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Louisiana State University and Agricultural and Mechanical College

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THE OWNERSHIP OF ONLINE NEWS:
A POLITICAL ECONOMY ANALYSIS OF WWW.FOXNEWS.COM AND
WWW.NEWS.YAHOO.COM

A Dissertation

Submitted to the Graduate Faculty of the
Louisiana State University and
Agricultural and Mechanical College
in partial fulfillment of the
requirements for the degree of
Doctor of Philosophy

in

The Manship School of Mass Communication

by
Shenid Bhayroo
B.A., Lehigh University, 1993
M.M.C., Louisiana State University, 1996
December 2008
DEDICATION

To my mother Sheila Thulsie Bhayroo, my sister Desheen Naidoo, and my brother Dhenier Bhayroo.

And, in memory of Cawalram Bhayroo and Peter Moonsammy.
ACKNOWLEDGEMENTS

This project would not have been possible without the boundless patience and wise counsel of my mentors, Dr. Anne Osborne and Dr. Eileen Meehan. Despite hurricanes, interstate moves, and an assortment of other dramas, they remained steadfast in their support of my research project. I would like to acknowledge their contributions. Dr. Meehan’s seminars exposed me to fresh and exciting perspectives on the world of critical political economy and challenged me to justify my longstanding beliefs and my research. Dr. Osborne made sense of my works-in-progress, providing me with insightful and prescient feedback, thus keeping me focused on the research phenomenon. I am a grateful beneficiary of her fine research skills and mentorship.

I would like to recognize and thank committee members for their unique contributions. Dr. Dave Kurpius for creating opportunities for teaching and for encouraging me to “disappear” so I could write; Dr. Emily Erickson for the coffee chats and the pep talks that allowed me to maintain my research “mojo;” And Dr. Trish Suchy for the amazing documentary theory seminar that I wish I could have taken before I began making documentaries, and for according me the rare privilege of being part of Louisiana Story Revisited. Thanks also to the Dean’s representative, Dr. Carl Freedman, for reminding me to clarify the concepts and to go beyond the obvious.

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In many ways, I view this research as the culmination of a journey that began many years ago in dusty townships of Apartheid South Africa. During the course of this journey, I have met and learned from many wise people: my schoolteachers Susheela Moonsammy, Lorna Naidoo, Alan Moonsammy, Ebrahim Isaacs, Rashid Seedat, and Ramesh Ramdin; the many human rights activists, trade unionists, academics, colleagues. Thank you to my other family: Uncle Peter, Aunt Doreen, Kali, Rosh, and most of all Soobs for the privilege of sharing your home, your lives and your hearts with me. I want to acknowledge, in particular, my friend, my mentor, and my comrade, Hassan Lorgat. For more than two decades Hassan has challenged, frustrated, and astonished me with his intellectual prowess, his compassion, his humility, and his selfless dedication to the cause for social and economic justice. I am honored to know such a fine human being.

I want to express my heartfelt gratitude to all the incredible women in my life, who have contributed in significant ways to my development as a person. I paraphrase the Zulu maxim umuntu ngumuntu ngabantu – because of all of you I have become the person I am. I want to
acknowledge the first in that long line of exemplary women, my mother, Sheila Bhayroo. From her I learned the value of education and hard work, I learned to have compassion for others and I learned what it took to raise a family in the face of enormous challenges. All I can say is “thank you Ma.”

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ABSTRACT

This dissertation explores the ownership of online news content within the broader context of diversity of news sources in the public sphere. The free flow of diverse sources of news and information is critical to democratic governance and public discourse. Research has highlighted the central role the Internet can play in facilitating this discourse and thus contributing to the political process. This research explores the diversity of news online by examining the ownership of news sources online.

The project uses a qualitative case study approach and basic quantitative methods to conduct analyses of the homepages of News Corporation’s www.FOXNews.com and Yahoo! Inc.’s www.news.yahoo.com. Four key elements are addressed: (1) the commercial imperatives of News Corporation and Yahoo! Inc., as these imperatives relate to the ownership and production of online news content online, (2) the ultimate owners of sources of news content cited on www.FOXNews.com and www.news.yahoo.com, (3) the corporate relationships between News Corporation and the ultimate owners of news content on www.FOXNews.com and between Yahoo! Inc. and the ultimate owners of news content on www.news.yahoo.com, and (4) the types of news content on these Web sites and the organization of the news content on the homepages.

Findings indicate that the overall corporate commercial imperatives of News Corporation and Yahoo! Inc. guide the production, aggregation, and distribution of news content on the homepages of www.FOXNews.com and www.news.yahoo.com. International news agencies and a small group of media corporations are dominant as ultimate owners of news content on the homepages of www.FOXNews.com and www.news.yahoo.com. In addition, both News Corporation and Yahoo! Inc., have extensive corporation content sharing relationships with
major media companies already dominant in traditional media. The results indicate that media conglomerates already dominant in the production, aggregation, and distribution of traditional media are also dominant online. The ostensibly many brands of news content are, in fact, owned by few ultimate owners. Such ownership gives media corporations enormous power and the potential to influence public discourse on important matters of governance and political life.
CHAPTER 1. INTRODUCTION AND STATEMENT OF THE PROBLEM

In this dissertation, I raise questions relating to the ownership, dominance, and influence of media institutions within the context of the free flow of information in a democracy and the diversity of information in the public domain. I use political economy as the theoretical framework to contextualize the corporate ownership and economic market within which commercial media operate. News Corporation’s www.FOXNews.com and Yahoo! Inc.’s www.news.yahoo.com produce and disseminate news. In this process, both corporations become involved, in normative terms, in fulfilling a public necessity in a democratic society. Political economy theory permits me to address directly issues of media power and media influence, in as far as these two phenomena relate to a citizenry that has basic rights and expectations of a diverse range of news and information.

