The effect of ownership on content in newspapers


Abstract

From both theoretical and policy perspectives, the effect of ownership on the content of newspaper has attracted a great amount of attention in the communication researchers over the years. However, unfortunately there is no consensus on the effect of ownership on the content because of mixed results. Basically there are two approaches in this area: one is focused on positive effect of ownership on the content, the other is on negative effect of ownership on the content. Most popular position in the former is ‘the financial commitment theory’ (Litman & Bridges, 1986), which shows media firms in competitive market have an incentive to differentiate their content to avoid homogeneity.

In other hand, program choice model (Owen, & Wildman, 1992), market dominant media firms have a room to produce more specialized program for capturing niche market by making use of their financial resources, based on profit maximization strategy. However, those economic perspectives tend to define diversity of content as program diversity, not idea diversity. Considered that diversity can be differently defined as program diversity, idea diversity, access diversity (Entman and Wildman, 1992), we need to apply those perspectives on different diversity concepts in recall election, C.A. We tested the length of articles, story sources, story subjects, political dimension, lead source, the number of quotation per each ownership group which is divided into higher ownership group, and lower ownership group.

The findings showed, story sources, type of subjects, lead source are different between high ownership group and low ownership group, while the length of articles,
political dimension, and the number of quotation have no difference between them. Especially in terms of types of subject, high ownership group is more focused on politics than low ownership groups and more diversity (program diversity) is found in low ownership group unlike general economic perspectives. Like the type of subjects, the more diverse lead sources (idea diversity) are found in low ownership group. Our findings seem to reverse basic opinion on the relationship between ownership and the content. That means the lower ownership generates more diversity in terms of both program diversity and idea diversity, in spite of relatively small samples and provoking issues. Therefore, to make sure our findings, it is necessary to use more representative samples and less provoking issues.
Introduction
From both theoretical and policy perspectives, the effect of ownership on the content of newspaper has attracted a great amount of attention in the communication researchers over the years. There are at least three reasons to explain this kind of concern.

First is associated with democratic value (Emerson, 1970). As Glasser (1984, 137) already put it on, “divergent points of view are desirable because they sustain public debate, public debate is desirable because it nurtures an informed citizenry, and an informed citizenry is desirable because it brings about a more perfect polity.” In one word, diverse of viewpoint is the requirement for democratic society. Accordingly, concentration is believed to destroy democratic value.

Second is related with market issues: competition versus monopoly. Newspaper competition could have a variety of effects on content. As Lacy and Simon formulized it, competition can (1) increase financial commitment to the newsgathering budget, (2) increase diversity of editorial content, (3) increase competition among individual reporters to get stories, and (4) increase sensational coverage. On the contrary, monopoly can decrease diversity. As assumed that ownership is strongly associated with monopolistic management, ownership should come to crucial concerns to communication scholars.

Third is political or policy issues. Comparing to electronic media such as broadcasting, cable, DTV and even the Internet, there is virtually no regulation for newspaper industry, except for anti-trust law and newspaper preservation law. However, since anti-trust law is applied to all industries and business, it can be said that only one regulation for newspaper is ‘newspaper preservation law,’ which means combined newspaper should preserve editorial pages during certain periods, to keep diversity of viewpoints, when triple regulation is neglected.
Above concerns has been reinforced over the decades. Because the trends has kept going to highly concentration, especially under one newspaper in one city situation. From 1920 to 1986, the number of dailies published in the United States fell from 2,402 to 1,657 (Busterna, 1988). By 1996, the number has fallen to 1,520 (Morton, 1997). In other hands, in 1920, 31 groups owned 153 newspapers, accounting for 8 percent of the dailies in the United States. By 1986, 70 percent of all daily newspapers were owned by 127 groups (Lacy, 1991). Newspapers owned by family and individuals have been changed into group or chin ownership. If above concern is right, current situation should be dangerous.

However, even though this issue is the most important, most of studies yield mixed results partly because of limited definition of diversity, and partly because of researchers’ political positions. In this study, we combined current diversity issues coming from different academic background and then examine that. That’s the goal of our study.

**Literature Review**

*Diversity issues:* Despite the importance of diversity, it is very rare that scholars who are concerned about diversity issues make an agreement of that concept. Possible reason is that the academic background is so divergent that they don’t want to see the other sides. For comprehensive understanding, Entman and Wildman (1992) labeled ambiguous concept of diversity as product diversity, idea diversity and access diversity. For them, product diversity is the range of variation in product attributes that are available in a particular product or service and is often called program diversity. Idea diversity is more distinct thoughts, analyses, criticisms and the like that are available on issues of social and political importance. Access diversity is a weaker form of idea diversity and is often measured by ‘objectivity’ or ‘non-prejudicial access.’ However, Iosifides (1999) give
different classifications by combining access diversity with idea diversity and creating new kind of diversity: external and internal diversity. For him, external diversity is media structure, which reflects different politics, religions, social class and internal diversity is media content, which reflects media structure. Ethnic diversity in newsrooms can be one example.

