in newscasts at disproportionate levels and not identifying them as such. The tradition of labeling promotion and editorial content clearly goes back to the era of the penny press (Schudson, 1978), but no doubt there have always been violations of the ideal. These results support the contention that those violations are present today. Disturbingly, we do not know if viewers are aware of this phenomenon or what its effects might be. Further research should examine the extent of both factors.

There are further ways to make a stronger case for the presence of the phenomenon. Future studies could extend the generalizability of the results over time by drawing a random sample of programming. Secondly, other types of news programming might be tested for effects: Are "softer" news programs more likely to yield effects? Third, another methodology would be useful to show evidence of the process at work: What are the internal mechanisms and work practices by which these placements operate? Participant observer methodology such as that of Gans' (1980) *Deciding What's News* might offer insight into the mechanisms behind story selection and self-censorship in modern news bureaus. The inferences for individual networks would also be stronger if they could be compared with a baseline of content from a major network that produced a truly independent news outlet. One possible future avenue of research might include developing a methodology that allows print media to act as a comparative baseline. Such a method might be able to address the issue of omissions as well as commissions in synergy.

Lastly, the CBS-Viacom merger has removed the presence of a baseline for comparison. CBS' Viacom merger after the sample presents the opportunity for an interesting natural experiment. As noted, CBS was the least diversified and smallest of the four conglomerates, and was shown to have the least synergy bias. After the merger it became a substantially larger, more diversified, and more vertically integrated conglomerate, and we should expect synergy bias to increase. Early comments from Viacom's CEO indicate that the new company may already be more sensitive to external pressures on its news gathering (Associated Press, 1999). Future content analyses could employ a similar methodology to this one and thereby capture any changes in CBS' broadcasts at some future date. If observed, such changes could be argued to be the result of integration and conglomeration, lending further weight to the findings presented here.

Appendix

Size, Diversification and Integration of CBS, G.E., Time Warner, and Disney

Size, diversification indices, and vertical integration were measured for each conglomerate to determine a rank order for synergy expectations. The bigger, more diverse, and best-integrated firms were expected to be most able and most likely to exploit synergies through their news divisions. Size and diversification figures were obtained from SEC 10-K reports or annual reports for the year ending 1998.

Size: Size rank order, smallest to largest in annual revenues: (1) CBS, $6.8 billion, (2) Disney, $23.0 billion, (3) Time Warner, $26.8 billion, (4) G.E., $100.5 billion.

Diversification: Diversification was measured by Dimmick's D (Dimmick & Wallschlaeger, 1986): $\frac{1}{\sum_{i=1}^{n} p_i^2}$ where p_i is the proportion of the corporation's pretax profits contributed by the i_{th} division and n is the number of divisions. When not reported directly, numbers were calculated from EBITDA for the division. A larger D indicates greater diversification. Diversification rank order, least to most by D: (1) CBS, 1.675, (2) Disney, 2.996, (3) Time Warner, 5.433, (4) G.E., 6.589.

Integration: Vertical integration was measured by the industrial organization model, examining each corporation and its presence in video production, distribution and exhibition in 1998-99 (see Table 6).

By this measure, Disney and Time Warner are well integrated through the three major steps, Time Warner more so with the continued growth of cable. CBS has little production or exhibition muscle, and G.E., despite its overall size, remains severely limited by its lack of a major production house. G.E. was widely

Table 6
Vertical Integration Summary

Stage	CBS	Disney	TW	G.E.
Production	Minor production facilities	Expansive production facilities: 7 major studios	Expansive production facilities: 18 varying film subsidiaries	Minor production facilities
Distribution	Moderate: 6 minor cable networks, CBS	Expansive: major cable networks, ABC	Expansive: major cable networks, WB netlet	Expansive: major cable networks, NBC
Exhibition	Moderate: 14 O&Os	Moderate: 10 O&Os, growing cable content leverage	Strong: Growing cable empire, growing content leverage	Moderate: 13 O&Os

acknowledged to be frequently leveraged by its distribution competitors, who were often also its production suppliers. Integration rank order, weakest to strongest, was: CBS, G.E., Disney, Time Warner.

Notes

[1] A working agreement for sharing advertising revenues between the *Times* and a local sports arena was challenged by the staff as an improper violation of, according to one columnist, "the wall." The *Times Magazine* covered the arena's opening, and was also one of its primary corporate founders (see Shaw, 1999).

[2] Rupert Murdoch's News Corp. has been accused by his staff at London's *The Times* of not covering the story of HarperCollins dropping a book which was critical of China. News Corp. owns HarperCollins. At the time, Murdoch was attempting to open the Chinese market, most notably for the Chinese release of *Titanic*. The retiring East Asia editor, Jonathan Mirsky, is quoted as saying that the paper "has simply decided, because of Murdoch's interests, not to cover China in a serious way" (Baker, 1998).

[3] For calculating observed agreement, mentions were unitized, calculating: (agreement on mentions within the units)/(unique mentions coded by either coder within the unit).

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