

## **Chapter 5**

# **Competition Between New and Old Media in Economic and Financial News Markets**

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The new media and the new media companies have monopolised a good part of the academic and professional discussion for the last decade. The emergence of the Internet and firms dealing in information business on the network have spelt both threats and opportunities of all kinds for the strategies of old media and traditional businesses in practically all markets. Nevertheless, the concept of a "new medium" has not been associated exclusively to the appearance and development of the "digital business" of E-economics in all the markets (European Communication Council, 2000).

Online media and online information services have not been the only new media to join the increasingly relevant new market of specialised economic and financial news in the last decade. For that sector, the incorporation of radio and television in the daily supply of content was, at the time, as important as the subsequent advent of the Internet. During almost a century, the print media had dominated that type of information. Neither radio nor television managed to develop competitive products. A few specialised businesses, unequivocally focused on the peculiar nature of their products, had managed to consolidate their leadership around prestigious journalistic brand names.

The new competitive situation resulting from the incorporation of new media into this sector poses fundamental challenges for the survival of those journalistic brand names as well as for the future of their publishing companies. They have had to change from monomedia to multimedia strategies in an environment of increasing interrelations with new businesses whose profiles are growing in the sector.

This study attempts to analyse the change in the competitive environment of the economic and financial news sector. Firstly, a general outline of the historical construction process of the sector will serve as a basis for justifying the consideration of media such as radio or television as "new media" in this

market. A description of how new media (audiovisual and electronic) made their way into the economic and financial news market follows. Thirdly, the way that the media and traditional businesses reacted to this new competition is explained generically. Lastly, some conclusions are drawn about common interrelationship patterns among new and old media from both the information and managerial points of view.

## ECONOMIC AND FINANCIAL NEWS MARKETS IN PERSPECTIVE

The history of the economic press and of journalism specialised in economics during the 20th century is a great information and managerial success story. Businesses such as Dow Jones, the Financial Times Group, Bloomberg, Nikkei or Reuters,<sup>1</sup> to mention the most significant, have managed to become international paradigms in the development and circulation of this type of content. Likewise, all developed countries have a healthy specialised information media sector competing for the growing attention that the rest of the media, new and not so new, pay to the economic world.

Nevertheless, a long road led to this situation. For many years, topics related to the “dismal science” played second fiddle in the journalistic agendas of the large media. Only a few publications for those in the know managed to shine in the media universe (Arrese, 2001a).

Very similar to what happened during the last quarter of the 20th century, the development of financial capitalism directed much attention to trade and finance in the last third of the 19<sup>th</sup> century (Parsons, 1989). In few years, the direct predecessors of some of today's most important economic newspapers were born. *Il Sole* was founded in Italy in 1865; in 1876, *Chugai Bukka Shimpo*—precedent to *Nihon Keizai Shimbung*—started up in Japan. The following decade witnessed the birth of the *Financial News* (1884) and the *Financial Times* (1888) in London, and the *Wall Street Journal* (1889) in New York. These newspapers joined the ranks of a whole set of economic and opinion journals that, with *The Economist* (1843) as the principal exponent, had been circulating since the middle of the 19th century. Likewise, from then on, the recently born news agencies, with Reuters in the lead, were to pay special attention to financial content.

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<sup>1</sup> Although Reuters is obviously one of the businesses and brand names with a long history and important weight in the sector, it is only of marginal interest to this study because it is a business based primarily on the news agency model, in spite of increasingly promoting end-user products in recent years.

Periodicals continued to proliferate during the first decades of the 20th century, particularly with the appearance of the business magazines. The birth of *Forbes* (1917), *Business Week* (1929) and *Fortune* (1930)—"The Big Three," as they have been known in the United States—symbolised the managerial euphoria of the 1920s. They also marked the end of a period that concluded with the crash of the New York exchange. These were also the years when the first media groups specialised in economics and finance came into being, managing several publications in that market. Dow Jones, under the editorship of Clarence Barron, and the Financial Times Group, run by Brendan Bracken, were undoubtedly the two most representative (Arrese, 2001b: 122–127).

