

BOOK REVIEW

Strategic Management in the Media: Theory to Practice

Päivi Maijanen

Strategic Management in the Media: Theory to Practice. Second edition.

By Lucy Küng

Sage, London, 2017

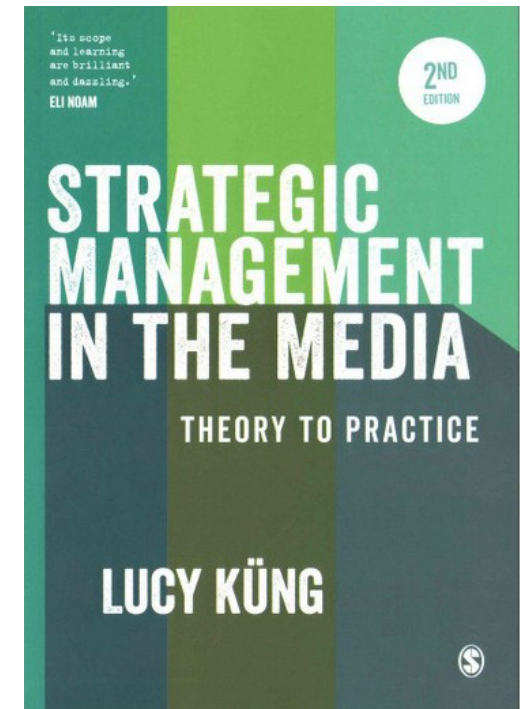
ISBN: 9781473929500

Lucy Küng's second edition of *Strategic Management in the Media* (London: Sage, 2016) highlights with rich analyses and real-life case examples the contemporary developments and strategic challenges in the complex digital media environment. As one of the rare books in the field of media management that analyzes the media industry and media organizations from the perspective of strategic management, this update of the 2008 first edition is more than welcome.

The media industry has changed during the past nine years in such an unprecedented and radical way that issues related to strategy, management, organi-

zational renewal, and business model innovations are more acute than ever. The revision has maintained many of the first edition's themes, and adds many highly relevant updates and changes. For example, issues related to technological changes are more in focus in the second edition – and for a good reason. Digital technology has become the main driver of change and success or failure in the media industry. As expressed by the author, “It’s everywhere – determining outcomes in strategy and in leadership, central to industry core competencies, and helping shape the structure of organizations” (p. xv). Consequently, the second edition pays special attention to how radically developing digital technologies have challenged and changed strategic thinking and leadership.

The structure of the book and the illustrative case studies (e.g., *BuzzFeed*, *Netflix*, *Encyclopaedia Britannica*, *The Guardian*, *The New York Times*, the *BBC*) make its reading a pleasant and insightful jour-



ney. Each chapter leads the reader from the outside industry context and strategic concepts toward the inside of organizations, focusing on creativity, cognition, structure, and leadership. The introduction places the reader at the journey's start by defining the key concepts of media management and media industry. According to the author, "The core task of media management is to build a bridge between the general theoretical disciplines of management studies and the specificities of the media industry." Lucy Küng's book lies at the core of this task by contributing significantly to building the bridge.

The introduction is followed by an analysis of the strategic context (Chapter 2), covering strategically important developments in the media industry, including digital disruption and its effects on competition, media usage, and value creation. The author highlights such phenomena as non-linear value chains, fragmentation of consumption, increased global competition, new distribution channels, and new digital business models that cross what traditionally were firm boundaries. The book delineates the impact of global digital platforms (Apple, Facebook) on the media industry ecosystem, explaining how they weaken "traditional media's market power and influence, not least by constraining revenues" (p. 33). In addition, new, growing segments such as streamed media content (Netflix, Hulu) and digital

"pure plays" (*BuzzFeed, Quartz*) further disrupt traditional business models.

After analyzing the strategic context, the book provides an overview of relevant strategic concepts for the media industry (Chapter 3). The multiple theoretical approaches are categorized into three schools of thought: rationalist, adaptive, and interpretive. The book draws more on the adaptive and interpretive schools than the approaches of the rationalist school (e.g., Porter's Five Forces Model and the resource-based view) that are considered more suitable for stable environments. This part of the book could have been updated further. For example, it does not include the dynamic capability view that was originally launched – as a continuation and dynamization of the resource-based view – to explain how firms can sustain their competitive advantage by transforming resources with dynamic capabilities in volatile environments (Di Stefano, Peteraf & Verona, 2010; Helfat & Peteraf, 2007; Teece, 2014; Teece, Pisano & Shuen, 1997).