This dissertation is built around four key research components, each relating to a primary research question. The first component consists of an analysis of the commercial imperatives of News Corporation and of Yahoo! Inc., as these imperatives relate to the ownership and production of online news content online. In the second component, I identify the ultimate owners of cited sources of news content on www.FOXNews.com and www.news.yahoo.com. In the third component, I analyze corporate relationships between News Corporation and the ultimate owners of news content on www.FOXNews.com, and between Yahoo! Inc. and the ultimate owners of news content on www.news.yahoo.com. In the final part of this research I look at the kinds of news content appearing on these Web sites and how the news content is organized on the Web sites’ homepages.

A study of the Internet as a source of online news is important for a number of reasons: first, millions of people use the Internet to obtain news and information about political processes
and governance; second, large corporate conglomerates that already own broadcast and print media operations have become dominant online sources of news and information about political processes and governance; and third, telecommunications regulations and policies influence the production and distribution of online news.

Democratic and transparent self-governance requires access to a diverse range of opinions, views, and participation in robust discussion on political matters and public policy. The Internet can play a crucial role in facilitating dialog between governments and citizens across national boundaries as we strive to fulfill collective aspirations toward global democracy and world peace. However, if dominated and controlled by political and commercial interests in pursuit of power and profit, and by advertisers in search of new markets, the Internet can also become no more than just a transcontinental marketplace. Corporate dominance is evident in the increasing concentration of the ownership of the technologies used to produce and distribute the news. Such control gives these corporations enormous power and the potential to influence public discourse on important matters of governance and political life. Regulatory and political decisions and subsequent laws on telecommunications have been key determinants in the ways in which news is produced and distributed online. In Chapter Three, I sketch the development of government regulation of electronic communications and of the ownership of the means of production and distribution of news. These historical antecedents presage the current regulatory and economic structure of the Internet, particularly with respect to online news.

My research, then, contributes to mass communication scholarship in general, and to political economy research in particular, by focusing attention on the ownership of online news content. My study identifies the cited sources of news online, determines ultimate owners of the cited sources, analyzes corporate commercial imperatives of the ultimate owners, and examines
categories and presentation of news content on the selected Web sites. In setting up this study, I look at the ownership of news production and distribution technologies. I provide perspective on the ownership and production of news content by outlining the policies and political decisions that gave rise to the current structure of broadcast media, and I explain how these policies and political decisions have impacted how the Internet is structured to provide news.

In this research, I conduct extensive case studies of www.FOXNews.com, owned by News Corporation, and www.news.yahoo.com, owned by Yahoo! Inc. The Web site news.yahoo.com was selected because it is consistently featured as the most visited news Web site on the Internet. The site www.news.yahoo.com functions as a news aggregator and is best known for its e-mail services. The Web site www.FOXNews.com was selected because it is the online operation of a traditional news organization, the FOX News Channel, and is one of the top five news production companies in the United States. The FOX News Channel’s ultimate owner, News Corporation, is one of the top six global media and entertainment conglomerates. Case studies of these Web sites allow me to address a number of themes: what kinds of news artifacts appear on the Web pages, how the news artifacts are organized and presented on the pages, who or what organizes the news artifacts, and who or what is responsible for creating and distributing the news artifacts. Analysis of these case studies provides a framework within which to understand how emerging media technologies are used to produce and circulate news content and how traditional media converge with online media.

**Marketplace of Ideas and Democracy**

A diverse range of ideas, information, and opinions is of paramount importance in a democratic society. Self-governance in a democracy requires robust debate and discussion as well as transparent and accountable governance. These objectives can only be sustained by the
free flow of and access to a diversity of news and information. News media are instrumental in the process of facilitating public discussion and debate on important matters affecting how society is governed. News media are responsible for providing a diverse range of opinions, views, and news to citizens. The Internet holds great promise as a medium that can facilitate the distribution of news and information from diverse sources, enhancing national and global public discourse as a way for citizens and nations to make a better world. But the Internet also promises to be an effective profit-generating medium for corporate owners, a virtual global marketplace that facilitates the production, aggregation, packaging news content, and sale of news products and advertising content.

Thus, in this dissertation, I have chosen to highlight the problems that these dueling visions of the Internet have on how news is produced and circulated online, who owns news content, and the extent to which the Internet reflects a genuinely diverse marketplace of ideas. I also examine the different visions of the Internet in detail and provide a historical account of the policies and political decisions that have influenced the current structure of the Internet in relation to online news.