The 1929 financial crisis and the decade of the Great Depression punctuated a new paragraph in the history of that century's economic journalism. The financial newspapers, in general, were unable to interpret the magnitude of the economic disaster properly. This laid bare the poor professional qualifications of financial journalism, afflicted by serious deontological problems almost from its birth. Moreover, the decade of the 1930s was to leave financial and business news in the background to spotlight the importance of "the economy," which emerged as the real news sphere (Emmison, 1983). These were golden years for analysis magazines such as *The Economist* and *Fortune*, and years of transformation for financial dailies such as the *Financial News* and the *Wall Street Journal*. The latter started reorganising as true business newspapers, having broken their excessive dependence on Wall Street and the City news.

The end of the Second World War imposed reconstruction of the sector in the main western economies during the 1950s and 1960s. In the least affected market, the United States, the *Wall Street Journal* opted to become the country's first national daily. It also climbed to top position in circulation in competition with large quality newspapers such as the *New York Times* or the *Washington Post*. The *Financial Times*, already a single newspaper after the merger of the old *Financial Times* and *Financial News* in 1945, followed a similar strategy, albeit without such extraordinary results. The arrival of newcomers such as *Handelsblatt* (1946) in Germany and the Italian *24 Ore* (born in 1946 and merging with *Il Sole* in 1965), and the remodelling of some already veteran papers—the French *Les Echos* (established as a weekly in 1908) and the *Nihon Keizai Shimbun*, which integrated four newspapers starting in 1945—established the bases for creating solid specialised news groups during the booming 1960s. This was all supported by the lack of interest for economic and financial news of the general news media, including radio and television, at a time when the western countries were on their honeymoon with the "Keynesian consensus" (Arrese, 2001a).

The development of the sector accelerated in the 1970s after the collapse of the Bretton Woods exchange system and the 1973 oil crisis. As Krugman (1994)



points out, "in 1973 the magic went away" (p. 3). The coexistence of high inflation and heavy unemployment hit the average citizen hard, and the economy became a priority public interest issue. Then came a new oil crisis and a vigorous neoliberal wave symbolised by "Thatcherism" and "Reaganomics," which was to conclude with the fall of the wall of Berlin and a good number of economic challenges as a result of growing globalisation and economic and financial integration on a planet where the economy of knowledge co-exists with the economy of poverty. All together, the relevance of economic and financial issues grew exponentially in the last quarter of the 20th century.

As it could not have been otherwise, most mass media have been echoing that new leading role of the economy, business and finance. Since the 1970s, the financial press has had to cope with new competition that had hardly existed before. Quality—and even popular—dailies, generalist television channels and radio stations have all tried to satisfy the citizens' growing information needs. In addition, there has been a veritable publishing "boom" in the print sector itself since the mid-1980s. Italy, Spain, France, and even the United States have new economic newspapers that continue to challenge the already consolidated mastheads, albeit with varying success.

Meanwhile, the large Anglo-Saxon publications, partly due to the commercial exhaustion of their national markets and partly to establish the new rules of the game for the sector, started a race to become brand names of truly world-wide influence—or at least international. Dow Jones with the *Wall Street Journal*, Pearson through the *Financial Times*—and other national newspapers, including *Expansión* and *Les Echos*, and Nikkei with its economic information system around the *Nihon Keizai Shimbun*, had become the "three big ones" of the daily economic news. In turn, brand names such as *The Economist*, *Business Week*, *Forbes* or *Fortune*, sought similar status in the magazine world.

This development of traditional print products and of economic and financial content in all types of generalist media had to coexist, in the 1990s, with a new range of competitors: the specialised broadcasting and electronic media.