Different definition of diversity results in different measurement of diversity. Scholars who are interested in product diversity tend to conduct research by measuring the type of program. In broadcasting, they are concerned about genre and channels, whereas in newspapers, the type of news such as hard news, features, editorials and so on are their concerns (Spence and Owen 1977; Atkin and Litman 1986; Waterman 1986; Hilliard and Picard 1989; Lin 1995; Waterman and Weiss 1996; Baldwin and Shrikhande 1997; Dimmick and McDonald 2001). In other hands, those who are focused on idea diversity tend to measure ‘sources’ and dimension of political concerns.

Ownership research: most of ownership research is focused on the relation between competition and diversity. As a matter of fact, there are two distinct positions on that issue. One is ‘the positive effect of competition on newspaper content’ and the other is ‘the negative effect of competition on newspaper content’ in terms of diversity.

The representative of former position is “the financial commitment theory.” The financial commitment theory holds that competition among newspapers increase expenditures on news content (Litman & Bridges, 1986). This position holds some assumption that media firms in competitive market have an incentive to differentiate their content to avoid homogeneity. Several studies have supported financial commitment theory in terms of the form of more news space, more news services, increased use of color and
graphics, and larger staff size (Lacy, 1992; Candussi & Winter, 1988; Wanta, 1994). Especially Lacy (1991) finds the chain-owned paper contain shorter articles and devote less space to news and editorial beats than independently owned newspapers.

In addition to this, critical and journalistic perspectives have supported former positions (Mosco, 1987; Bagdikian, 2001; McChesky, 1997) in different ways by arguing that diversity should be decreased in monopoly situation because they don’t need to take a risk by producing new format of story.

On the other hand, the latter position is mostly drawn from economic perspectives. The representative of this position is based on program choice model. According to program choice model (Owen, & Wildman, 1992), market dominant media firms have a room to produce more specialized program for capturing niche market by making use of their financial resources, based on profit maximization strategy. George (2002) also revealed in his quantitative study on product diversity, fewer owners in a market lead to greater variety and suggested that individual benefits from increased ownership concentration.

In sum, as described above, research on the effect of ownership on content yields mixed results even in the same definition of diversity, and even by the same perspectives. However, generally researchers on positive effect are focused on program (or product) diversity, whereas researchers on negative sides are focused on idea diversity. Both fields are not very concerned about access or other diversity issues.

In this research, we combined two distinct perspectives and then attempted to investigate possibly available issues.

**Research Questions and Hypothesis**
Based on previous research, this study addresses whether the degree of ownership affected the patterns of the content of daily newspapers in several ways. Our research question is addressed as follows:

R.Q: For newspapers, CA., controlling for the degree of ownership, what is the relationship between the degree of ownership and diversity?

To test our research questions, we set up six different hypotheses, by including all kind of diversity such as idea diversity and program diversity. First, several research showed highly concentrated ownership yields more spaces, more staff which results in more diversity throughout abundant financial sources. To test this perspective in terms of product diversity, following hypotheses are set up.

- H1: The length of each article in first tier newspaper will be longer than that of second tier newspapers.
- H2: There is difference of story source between first tier newspaper and second tier newspaper.
- H3: There is difference of subject matter between first tier newspaper and second tier ones.

To capture the diversity of political dimension, H4 is set up as follows:

- H4: There is difference of political dimension in conclusion between first tier newspaper and second newspapers.

To test idea diversity, H5 and H6 are set up as follows:

- H5: There is difference of lead source between first tier newspaper and second tier newspapers.
- H6: The number of quotation is higher in first tier newspapers than one of second tier newspapers.
As to H5, like conclusion, lead source is very important because the lead source is usually the most important contributor to the raison d’être of a news story and typically articulates the focus as well as the headline of the story (Sunder & Rawlins (1997). Following this position, this paper confined itself to the first source used in each story of the sample to show diversity.

**Research Method**

In order to compare newspaper diversity of different ownership levels, the researchers used content analysis to analyze the influence of ownership variations on news coverage of California recall election. As defined by Wimmer and Dominick (1997), content analysis method studies and analyzes communication in a systematic, objective and quantitative manner. A content analysis is a useful method for the researcher to get quantitative results from the printed material.