**Innovations in Electronic News**

New media technologies have been a feature of modern telecommunications since the creation of the telegraph. The telegraph, the telephone, and the incandescent lamp were new technologies in the late 19th century, as were the phonograph, wireless communication, cinema, and broadcast television in the 20th century (Marvin, 1988). Wired telegraphy was used to transmit news and information electronically by the end of the 1700s. In the years since, technological innovations have resulted in the creation of increasingly sophisticated communication technologies to produce and distribute news, information, and entertainment.
content. Facsimile machines were introduced in 1843, wired telephony in 1849, wireless radio in 1897, and commercial broadcast television debuted in 1939. In the 1980s, personal computers were used to circulate news in text form and by the 1990s, computer technology allowed for the distribution of news using graphics and, eventually, video formats. The early 1970s through the early 1980s was the period of fixed-line telephones and broadcast and cable television. This era was the time of early efforts to deliver news electronically, using videotext and teletext in Britain and parts of Europe. Videotext used fixed-wire telephone lines or cable television, while teletext systems used broadcast signal technology to deliver news and information to paid subscribers (Gunter, 2003). Newspapers in the United States were the first mass medium to experiment with the electronic presentation and delivery of news, largely in an attempt to boost circulation figures. And in Europe, the “mass customized newspaper” integrated online news content and printed newspaper content, producing both a customized printed newspaper and an online version (Schoder, 2007).

By 1997, almost half of American dailies had created online versions of their newspapers (Jackson & Paul, 1997). This development occurred during a time that home computers were becoming more commonplace and there was a steady increase in the number of people using them. News content on these newspapers’ Web sites was produced largely through a process called shovelware: stories originally produced for printed newspapers were repurposed (shoveled) for the Web (Pogash, 1996; Reid, 1997; Boczkowski, 2004). Shovelware allowed newspaper publishers to put content online at a low cost, with relative ease, and in a format that was familiar to newspaper readers. Initially, online news content coincided with printed editions of newspapers, but soon these Web sites were being updated regularly with breaking news (Stovall, 2004).
One of the first broadcast news organizations to go online was Turner Broadcasting System’s Cable News Network Interactive (CNN Interactive). CNN Interactive launched its Web site in 1995 and constantly updated the content (Salwen et al., 2005). During this period, limited bandwidth capacity and associated technologies hindered network and cable news Web sites from providing high-quality video and audio content. As a result, the Web sites of many television news operations resembled the traditional layout of newspapers and magazines (Gunter, 2003). Technology development companies gradually overcame these challenges with new technological capabilities that permitted the Web sites of ABC, CBS, NBC, CNN, and Fox to begin providing more and higher quality video and audio content to supplement the existing graphics and text content. Not only was online news content changing at the point of production, but so too was usage at the point of consumption.

**Online News**

Use of the Internet is growing at about 19% per year globally. By 2006, approximately 1.24 billion people around the world used the Internet. Internet access, however, is not universal; Internet users in low-income countries account for about 18% of the world’s total Internet users (International Telecommunications Union, 2008). Survey data from the Pew Internet and American Life Project indicate that at least 7 out of 10 American citizens who have access to the Internet went online to read or watch news in 2005 (Horrigan, 2006). This translates into approximately 50 million Internet users who went online to access news on a typical day. Another Pew survey reveals that the number of Americans who used the Internet as their primary source for election news doubled from 7% in the 2002 mid-term elections to 15% in the 2006 campaign (Rainie & Horrigan, 2007). germane to this research is the finding that approximately 60% of Internet users who go online for news visited the Web sites of traditional news
organizations such as network and cable TV sites. Of that 60%, about one third visited the Web sites of national newspapers and almost two thirds visited news portals such as Google News or Yahoo! News. A little more than half also went to blogs, comedy sites, government Web sites, candidate sites, or alternative news sites in addition to visiting the Web sites of news portals and traditional news organizations (Horrigan, 2006).

Similar trends are reflected in the 2007 and 2008 State of the News Media reports conducted by the Project for Excellence in Journalism (PEJ). In 2007, more than 72% of Americans went online for news and the percentage of those going online regularly has grown from 32% in 2005 to 37% in 2007 (PEJ, 2008). These data show that online news sites are becoming an important source of news for millions of people and that these users are visiting a small group of Web site for their news. Table 1 shows the top online news sites for 2005, 2006, and 2007, based on the average unique monthly visitors. The top online news Web sites, as measured by unique visitors per month, are: www.news.yahoo.com, www.msnbc.com, www.cnn.com, and www.aolnews.com (PEJ, 2008).