## THE GROWTH OF NEW MEDIA BUSINESS AROUND ECONOMIC AND FINANCIAL NEWS

Although a breeze of crisis is starting to blow currently, there is no doubt that the 1990s can be defined as a "prodigious decade" from the economic point of view. A similar definition can also be applied from a technological point of view, primarily within the scope of information technologies, to the expansion of the digital revolution and the Internet. In some sense, the last decade was also

the decade of the free market, of “popular capitalism”—materialised in the extraordinary growth of the “citizen investor”—and of globalisation—primarily corporate and financial. All of this explains our entry into the new millennium at a time of renewed preeminence of economic, business and financial information, stimulated by the challenges of the “new economy” and favoured by the information frenzy generated by the information technologies (Arrese, 2001a; Parker, 1999; Saporito, 1999).

The conjunction of all these trends in the media world, in turn transformed from the business and technological point of view, was to be responsible for the new stardom of economic and financial news in the broadcasting and electronic media. That new leading role has materialised, among other manifestations, in the emergence of economics- and finance-theme channels on television and radio, and in the swift incorporation of the Internet as an indispensable supplier of that type of content.

*Economic and Financial TV and Radio Channels*

The emergence of the first channels specialised in economic and financial news can be set in the 1980s. The first important channel of this type in the United States was Financial News Network (FNN), founded in 1981, with an initial program schedule of five hours for a handful of UHF stations. In 1988, partly as a reaction to the success of FNN, the Consumer News and Business Channel (CNBC) was launched. The channel started broadcasting in 1989. With more varied and less finance-world-focused program planning than its competitor, CNBC was controlled by NBC (50%)—responsible for program planning—and Cablevision Systems Corp (50%)—in charge of distribution. Its impact on the market was immediate and six months after launch, it already had 13 million subscribers. In view of the effect that the appearance of this channel could have on CNN operations, increasingly interested in attracting business- and finance-oriented audiences, Ted Turner tried to get control of FNN, but the operation fell through. Finally, the competition between the two specialised channels was resolved in 1991. CNBC acquired and then integrated FNN. Since then, CNBC has continued consolidating as an economic information channel, increasing its international projection, especially since the mid-1990s.

While this was going on in the United States, a short-lived specialised television channel project was put into operation in Europe to serve businessmen on the Old Continent. To a degree, the European Business Channel was a kind of response to the impact of the launching of CNN International in 1985, as well as to the success of its economic content. Similar was the 1991 initiative of the Asian channel, Business News Network, also as an answer to the impact of CNN's attraction for transnational business audiences.



In any case, without underestimating these and other pioneer experiences, the importance of the phenomenon of television channels specialised in economics and business was not to be noticed until later in the 1990s, in terms of the national as well as the international markets.

After Financial News Network was absorbed in 1991, CNBC remained as the principal economic cable channel in the United States. The network maintained that position until the mid-1990s. The first serious competition arrived at the hand of Bloomberg, who launched the Bloomberg Information Television channel in 1994. But the real challenge for CNBC was to come in 1995, when CNN launched its own specialised channel, CNNfn. Of course, these three television channels also extended their competition to the Internet, where each made good use of the privileged situation of their brand names.

Especially beginning in 1997, with the stock market boom and the Internet business fever, the three channels thrived and became very popular with investors. One day in October of that year, the Dow Jones industrial average plummeted 554 points. The CNBC audience surpassed a million viewers, a landmark figure for this type of television content. By the end of the decade, CNBC had become an indisputable television phenomenon (Serwer, 1999). Its potential full-time coverage area reached 70 million households in the United States—as opposed to CNNfn's 12 million and Bloomberg TV's 10 million. It was constantly on in innumerable businesses and public places, and each week around 7 million persons would tune in at some point in time.

The North American experience had no match in Europe or Asia, but it did have a decisive influence on the launching of similar projects in those territories. Moreover, the main United States channels leapt their borders very soon to become international channels. The development of transmission technologies, particularly via satellite, was a key facilitating factor.