**Rationale for the selection of the four newspapers:** The first step of this study was to determine which newspapers to choose. According to the major news companies listed in the CJR website, two newspapers owned by two of those companies and published in California were determined—Los Angeles Times and Modesto Bee. They were chosen to represent newspapers with high level of ownership. Another two California newspapers were chosen from news companies not appeared in the list, representing low newspaper ownership. Also, in order to rule out the impact of circulation and region, in each tier one newspaper has high circulation and the other has low circulation. Newspaper from same region avoided to appear in the same tier. What’s more, another concern for selecting these four newspapers is that all of them have electronic version available in the Lexis-Nexis database.
**Population and Sample:** The population of the study is all news stories, features and editorials concerning California recall election in the four newspapers.

In this study the sample is stratified by day. The recall election was held on October 7, 2003. The study covered a period from October 2, 2003 through October 12, 2003, five days before and after the election day, plus the election day. Stratified sampling involves breaking a population into small groups. These groups are homogeneous with respect to some characteristic of importance. Stratified sampling has two merits in this study. First, it increases the representativeness of a sample by using knowledge about the distribution of units to avoid the over and undersampling that can occur from simple random sampling. Second, because sampling comes from homogeneous subgroups, the standard error is reduced (Riffe et al 1998)

The news stories and editorials are located through the key word search from LEXIS/NEXIS database. The key words include “Recall” and “Election.” As a result of this sampling process, we found that articles in LAT and SFC outnumbered greatly over the articles in the other two newspapers. Therefore, we then conducted random sampling on LAT and SFC.

After viewing all the chosen articles, those articles including these two key words but not related to California governor recall election were eliminated from the sample. As a result of this search procedure, a total of 274 articles were selected for the study, including 104 from LAT, 36 from MDB, 62 from SFC and 72 from SUT.

**Key Variables:** Stories will be classified into different categories according to two dimensions: attention and direction. Each story was content analyzed by placement, story source, length, headline, story type, location, leading sources and conclusion. The subject was coded as political, economical, social issue, human interest and other. The leading
source is the first source type appeared in the full text, coded as republican, democratic, expert, business, individual, international, other and non-available. The conclusion was the standpoint of last paragraph, coded as pro-Schwarzenegger, anti-swarzeneger and neutral.

**Intercoder Reliability:** To obtain inter-coder reliability, two of the researchers coded 27 articles, i.e., 10% of the sample. The inter-coder reliability for the selected sample coding yielded reliability coefficients ranging from .86 to 1.0.

The findings

Basically our data shows that there is no difference between first tier group and second tier group. Specific results are as follows:

**H1.** The data rejected the first hypothesis, which stated that the length of each article in first tier newspaper will be longer than that of second tier newspapers. In terms of mean score, newspaper in Tier 1 scored slightly higher on the word used than newspaper in tier 2, but t-tests indicate the difference between the two means were not statistically significant.

<table>
<thead>
<tr>
<th>Table 1. Length of articles vs. Tiers</th>
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<tbody>
<tr>
<td>N</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Tier 1</td>
</tr>
<tr>
<td>Tier 2</td>
</tr>
<tr>
<td>T=.63 (267), p = .53</td>
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</tbody>
</table>

**H2.** The data failed to reject the second hypothesis, which expected a difference of the use story source between first tier newspapers and second tier newspapers. The data seems to suggest that newspapers in tier 1 are more relying on parent company, while Tier 2 is depending on their own human capital.

| Table 2. Story source vs. Tiers |
**H3.** The findings fail to reject the third hypothesis, which expected that there is difference of the use of subject matter between first tier newspaper and second tier ones. Table 3 shows that there is significant difference between two tiers. Assumed election is politics issues, Tier 1 directly dealt with that issue by focusing on politics itself, while Tier 2 tends to focus on more business and social issues than tier 1.

**Table 3** Types of Subject vs. Tiers

<table>
<thead>
<tr>
<th></th>
<th>Politics (%)</th>
<th>Business (%)</th>
<th>Social Issue (%)</th>
<th>Human Interest (%)</th>
<th>Other (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>73.2</td>
<td>8</td>
<td>4.3</td>
<td>13.8</td>
<td>0.7</td>
</tr>
<tr>
<td>Tier 2</td>
<td>60.8</td>
<td>11.5</td>
<td>13.1</td>
<td>12.3</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Chi-Square= 9.592 (4), p < .05

**H4.** The data rejected the fourth hypothesis, which states that there is difference of conclusion between first tier newspaper and second tier newspapers. In this case, we defined politically directed conclusion such as either republican oriented or democratic oriented as non-neutral. Despite no significant difference, we can find that most of articles are devoted to neutral position rather than politically oriented position.

**Table 4** political dimension of conclusion vs. Tiers

<table>
<thead>
<tr>
<th></th>
<th>Non-Neutral (%)</th>
<th>Neutral (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>34.8</td>
<td>65.2</td>
</tr>
<tr>
<td>Tier 2</td>
<td>24.6</td>
<td>75.4</td>
</tr>
</tbody>
</table>

Chi-Square= 3.007 (1), p =.083

**H5.** The data fail to reject the hypothesis that stated there is difference of lead source between first tier newspaper and second tier newspapers. Table 5 indicates that the
first source newspapers in two tiers used has significant difference from each other. As shown in Table 5, tier 2 tend to use more expert (19.8%) than tier 1 (6.4%), while individuals is more used in tier 1 (21.8%) than tier 2 (18.6%).