Table 1 Top Online News Sites 2005, 2006, 2007

<table>
<thead>
<tr>
<th>Web site</th>
<th>Average monthly visitors in millions</th>
<th>Ultimate owner</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005</td>
<td>2006</td>
</tr>
<tr>
<td><a href="http://www.news.yahoo.com">www.news.yahoo.com</a></td>
<td>27.2</td>
<td>31.4</td>
</tr>
<tr>
<td><a href="http://www.msnbc.com">www.msnbc.com</a></td>
<td>26.2</td>
<td>25.9</td>
</tr>
<tr>
<td><a href="http://www.cnn.com">www.cnn.com</a></td>
<td>21.9</td>
<td>21.3</td>
</tr>
<tr>
<td><a href="http://www.aolnews.com">www.aolnews.com</a></td>
<td>20.9</td>
<td>21.0</td>
</tr>
<tr>
<td><a href="http://www.googlenews.com*">www.googlenews.com*</a></td>
<td>7.8</td>
<td>9.4</td>
</tr>
<tr>
<td>Tribune newspapers</td>
<td>7.6</td>
<td>8.7</td>
</tr>
<tr>
<td><a href="http://www.usatoday.com">www.usatoday.com</a></td>
<td>7.6</td>
<td>7.4</td>
</tr>
<tr>
<td><a href="http://www.abcnews.go.com">www.abcnews.go.com</a></td>
<td>6.5</td>
<td>7.8</td>
</tr>
<tr>
<td><a href="http://www.cbsnews.com">www.cbsnews.com</a></td>
<td>5.2</td>
<td>6.9</td>
</tr>
<tr>
<td><a href="http://www.foxnews.com">www.foxnews.com</a></td>
<td>4.9</td>
<td>5.4</td>
</tr>
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</table>

Sources: www.stateofthenewsmedia.org, 2008; comScore.com 2008; *Nielsen Online, 2008

The remaining portion of this research is divided into seven chapters. Chapter Two provides a theoretical framework for this research. In Chapter Three, I provide an outline of the major visions of the Internet and I sketch the development of telecommunications regulation and policy in order to establish a rationale for this research. Chapter Four contains a detailed review of relevant literature on online news and concludes with the specific research questions for this study. Chapter Five provides a detailed description of the research method and data collection procedures. In Chapter Six, I present, then analyze, the data. And last, in Chapter Seven, I summarize and discuss the main research findings.
CHAPTER 2. THEORY

In this chapter, I first outline the theoretical underpinnings of the political economy of communication and I then provide a primer on political economy. Next I give an account of how media corporations exercise hegemony in the marketplace of ideas. I follow this by establishing a theoretical framework for news as a commodity in the marketplace of ideas and I focus specifically on corporate ownership of media content and of the means of media production. Last, I extend the marketplace metaphor by placing it in the public sphere and examining how news as commodity has the potential to limit or liberate the public sphere.

According to the liberal-pluralist paradigm, a diversity of news, views, and opinions in society is ensured through competition in the marketplace of ideas. The liberal-pluralist notion of this competitive marketplace of ideas rests on the assumption that private ownership of media is the most appropriate and desirable form of media ownership. Within this marketplace, ideas, opinions, and views compete against each other, like products compete in an economic market.

The marketplace of ideas metaphor is associated with the writings of John Milton and John Stuart Mill (Ingber, 1984). In Milton’s famous 1644 speech to the Parliament of England, Areopagitica, he refers to a battle between truth and falsehood, “Let her and Falsehood grapple; who ever knew Truth put to the worse, in a free and open encounter” (1644, p. 35). In John Stuart Mill’s treatise On Liberty, he refers to the notion that all ideas must be allowed to be expressed freely in order to serve human progress, although he does not actually refer to a marketplace of ideas (Gordon, 1997). The marketplace metaphor acquired prominence in American jurisprudence in 1919, when Supreme Court Justice Oliver Wendell Holmes wrote a dissenting opinion in Abrams et al. v. United States. In dissenting with the majority view that upheld the right of the U.S. government to criminalize certain types of speech, Justice Holmes argues that
“…the best test of truth is the power of thought to get itself accepted in the competition of the market” (Abrams et al. v. United States, 1919). The contemporary liberal-pluralist interpretation of the marketplace of ideas metaphor and the market economy is based in part on Holmes’ articulation of the concept. Bennett and Åsard (1995, p. 2) take issue with the marketplace of ideas metaphor as an expression of political freedom; they argue instead that it is more correctly a rhetorical marketplace “defined by the institutional arrangements through which political language is exchanged for political support [and] campaign promises are traded for votes.” Researchers within the critical paradigm argue further that political freedom cannot be reduced to the right to exercise one’s will [in a marketplace of ideas]. Instead, political freedom also includes the right to control the process whereby that will is informed (Mattelart & Mattelart, 1998). This research contributes to this discourse by analyzing how news is produced and distributed online and who or what controls and owns the news content in the online marketplace of ideas. Political economy theory provides a framework within which to discuss the corporate and political entities that control the process of the construction of ideas, the dissemination of ideas, and the ways in which these ideas contribute to a diversity of news product in the marketplace of ideas.

**Political Economy of Communication**

The founding figures of political economy research in North America, Dallas Smythe and Herb Schiller, drew attention to the extent to which the communication industry has become part of an exploitative and undemocratic corporate order (Mosco, 1996; Schiller, 1984; Smythe, 1960). Critical political economy examines how the state, business, and other structural forces influence communication. The epistemology of political economy thus includes an examination of social power relations governing the production, distribution, and exchange of resources
(Mosco; Garnham & Inglis, 1990). The political economy of communication and culture integrates the communication industries, businesses, and authorities of state policy within the wider capitalist economy. In the current phase of capitalism, the extension of corporate reach is one of the important processes examined by a political economy approach (Murdock, 1982).