During the first half of the 1990s, several pan-European channels sprang up to capture the attention of businessmen. Some were generalist channels that joined CNN International's pioneer transnational activity. Others followed the economic channel model of their North American counterparts.

Euronews and BBC World were among the first. With respect to economic channels, the first that was completely specialised, European Business News, was launched in January 1995. This Dow Jones project was similar to that of its business channel in Asia. From London before the year was over, Bloomberg announced the start-up of European Bloomberg Television. CNBC Europe started broadcasting the following spring. In this case, NBC already had experience in economic program planning in Europe. It had oriented its first project in that market, NBC Super Channel, towards that type of content. In a few short months, pan-European television specialised in economics had practically staked out its battlefield.

During the following years, these projects continued to develop with increasing penetration into European homes, especially in those of the higher income brackets. The merger of European Business News and CNBC Europe made 1997 a key year. With the Dow Jones' publishing impulse, the new European CNBC was to end up being Bloomberg Television's only direct competitor. By then, Bloomberg had already intensified his efforts to break into the main national markets. With a strategy different from that of its competitor, Bloomberg Television designed, from London, the launching of national channels through associations with local media, alternating programs in English with their own programs and content. The French channel started up in 1996 and the Italian at the beginning of 1997 followed by the Spanish and German channels. By the end of the decade, CNBC Europe also initiated some program localisation projects, specifically, for the Scandinavian countries and for Turkey. This practice was already very consolidated in the international channel par excellence, CNN.

In most European countries, the economic content offering of these international channels through cable or via satellite began to be rounded out with content supplied by national specialised channels during the 1990s. Most followed the "all news" scheduling format, which allowed complementing the economic news with another type of information.

Germany was the European country with the greatest tradition of televised economic information. This explains why it was the first to have a highly successful channel of this type, n-tv. It started broadcasting in 1993 and the network gradually gained viewers. From a daily net audience of around 2 million a year after launching, it grew to almost 4.2 million in 1999. Some of its economic programs, such as "Telebörse," attracted up to almost a million people to the small screen at times of special activity in the securities market. Furthermore, the channel chose excellent publishing partners, including CNN International and the Handelsblatt group. It turned a profit for the first time in 1998. At the end of the decade, with a potential coverage area of 30 million homes (90% of the German market), the channel was the undisputed leader of the sector. It had little reason to fear competition, which actually came upon the scene in 2000 with the creation of N24. This channel, launched by the ProSieben group, had Bloomberg information support.

There were no such clear successes in other countries, although there was a channel specialised in these topics practically everywhere by the year 2000, or at least news channels devoting special attention to economic information. They were all part of the increasingly rich supply of digital theme channels distributed via satellite and cable. French viewers found quite specialised information on La Chaîne Info (LCI). TF1 founded this all-news channel in 1994 with very important economic and financial program planning. Something similar



happened in Italy with the program planning of Rainews 24, which was created with an eye to broadcasting content of special interest for the ruling classes. In addition, Raisat, a digital theme channel company of the Italian public television, signed an agreement with the Il Sole 24 Ore group in 1999 to develop a strictly economic channel. Likewise, the leading group of the Spanish economic press, Recoletos, had promoted the channel, Expansión TV, in 1998. This was the first project of that type on the market. Lastly, the Money Channel was launched in the United Kingdom in February 2000. This finance channel was to be distributed through Sky Digital. ETV Europe appeared in the Netherlands in 1998.

The radio medium underwent a process similar to that of television. At the beginning of the decade and for the first time in history, the implantation of radio stations focusing primarily on economic and financial content became widespread. One of the first important initiatives was the creation of Bloomberg Radio with the purchase of the New York station, WNEW-AM, in 1993. From then on, through program syndication, Bloomberg was to spread its programs to a great many stations, in the United States as well as in the rest in the world.

