MEDIA ENTREPRENEURSHIP IN THE ERA OF BIG MEDIA: PROSPECTS FOR NEW ENTRANTS (SUMMARY)

Anne Hoag
Penn State University, amh13@psu.edu

Ben Compaine
Northeastern University

6-10-2006

Recommended Citation
Available at: http://digitalknowledge.babson.edu/fer/vol26/iss19/2
SUMMARY

MEDIA ENTREPRENEURSHIP IN THE ERA OF BIG MEDIA:
PROSPECTS FOR NEW ENTRANTS

Anne Hoag, Penn State University
Ben Compaine, Northeastern University

Principal Topic

The importance of a vibrant and innovative media sector in a democracy has been evident since Toqueville first observed media entrepreneurship in the United States in the 1830s. A major theme in entrepreneurship research is the entrepreneur’s ability to recognize and exploit opportunity. The notion that barriers-to-entry are a matter of perception and can be overcome by individuals with the entrepreneurial mindset runs in contrast to the view in economics research that barriers-to-entry are equal to all new entrants. There is some concern that today’s media marketplace is dominated by an oligopoly that deters new entry. However, recent research has shown media industries enjoy a high degree of entrepreneurship and the kind of turbulence thought to encourage innovation. In other words, entrepreneurship may flourish despite so-called big media hegemony. A simple illustration is pioneers in peer-casting: innovators harnessed peer-to-peer networks, blogging and podcasting to distribute their media where others did not recognize opportunity. This paper presents the results of a grounded theory approach to discovering prospects for new entrants in media and whether “the individual-opportunity nexus” has unique attributes in the case of media.

Method

The research objectives suggested a grounded theory approach to uncover patterns and themes in media entrepreneurship. A dozen media entrepreneurs were interviewed with a protocol designed to uncover attributes of the entrepreneurs, their process of idea discovery and exploitation and barriers-to-entry. Some entrepreneurs were in traditional media (newspaper, periodical and book publishing), the rest were online content providers. In addition, case studies were created of each subject’s media enterprise.

Results and Implications

Results suggest that entrepreneurs see a wide range of opportunities in the media arena. Interview subjects who possessed classic attributes of entrepreneurs, including their propensity to perceive and act on opportunity, experienced few barriers to implementing their ventures. Significantly, analysis uncovered differences among some subjects suggesting there may be two kinds of media entrepreneurs: “missionaries” and “merchants.” Missionaries’ rewards stem from their media’s potential to influence, entertain or inform. Merchants engaged in media entrepreneurship for the same rewards as entrepreneurs in general.

CONTACT: Anne Hoag; Penn State University, 201 Carnegie Building, University Park, PA 16802; (T): 814-863-0526; (F): 814-863-8044; amh13@psu.edu

Acknowledgement: This research is supported by a grant from the Ewing Marion Kauffman Foundation.