When studying media as an entity within the larger system of social and economic relations, media take on a role beyond that accorded by the liberal-pluralist paradigm. The liberal-pluralist perspective sees media as an objective, value-free process producing content that reflects reality, thereby contributing to the empowerment of citizens so they may make informed decisions and participate in the democratic process. Critical political economy views mass media as concrete historical phenomena, socially created as a part of the general development of industrial capitalism (Garnham & Inglis, 1990). In this context, news media are not self-standing entities that just provide the “news;” instead, news media are a fundamental part of the social system of meaning-making, a part of the political and ideological processes of economic markets.

Communication, in general, is taken to be a powerful commodity: not only does it produce surplus value and thus behave like any other commodity, it contains symbols and images whose meanings help shape consciousness (Mosco, 1996). Critical political economists have studied communication and the ongoing transformation in production and economics within the communication industry. Dallas Smythe proposed a conceptual structure of the study of the political economy of communications. He observed that mass media provide the bulk of entertainment, information, and orientation to the population—outside of family, school, church, and job. Thus, it is crucial to understand how resources are allocated to meet certain of the needs, while leaving other needs unsatisfied. To this end, Smythe (1960, p. 564) poses two related
questions: “Who gets what scarce goods and services, when, how and where?” and “Who takes what actions in order to provide what scarce goods and services, when, how and where?” These questions provide a framework for analyzing three areas in the communication industries: (1) production policies on goods and services produced, (2) allocation policies of goods and services produced, and (3) policies on capital, organization, and control.

From a critical political economy perspective, the production policies on goods and services refer to the availability and quality of media produced. When media are traded in commodity form, scarcity has to be created by, for example, “the use of copyright, controlling access, promotion of obsolescence, creation and sale of audiences and by favoring some kinds of new media over others” (Golding & Murdock, 1978: p. 98). These production policies also include the kinds of media (news) content produced and, by extension, the diversity of that content. The policies on allocation of goods and services produced include the relationship between audience and advertiser and between audience and producer. Organizations that produce media content sell that content to audiences and sell audiences to advertisers. In this process, media content and audiences become commodities.

And finally, policies on capital, organization, and control include corporate structure, regulation, and ownership of news production technologies and how these technologies are used. For example, convergence technologies are being used to serve the economic interests of media companies (Babe, 1996), while corporate concentration and technological convergence effectively disempower media workers (McKercher, 2002). Indeed, as Smythe (1960) points out, the essential condition for the emergence of technology and the organization of communication agencies was [and continues to be] capital. The analysis of capital is a natural starting point to understand the political economy of communications because it is important to recognize that
“mass media are first and foremost industrial and commercial organizations which produce and distribute commodities” (Golding & Murdock, 1974, p. 205-206).

In order to provide a context for Golding and Murdock’s statement, in the next section I explain the theory of competitive markets according to philosopher and political economist Adam Smith. A consideration of competitive markets is critical to the political economy framework I use to analyze the marketplace of ideas, given that news organizations are owned and operated by commercial enterprises that claim to operate within a free and competitive economic marketplace.

Political Economy

Political economy originated in the late 18th century to explain and justify the acceleration of capitalism. Classical economic theorists such as Adam Smith, David Ricardo, Jean-Baptiste Say, and John Stuart Mill wrote during an era of immense social upheaval and transformation of human societies from agrarian to manufacturing and then to industrial economies (Mosco, 1996). Classical political economy forms the basis for the contemporary mainstream economic paradigm and encompasses, among others, neoliberal economics, Keynesian economics, and corporatist economics. Adam Smith’s theory of economic markets is still offered as the best rationale for contemporary capitalism. Smith’s theories are based on observations of developing industrial economic markets in Great Britain.

In *Wealth of Nations*, Smith (1776/2003) identifies self-interest as a driving force in a free market economy and proposes a number of economic theories to explain how wealth is created and what drives economies. He also explores in his earlier work, *The Theory of Moral Sentiments* (1759), moral issues in the free market economy (Morgan, 2006). Among the themes Smith addressed in his economic theories were: competitive price, wages and fund, the division
of labor, monetary policy, and the behavior of individuals pursuing self-interest under conditions of competition. Smith also wrote a critique of the English policy of mercantilism (Stigler, 1976). In Wealth of the Nations, Smith makes a number of assumptions in the model of a free and competitive market. These assumptions are fundamental to contextualizing the contemporary rhetoric of the free market with respect to the media in the economic marketplace and the marketplace of ideas.

According to Smith, in a fully free and competitive market there are many buyers and many sellers, thus enabling buyers to have choices among the many sellers. Competition within this market requires demand to drive supply, thus allowing sellers to respond to buyers’ changing demands. This assumes that the power in a free market rests in the hands of buyers. Buyers’ demands are informed, in part, by the availability of perfect information about the quality, quantity, price, and location of products in order to haggle with sellers. Buyers are also assumed to be rational in their buying of goods and, based on the information, evaluate quality and how much they spend. But, Smith warned—caveat emptor!—buyers must beware and must take responsibility for ending up with bad products.