In Europe, French Radio Classique, one of the stations pioneering this type of program planning, normally combined news, economic content and music since 1982. But it was in the 1990s when this type of channel became widespread. With the French model in mind, Radio Intereconomía was born in Spain in 1994. At the end of the decade, this station initiated its expansion to the international Spanish-speaking market, from Buenos Aires to Miami. Other initiatives of interest were, for example, German Frankfurter Business Radio and Italian Radio 24, promoted by Il Sole 24 Ore, British Radio London, Dutch Business Nieuws Radio and French Bfm. Precisely in 1999, certifying the extension of this radio model and to facilitate collaboration among some of these stations, the European Economic Radios Association was founded.

The strategies of the specialised television channels and radio stations, as well as of the print media, contemplated developing their content and transmission modes through the Internet. After all, the Internet broke the traditional barriers among media from the point of view of the development and dissemination of content, so that all competed on the network with similar weapons for attracting and holding readers, viewers and listeners. Text, image and sound, all integrated, became a basic raw material for any information service whether it was promoted by one type of traditional medium or another.



*Economic and Financial Web Sites*

Financial information had flooded the network since the mid-1990s (Barber & Odean, 2001). The causes of that phenomenon were varied, but some evident ones are mentioned here. On one hand, the consumer of that type of content had a particularly attractive web user profile: high income and capital, the habit of using electronic information services at work and otherwise, day-to-day use of the computer, an intensive consumer of economic information, etc. On the other hand, financial and business news was particularly apt to be consumed in real time, as the markets change, as well as to be valued, and in many cases paid for, depending on its level of analysis, quantity, complexity, depth, etc. In addition, if any sphere of current events had played an important role in the phenomenon of globalisation, that was the financial market sphere. This made it even more sensible to consider the Internet, as a universal communication infrastructure, for sharing information about those topics. Finally yet importantly, the various financial service industries also saw the possibility of developing their relationship and transaction systems with their subscribers through the Internet, which included satisfying their information needs. If, besides all this, one considers the special conditions of the economic bonanza of the time, encouraging the interest of a lot of citizens in financial issues, it is easy to understand the proliferation of economic, business and financial news services on the Internet.

Some web sites of conventional economic media such as *wsj.com*, *ft.com*, *cnbc.com*, *bloomberg.com* and *economist.com* were among the 20 most visited web sites dealing with economic and financial issues during November 2000, according to the ranking developed by *100hot.com*. What is interesting, however, is that these brand names springing from specialised media, old and new, only constituted one fourth of those most visited sites. The rest, with their corresponding position in the ranking, were: *quote.com* (1), *yahoo.com* (3), *bigcharts.com* (5), *quicken.com* (7), *nasdaq.com* (8), *marketwatch.com* (11), *hoovers.com* (12), *fool.com* (13), *barchart.com* (14), *datek.com* (15), *wellsfargo.com* (16), *etrade.com* (17), *x.com* (18), *fidelity.com* (19), *thetstreet.com* (20). Although this list refers primarily to the U.S. market and can vary in time, it nonetheless serves to reflect what happened in other markets, too. In fact, the most interesting thing was not seeing what specific web sites dominated the sector, but rather considering their nature. At least four categories of new competitors could be distinguished: search engines/portals; new online financial media; online financial services; financial institutions' websites.

*Search Engines/Portals.* The search engines, evolved into the large Internet portals, held the first privileged positions when it came to distributing economic

and financial information. Yahoo Finance and Quote, the latter brand name belonging to Lycos, are examples of this category in the ranking. Of these two portals—each quite different, however—undoubtedly Yahoo! Finance perfectly exemplified the capacity of those large electronic portals to become information media. Moreover, Yahoo was a truly international brand name, occupying the top positions among portals and Internet service suppliers in most countries. The same happened with the Microsoft portal, msn.com, and its financial area, “MoneyCentral”, and with the America Online services, at least in the countries where it was present.