Chapter 4 focuses on strategic responses to technological change. As the author remarks, it is the longest chapter in the book – and not without reason. Digital technologies are the main drivers of changes in the media business environment. In addition, they have drastically reshaped journalistic work processes, content formats, and the audience relationship.

Managers of traditional media are facing an ambidexterity dilemma of to what extent they should continue exploiting the existing business and to what extent they should explore and invest in new digital business models. This leads to the famous "innovator's dilemma" (Christensen, 1997) and to the question of how success creates inertia: factors that keep the present business flourishing could be the source of failure in the long run.

The following chapters take the reader inside the media organization. The fifth chapter, "Creativity and Innovation," analyzes the critical role of creativity as "one of the prime drivers of above-average performance in the sector" (p. 129). The author addresses the important issue of how to support and enhance creativity. The sixth chapter, "Culture, Mindset and Strategy," emphasizes the differences between culture and cognition (the beliefs or cause maps through which individuals and organizations interpret the environment). Both contexts develop in an evolutionary manner and therefore can be a source of organizational inertia and rigidity. Thus in times of radical change, the great challenge is how to change the work cultures and belief systems that are deeply embedded in the organization's routines and practices. As the author points out, studies related to culture and cognition are an expanding research field in strategy research. In particular, studies on managerial cogni-

tion (and its effects on organizational renewal and performance) have increased remarkably in recent years (Helfat and Peteraf, 2015; Kaplan, 2011).

The seventh chapter, “Organization and Structure,” describes how digitalization has accelerated the shift from centralized and complex structures toward agile, lean, and collaborative forms in order to address the volatile and deregulated multi-channel digital environment. Finally, the eighth chapter, “Leadership,” tackles the multiple roles and tasks of strategic leadership in the media and, specifically, the importance of leadership in managing strategic change.

Lucy Küng’s second edition of *Strategic Management in the Media* is an enjoyable book for any reader. It provides a coherent picture of the relevant strategic issues and challenges that the media industry is currently undergoing. The rich case-based approach and insightful analysis are evidence of the author’s profound understanding of the changes and challenges taking place in the media industry. The book serves as an invaluable guide, particularly for media professionals, media scholars, educators, and students. Importantly, for media management scholars it brings to light some relevant but unstudied areas for further research, including issues related to leadership and “internal firm dynamics.”

The new edition is a valuable contribution to media management scholarship. As the author empha-

sizes, “Media management is still in its infancy” (p. 3). Yes, but this book is an important step forward. It is sure to inspire media professionals and scholars to contribute to and strengthen the growing field of media management.

Päivi Maijanen

Lappeenranta University of Technology
pmaiJane@lut.fi

REFERENCES

- Christensen, C. M. (1997). *The innovator’s dilemma: When new technologies cause great firms to fail*. Boston: Harvard Business School Press.
- Di Stefano, G., Peteraf, M. A., & Verona, G. (2010). Dynamic capabilities deconstructed: A bibliographic investigation into the origins, development, and future directions of the research domain. *Industrial and Corporate Change*, 19(4), 1187–1204.
- Helfat, C. E., Finkelstein, S., Mitchell, W., Peteraf, M. A., Singh, H., Teece, D. J., & Winter, S. G. (2007). *Dynamic capabilities: Understanding strategic change in organizations*. Malden, MA: Blackwell Publishing.
- Helfat, C. E., & Peteraf, M. A. (2015). Managerial cognitive capabilities and the microfoundations of dynamic capabilities. *Strategic Management Journal*, 36(6), 831–850.
- Kaplan, S. (2011). Research in cognition and strategy: Reflections on two decades of progress and a look to the future. *Journal of Management Studies*, 48(3), 665–695.
- Teece, D. J. (2014). The foundations of enterprise performance: Dynamic and ordinary capabilities in an (economic) theory of firms. *The Academy of Management Perspectives*, 28(4), 328–352.
- Teece, D. J., Pisano, G. and Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509–533.