Buyers, in any case, effectively drive competition in this free market. When demand on the part of buyers increases competition, then prices fall. Buyers have the power of demand, and sellers have the right to be free from government regulation and thus free from barriers to entering or leaving the market. While government is not permitted to hinder this free competition with regulations, it must provide infrastructural support such as roads, health care, mail services, and policing. The phenomena in these assumptions are held together by Smith’s concept of the “invisible hand” of self-interest. The invisible hand balances demand and supply by ensuring just the right amount of goods is produced by sellers so as to meet the demand of buyers. The greater
the self-interest, the greater the good for all participants in the market. It would not be unreasonable to argue that, absent these conditions, markets exist but are not competitive (Meehan, 2005). Smith noted the potential for corporations to restrain competition and for a monopoly to curtail the free market.¹ In other words, he found monopoly power and corporate privilege incompatible with a competitive market.

Critical political economy, the framework used in this study, focuses on linking the economic market to broader social and economic processes and then subjecting these phenomena to criticism from a humanist perspective. Philosopher and political economist Karl Marx analyzed the capitalist system and sought to understand and explain the dynamic forces that allowed the system to grow. Marx studied the cyclical short-term expansion and contraction of capitalism and the longer-term transformation of the system. Marxian political economy provides a strong defense of democracy, equality, and the public sphere in the face of powerful private interests (Mosco, 1996, p. 36).

**Corporations, Media, and Hegemony**

At the confluence of ideology, hegemony, and culture is a contested terrain in which a dominant class seeks to maintain power, or, as Smythe (1981, p. 271) argues, in the case of capitalism, the place “where a dominant class must constantly produce public opinion in order to maintain its control of politico-economic system.” Both the Marxist and liberal-pluralist approaches to the study of media agree on the nature and power of the media, but express it

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¹ See Smith (1776/2003): Book V, Chapter I, Part III, Article I. Of Public Works and Institutions for facilitating the Commerce of Society. “The constant view of such companies is always to raise the rate of their own profit as high as they can; to keep the market, both for the goods which they export, and for those which they import, as much under-stocked as they can: which can be done only by restraining the competition, or by discouraging new adventurers from entering into the trade (934), and Book I, Chapter VII, Of the Natural and Market Price of Commodities. “A monopoly granted either to an individual or to a trading company has the same effect as a secret in trade or manufactures. The monopolists, by keeping the market constantly understocked, by never fully supplying the effectual demand, sell their commodities much above the natural price, and raise their emoluments, whether they consist in wages or profit, greatly above their natural rate” (86).
differently (Curran et. al., 1982). In the liberalist-pluralist tradition, media function as the fourth estate—in addition to playing a role in the democratic process through providing a service that is independent of the government (Bennett, 1982). According to this view, one of the functions of media is to fulfill a surveillance role in the larger society.

The critical perspective views media as serving an ideological and hegemonic role in societal formations. Media fulfill these roles “not by ideological compulsion, but by cultural leadership” because they are part of a dominant class alliance, which has “effectively secured mastery over the society” (Hall, 1982, p. 85). This hegemony is sustained in part through the types of commodities that communication industries produce and distribute. These commodities provide sets of worldviews in contemporary society and play a crucial role in shaping social consciousness (Murdock, 1982). In this process, the ideological and cultural powers of media products are combined with the economic power of corporate conglomerates.

A materialist ontology sees human survival as dependent on the need to manage and allocate resources in order to survive. These resources, some of which are more scarce than others, are not always equitably allocated. Often, those individuals and groups possessing the most power are at an advantage. In understanding power and power relations in society, we may distinguish groups in society by their relationship to the means of material production—those who own the means of production and those who provide the labor for the production (Marx, 1947). These two groups coalesce into social classes by virtue of their ownership (the ruling classes) or non-ownership (the working classes) of the means of production. In The German Ideology (1947), Karl Marx and Frederick Engels associate mental production and material production by viewing the dominant class as that which produces ideas and maintains control over the production and distribution of ideas:
The ideas of the ruling classes are in every epoch the ruling ideas, i.e. the class which is the ruling material force in society, is at the same time its intellectual force. The class, which has the means of material production at its disposal, has control at the same time over the means of mental production, so that thereby, generally speaking, the ideas of those who lack the means of mental production are subject to it (Marx, 1947, p. 64).

Thus, materialism may be conceived of as the idea that everything that exists depends on matter and physicality and is intrinsically linked to thoughts and ideas—all of which rests upon institutions and economic processes rooted in the capitalist mode of production (Haslett, 2000). Ideology is the totality of construction of meaning and a sharing of world views and, as Williams (1977, p. 109) asserts, ideology is a “relatively formal and articulated system of meanings, values, and beliefs, of a kind that can be abstracted as a world view or a class outlook.”