In the different European markets, global brand names such as Yahoo and Lycos were joined, in most cases surpassed, by portals developed by national Internet providers, in many cases promoted by the main operators in the telecommunications sector. T-Online in Germany, Freeserve in Great Britain, Wanadoo in France and Terra in Spain and other Spanish-speaking countries, to mention some outstanding cases, had their own business and finance information services.

*New Online Financial Media.* A second group of web sites competing with those of the more conventional specialised media was made up of economic and financial information services created expressly for the net, although, in some cases, they originated from firms that already offered similar services off this platform, marketing database information. Still, according to the Hot100 list, for example, two web sites were of the latter type: barchart.com and hoovers.com. They primarily provided business and finance documentation and analyses.

The fool.com site was much more interesting as an information phenomenon. It developed into a special community of investors that exchanged information, opinions and analyses about all types of financial assets, particularly stock market securities. Other sites pertaining to this group included TheStreet.com and CBS MarketWatch.com.

Almost every European country had a good number of informative web sites of a similar nature to those mentioned in this second group, composed of economic and financial information services created expressly for the Internet. In Great Britain since 1999, for example, ukinvest.com had been the model for the creation of similar services in many other countries, all promoted by GlobalNetFinancial.com Inc. Two of the more important German web sites were boerse.de and wallstreet-online.de. Italy also had interesting initiatives, including Wallstreetitalia.com and Italia-iNvest.com. The latter, like the Spanish espanainvest.com, followed the ukinvest.com model.

Although the examples mentioned so far were essentially information services, in some cases they also, directly or indirectly, acted as actual financial intermediaries. It was easy to combine the supply of information useful for



investment decision making with the availability of tools for making those investments through the web site itself. The third type of portals used this function primarily to get into the audience-capture game.

*Online Financial Services.* Web sites such as quicken.com, datek.com, wells Fargo.com, etrade.com, x.com and fidelity.com were only a few of the many promoted by financial brand names, products and services, old and new, with the main goal of fostering the use of the Internet for making transactions on behalf of their subscribers. By strengthening their information elements as part of their services, they ended up becoming windows for distributing their own as well as third-party content. In the North American case, in addition to those mentioned, the Hot100 ranking also distinguished sites such as: americanexpress.com, schwab.com, bankrate.com, prudential.com, chase.com, etc. Banks, e-brokers and other finance companies were equally active on the Network in Germany (comdirect.de, deutschebank24.de, conconsors.de), Great Britain (barclays.co.uk, first-direct.com), France (socgen.com, bnp.fr), Spain (lacaixa.es, ebankinter.com), etc. Obviously, they could not compete with other established media from the point of view of content development, but in basic information –data about financial markets, interest rates, exchange rates, etc.- they were able to offer useful services for their subscribers.

*Financial Institutions' Web Sites.* One last type of site with high news content is made up of the portals of other organisms, such as the stock exchanges, that made information that had traditionally arrived through the media available to the general public. To mention only a few, sites such as nasdaq.com and nyse.com in the United States, londonstockexchange.co.uk in Great Britain and infobolsa.es in Spain took on a new information dimension, thanks to the Internet.

One of the fundamental characteristics of the news services described so far, particularly those of the second type, was their capacity to generate income by subscription. This was something that, as Compaine and Gomery (2000) point out, only generally happened with another type of content: sex (p. 451). In fact, most of the web sites mentioned were built around free areas and pay areas. This made the economic model of those businesses particularly attractive, since it could generate income by subscription and for advertising (Mahadevan, 2000; Picard 2000).

The development of this entire information infrastructure through the Internet focused particularly on financial information targeting the investor. Although that was only one of the many realms that the economic press addressed, it certainly was the fundamental one during the 1990s. This is why the competition of all these services with the traditional newspapers and journals



and with their Internet editions became increasingly relevant. They not only captured their readers' and advertisers' time and money; they also recruited a good number of professionals from among them.