### Table 5. Lead source vs. Tier

<table>
<thead>
<tr>
<th></th>
<th>Republican (%)</th>
<th>Democratic (%)</th>
<th>Expert (%)</th>
<th>Individual (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>47.4</td>
<td>24.4</td>
<td>6.4</td>
<td>21.8</td>
</tr>
<tr>
<td>Tier 2</td>
<td>31.4</td>
<td>30.2</td>
<td>19.8</td>
<td>18.6</td>
</tr>
<tr>
<td>Chi-Square</td>
<td>8.858 (3), p &lt; .05</td>
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**H6.** The data reject the sixth hypothesis, which expected that the number of quotation is higher in the first tier newspapers than the one in the second tier newspapers. Even though each article in tier 1 cited average 8.5 quotations, which is higher than ones (7.7154) in tier 2, the value is not statistically significant.

### Table 6. The number of quotation vs. tier

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>139</td>
<td>8.4783</td>
<td>10.3094</td>
</tr>
<tr>
<td>Tier 2</td>
<td>130</td>
<td>7.7154</td>
<td>6.8145</td>
</tr>
<tr>
<td>t</td>
<td>.706 (267), p = .481</td>
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**Discussion and policy implication**

This study investigated the relationship between the degree ownership of newspapers and diversity issues. This content analysis of newspapers, including Los Angeles times, the Modesto Bee, San Francisco Chronicle and The San Diego Union-Tribune, shows several conclusions.

In our findings, there is no difference between ownership and number of word (length), the number of quotation, and political dimension of conclusion, while there is difference
between ownership and story source, type of subject, and lead source. Generally speaking the length of articles is restricted in the volume of newspapers.

Actually we assumed that article in tier 1 is longer than ones in tier 2 because length of article is strongly associated with the volume of newspapers and the volume of newspapers results from well financial resources. Possible reason is drawn from selected issue – California recall election. This issue is so provoking and gets national attention. In addition, since movie star is involved in that issue, most of newspaper covered more than in general situation, so-called movie star effect. No difference of political dimension as an indicator of idea diversity might come from journalistic professionalism. As shown in table 4, most of articles are coded into neutral. Assumed that journalists in U.S.A are trained as simple observers and try to report objectively regardless of whether or not objectivity is possible, it is natural. However, the fact that tier 1 is more relying on non-neutral position in spite of no statistical significance, suggested that first tier has possibility to wield their market power to drive readers into certain positions as many media effect research expected.

However, the effect of ownership on story source, type of subject and lead sources is obvious. These findings give some good news and bad news together. First, in terms of lead source, tier 2 is more relying on experts than tier 1, partly because of financial problems. But this finding is related with story source. Most of articles in tier 1 are written by staff writers, but the reliance on parent company of tier 2 is less than tier 1. Staff writers in well financed newspaper tend to get high salary and excellent knowledge on specific issues. Accordingly they are considered as experts. Vice versa, staff writers in relatively small newspapers are not considered as experts. Even though quality of newspaper comes from well qualified reporters, highly reliance on staff writer alone gives rise to some problem, in terms of diversity, because staffs are not free from owner’s pressure.
In addition to this, type of subject between two groups has statistically significant difference. As shown in table 3, tier 2 produced more social issues and business issue while tier 1 produced more politics and human interest issues. Assumed that our research focuses on California recall election, more politics article showed more diversity in terms of product diversity. In other hand, tier 2 can be considered as more diversity, in that it provides variety of subject range from politics, to business, to social issues, and to human interests. This is one of our limitations. In spite of several limitations, our findings imply that the effect of ownership on content is less than expected. There is no use of concern.

**Limitation and suggestion for future study**

As with all previous research, the study experienced certain limitations. First, the findings are limited to the framework of the categories and the definitions used in this analysis. Second, this study only explores California recall election issue, which limits the ability to generalize or draw definitive conclusions. Therefore, before generalizing the results expansively, it is recommended that a replicated study be conducted examining other issues. In addition to issue matter, sample size is also our limitation, because only 4 newspapers in California were selected. To examine exhaustively the effect of ownership on content, larger sample size is recommended. Our research doesn’t care about market situation. Maybe maker situation is more important than the degree of ownership itself to examine the effects. Nevertheless, this study makes a contribution in questioning the established belief that argues there is relationship between newspaper ownership and newspaper diversity. This study challenges this argument by combing economical and political variables
Reference