Marx viewed ideology as a false consciousness militating against a true consciousness, and he pointed out that ideology is a system of beliefs of a particular class; ideology is a process of the production of meanings and ideas. Through ideology, a ruling class can exercise hegemony over the masses (Bottomore, 1991). Thus, if media are part of the system of meaning-making, this confers upon media an inherent hegemonic power in society. In *Selections from Prison Notebooks* (1935/1971), Gramsci articulates the relationship between ideology and the hegemonic role of the ruling classes. Gramsci conceptualizes hegemony as the natural acceptance of prevailing economic, political, social, and ethical issues by major groups in society who actively support the ruling elite. Stated differently, hegemony is achieved by actively winning the consent of those classes in society who are subordinated within it, without the need for legal or legitimate force (Hall, 1982). The power of the dominant class to determine discourse encourages acceptance of the status quo as natural or unchangeable, divinely ordained, or beneficial (Lukes, 1974).
Media are central to the complex interaction of experiences, relationships, and activities involved in constructing specific views of the world. Williams (1977, p. 112) contends “Hegemony does not just passively exist as a form of dominance [but] has to be renewed, recreated, defended, and modified.” Media also participate in the renewal and recreation of the hegemonic ideology. From a critical Marxist perspective, media are conceived of as not just reflecting and sustaining consensus in society, rather as actively producing consensus (Hall, 1982). Commercial media organizations, by virtue of being owned and operated by large corporations, are integral to the system of meaning-making in a capitalist economic system, and consequently wield significant power in society.

In *Monopoly Capital: An Essay on the American Economic and Social Order*, Baran and Sweezy (1966) discuss a stage in capitalist development in which giant corporations controlled most industries in the United States. By the beginning of the 20th century, capitalism had abandoned mutually destructive price competition and began searching for new outlets for surplus beyond consumption and investment (*Monthly Review*, 2006). The advent of the corporation had supplanted Adam Smith’s freely competitive market characterized by the individual businessman and the smaller family-owned firm of the early 19th century. The rise of the corporation, beginning in America with the finance and railroad industries, produced three characteristic features of corporate capitalism (Baran & Sweezy, 1966).

First, control and power rests in the hands of management and corporate insiders. Second, management is a self-perpetuating group, because each generation of managers recruits its own successors. And finally, each corporation aims at, and achieves, financial independence through the internal generation of funds that remains at the disposal of management. This system gave rise to a significant and extremely concentrated system of economic power. Research by
Domhoff (2006) demonstrates how interlocking directorates have further cemented the collective power of corporations. Interlocking directorates form linkages between corporations when individuals sit on two or more corporate boards. Through this process, interlocked directors move toward the center of power structures and are more likely to be appointed to foundations and policy-discussion groups (Barnes, 2005) and to government advisory groups (Useem, 1980). Thus, social power relations are created through interlocking directorates. Interlocking directorates are also evident in the Associated Press (AP) board of directors. The AP considers itself a not-for-profit cooperative; the board of directors is, however, comprised of top-level representatives from major media corporations such as ABC News, Gannett Company, McClatchy Company, Media General Inc., News Corporation, and the Washington Post Company, to mention a few. I discuss this aspect in detail in my results and analysis chapter.

The current stage of capitalism, monopoly capitalism, permits the corporation to embrace economic entities in capitalist countries across the world. This facilitates the internationalization of capital and the creation of a universal market within which to distribute commodity goods and commodity services produced by the corporation (Braverman, 1974/1998). Extensive research has documented the increasing concentration and dominance of fewer corporations in the media and telecommunications industries in the United States (Kunz, 2007a; Meehan, 2005; Bagdikian, 2004; McChesney, 2004; McChesney & Scott, 2004; Bettig & Hall, 2003; Streeter, 1996; Guback, 1994; Babe, 1990; Schiller, 1998; Wasko, 1982; Danelian, 1939). These vertically and horizontally integrated corporations are dominant in the production and distribution of media content and have control over the technological means of delivering media goods and services. The Internet becomes one of a number of media platforms for delivering media goods in the form of news content.
News as Commodity

In the context of this research, news on the Internet is not just the outcome of the aggregation of news content; instead, online news is a fundamental part of “industrial and commercial organizations which produce and distribute [cultural] commodities” (Golding & Murdock, 1974, p. 105). Commodification in this instance is the transformation of a product whose value is determined by its ability to meet human needs (its use value) into a product whose value is determined by what it can command in the marketplace (its exchange value) (Kunz, 2007b). This research takes the approach that technology does not simply produce social relations, rather the social relations represented by capital produce technology (Braverman, 1974/1998). In other words, the Internet and its associated technologies are not by default objective or value free. The Internet has an inherent power in terms of the ownership of content online and the ultimate systems that control or manage the Internet. The Internet also has an inherent power in terms of who has access to and use of the Internet, what the Internet produces, what labor is utilized in the production of online news and information, and what commodities are produced and distributed within the digital environment.

From the perspective of cultural theory, mass media are viewed as a culture industry, an arena in which commodities are produced and circulated (Adorno, 1976). Critical cultural theorists view communication and society as mutually constituted out of social and cultural practices. News and information are considered integral to societal and historical communication processes. In this research, political economy and critical theory provide a conceptual framework for the examination of the structures and the processes responsible for the material production of news and information. These production processes are part of the culture industries, institutions in society that utilize the modes of production and organization of industrial corporations in
order to produce and distribute cultural goods and symbols (Adorno & Horkheimer, 1976/2002). Political economy views mass media as creators of surplus value through commodity production and exchange (Garnham & Inglis, 1990). For example, copyright effectively commodifies information (culture) by transforming what the author produces into a commodity (Bettig, 1996), achieved through systems of policy regulation and enforcement.