### THE STRATEGY OF THE OLD MEDIA: DEVELOP MULTIMEDIA BRAND NAMES AND ALLIANCES

The proliferation of these new media during the 1990s forced most large economic dailies to stop identifying with a single journalistic product—the traditional newspaper—to become “journalistic brand names” that integrate new content and media around that basic product. To a large extent, the same also happened in the case of the best-known magazines, both national and international. Although this process had already commenced in the preceding decades, brand name extension became easier in the last decade of the century. This strategy was to become obligatory with the development of the Internet (Arrese, 1998).

From a managerial point of view, businesses such as Dow Jones and the Financial Times Group (Pearson) with international scopes, or Groupe Les Echos, Handelsblatt and Recoletos in their respective national markets, were forced to intensify the creation of various types of networks and alliances to benefit as much as possible from the new conditions of the environment.

#### *Brand Development*

From the perspective of brand name development, the Wall Street Journal and the *Financial Times* are the paradigms. In fact, both dailies were the only two newspapers in Interbrand's yearly ranking of the 100 overall most powerful brand names.

Both dailies considerably intensified their internationalisation strategy starting in 1992. By the end of the decade, their “global battle” was newsworthy for magazines and newspapers all over the world (Labi, 2000; Renaud, 2000; Tomlison, 2000). If, in the past, both newspapers had become strong in some markets and paid less attention to others, now direct competition spreads to all the geographical areas of the planet. *The Wall Street Journal* flings itself into the conquest of the European market, while the Financial Times disembarks in the United States with an aggressive publishing and marketing proposal. In some places, like in the German market, the struggle leads the London newspaper to launch a German edition, *Financial Times Deutschland*, while the Wall Street daily reinforces its alliance with that market's leader, *Handelsblatt*. They even find scopes for the two newspapers to collaborate, as in the case of the joint

launching of a new economic daily, *Vedomosti*, in Moscow. Competing in most markets and collaborating in a few—applying a “coopetition” strategy, increasingly common in this and other Business sectors—, both the Wall Street Journal and the *Financial Times* were brand names with a truly global information proposal in the 1990s.

In addition to the press, where each newspaper was also the flagship of a fleet of printed products, the commercial news services, television and Internet had become suitable channels for distributing content guaranteed by those brand names. On the Internet, the *Wall Street Journal* and the *Financial Times*, with radically different business models, had managed to successfully implant the brand names wsj.com and ft.com (Steinbock, 2000). Furthermore, both profited from synergies of a different type with other brand names well positioned on the Internet, as in the case of the *Financial Times* with CBS-MarketWatch. As to the audiovisual media, their commitment had been much less determined, perhaps forecasting that the boom of audiovisual economic and financial news was to be short-term. Nevertheless, there also existed ways to foster the brand name through those media, as in the case of the *Wall Street Journal* providing certain specialised content for radio and television networks (CNBC).

The spreading of brand names through the most consolidated media was a common phenomenon in most markets. *Handelsblatt*, *Il Sole 24 Ore*, *Les Echos* and *Expansión*—the latter two under the control of the British group Pearson— not only dominated their respective markets of daily economic information, but also extended their prestige to audiovisual and electronic products. The capacity of the electronic portals of those newspapers to capture users and compete, as a result, with other periodical brand names and new information services normally exceeded that corresponding to their printed circulation (Dans, 2000). Unlike what took place in the Anglo-Saxon markets, in these countries, the involvement of the main journalistic brand names in the development of specialised television channels was much more determined, especially in Spain and Italy.

Their publishing companies developed the mentioned brand names, in response to the growing competition from the new media, parallel to the implementation of geographic expansion and corporate diversification strategies.

### *Multimedia Alliances and Networks*

The corporate development required of businesses such as Dow Jones and the Financial Times Group—and other national groups specialised in this type of information—by the new competitive environment of the 1990s can be called paradoxical. On one hand, the situation described has forced these groups to adopt multimedia strategies, particularly developing their range of non-print products. In many cases, this has necessitated playing the growth game of the



large media groups. At the same time, however, they have had to do so while maintaining their historical focus on economic and financial news, a market niche with clear growth limitations when considered nationally. In general, the result of this paradoxical situation has been the patent internationalisation of the sector—both of businesses and of products—with the proliferation of networks, associations and alliances while the main actors maintain the niche approach appropriate for specialists.

Again, the Dow Jones and the Financial Times Group cases can serve as the model. Although on a different scale, national groups such as *Handelsblatt* (with its growth in the German-speaking market) and *Recoletos* (through its expansion in the Spanish-speaking markets) followed similar strategies.

As to Dow Jones Co., in addition to the intense promotion of the *Wall Street Journal* and of other journalistic brand names such as *SmartMoney* and *Barron's*, the backbone of its growth has been the reinvention of its electronic news services, heirs of one of the company's foundational businesses, the news agency, Dow Jones News Service. In those two fundamental lines of business—print and electronics—the group maintains various strategic alliances with other specialists, including *Nikkei* (for Japan and southwest Asia), *Handelsblatt* (Europe) and Reuters (for everybody using the Factiva service). In the audiovisual arena, Dow Jones is a partner with NBC for developing CNBC in the markets outside of the United States.

Although the multimedia, international and specialised approach of the Financial Times Group is largely similar to Dow Jones', their business situations and business strategies have differed notably. With respect to the business situation, while Dow Jones is an autonomic specialised group, the Financial Times Group is part of Pearson, a conglomerate with clearly differentiated business units: education, publishing, media. As to the business strategy, while the U.S. group has traditionally opted for alliances with other companies with an eye to promoting its own brand names, the British group has generally opted for purchasing businesses and products. Throughout the 1990s, it acquired the first French economic news group—*Les Echos*—and the first Spanish-speaking economic information group—*Recoletos*. Furthermore, it controls 50% of the capital of The Economist Group, 50% of the first New Zealand economic news group, and 34% of MarketWatch.com.

In spite of the differences between Dow Jones and the Financial Times Group, and between these and other national companies, the extension of traditional brand names and their transformation into multimedia brand names as well as the internationalisation strategies and reinforcement of the specialization have been common patterns in the response of the "old" companies and media to competition in view of the challenges posed by the new environment of economic and financial news in the decade of the 1990s.



## CONCLUSIONS

Everything points to the economic and technological boom of the last decade being replaced by a new period of adjustment characterised by the revision of expectations of all kinds. The economic and financial news sphere, too, can expect that adjustment, which will undoubtedly help clarify the future of new and old media. The definitive incorporation of the audiovisual and electronic media into the sector, which took place in the 1990s, is no longer a process that can be expected to reverse itself. Especially in the case of the electronic media, no one doubts that they will play an increasingly important role in satisfying the information needs of businessmen, executives, investors, and citizens in general.

Moreover, as this study has attempted to show, after almost a century in a privileged and comfortable situation, the main economic newspapers have tried to adapt and play a leading role in the renovation of the sector. Most of them have become content brand names with business models that are particularly attractive on the Internet and have a great capacity to apply brand name expansion strategies. In this regard, we can assert that they have been in the vanguard of the transformation of the press. Moreover, the special nature of economic news and of its audience has endowed the sector with an international growth potential that few journalistic markets have achieved.

Lastly, by establishing alliances and creating networks, the main businesses of the sector have managed to become multimedia companies. Most of them have sought an international projection, while maintaining and even reinforcing their image of specialisation. All of this has allowed the same companies that dominated the various national and international markets three decades ago to currently occupy key positions in the sector, even though, obviously, new competitors have appeared on the scene.

Perhaps with the doubt about what might happen with economic and financial information in the audiovisual media, the potential of traditional journalistic brand names such as the *Wall Street Journal*, *Financial Times*, *The Economist*, *Nikkei* or *Il Sole 24 Ore* does not appear substantially threatened by the new media. Among other reasons, for quite some time, those publications founded more than century ago—like their publishing companies, are new media—and new businesses—as new as the rest.

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