Traditional media have gone online and are using the Internet as an additional outlet for news and information. The neoliberal perspective sees this as an increase in the number of voices, sources, views, and opinions available. This plurality of truths competes for acceptance in the marketplace of ideas. But, traditional commercial media are owned by multinational and diversified conglomerates that dominate the production of broadcast and cable news (Kunz, 2007a; Bagdikian, 2004), and have holdings across the spectrum of other mass media operations—newspapers, magazines, radio, and new media. The dominance of these conglomerates over the means of media production and distribution raises fundamental questions about the diversity of news content in an online marketplace of ideas.

As a product of the media and entertainment industry, news is, by extension, one of many products being offered/sold as a commodity in the larger cultural production industry. Adorno (1976) argues that goods produced and distributed by the culture industries cultivate and fulfill false needs, thereby encouraging passivity on the part of the consumers of the cultural goods. The diversified news and entertainment conglomerates, producing and distributing media and entertainment products, are at the center of the culture industries. These industries include film, radio, television, advertising, the information technology industry, and also include a second level of production that creates symbolic goods and services (Garnham & Inglis, 1990; Schiller, 1989). Museums, art galleries, amusement, theme parks, “shopping malls, and corporate ‘public
The subjects selected for case studies in this research are examples of corporations active in the culture industry. News Corporation is a transnational, transindustrial conglomerate with holdings in the production and distribution of media and entertainment content such as television, cable, satellite, newspapers, film, magazines, book publishing, radio, and recorded music, as well as major league basketball, hockey, and digital media operations. Yahoo! Inc., the subject of the second case study, is a technology and online information services company offering an array of Internet services to users and businesses around the world. Yahoo! Inc. also has business partnerships with Seven Network Limited, eBay, AT&T, and Verizon Communications.

This research examines online news content produced, aggregated, and distributed on www.FOXNews.com and www.news.yahoo.com. According to the dominant paradigm, news stories are the outcome of media operating within the marketplace of ideas. In this marketplace, media workers produce stories in accordance with the tenets of journalistic practice—fairness, objectivity, impartiality, balance, and adherence to seeking the truth. The outcome of this journalistic process renders “independent, reliable, accurate, and comprehensive information that citizens require to be free” (Kovach & Rosenstiel, 2001, p. 11). Viewed through this lens, the complex social relations and social power relations of capitalism are obscured. In this process, news content is delinked from the powerful forces that lead to its production and distribution. In this research, I view digitized news and information produced and distributed by transnational media conglomerates as integral to what Mosco and Schiller (2001) refer to as “cybercapitalism.” Contemporary capitalism, in its neoliberal manifestation, is characterized by
an increasingly commodified cultural system in which culture is a business and economic and business spheres have become cultural (Haslett, 2000). In terms of online news, the productive and distributive capacities provided by the Internet enhance the transnationalization of the capitalist economy. The resultant market system, according to Haslett, increasingly relies on the information technologies of the Internet to “move information—voices, images videos, and data, instantly around the globe” (p. 1). The larger issues of social and economic relations are crucial to understanding the production and distribution of online news and whether or not there is indeed a competitive marketplace of ideas and a competitive economic market.

The Marketplace of Ideas and the Public Sphere

Under neoliberalism, free markets are seen as rational sites of efficient distribution of resources (Munck, 2005). The 21st century manifestation of the neoliberal economic project is the phenomenon known as globalization—a complex interaction of economic, social, political, and cultural processes. Globalization has facilitated the movement of capital and resources throughout various industries and across global economic systems. At the same time, it has allowed for the movement of cultural artifacts and products into virtually every corner of the world (Guback, 1994). The dominant media and entertainment industries have acquired an expansive distribution network for the media, entertainment, information, and news products they produce. The Internet represents the new “new” technology in the same way printed matter, the steam engine, electricity, the telegraph, the telephone, radio, film, and television were “new” technologies (Marvin, 1988). In this system, the Internet has become a distributive medium, and a production site, for news and information commodities, available to citizens who have access to these new media content. Habermas (1989) argues that communication and the free flow of information are foundational to the existence of a vibrant public sphere. Corporate-owned media
organizations are subjected to the dictates of the corporation and tend to militate against a thriving public sphere (Mosco, 1996). In the online public sphere, news and information content, social networks, and public spaces come up against the online presence of transindustrial and diversified media conglomerates as well as government regulations and policies. Policies and regulation reflect and actively sponsor a market approach to news and information in the online digital environment. The public sphere, in terms of traditional media, is under threat from powerful interests that control the production capacities, raw materials, productive labor, and distribution channels of news and information content. McChesney (2008) contends that a viable public sphere, in the context of traditional media, is not compatible with corporate ownership of media. By extension, the potential of a Habermasian public sphere online is similarly incompatible given the dominance of powerful corporate interests online. To this end, my research explores the issues surrounding the dominance of corporate ownership of online news content and how this dominance impacts the diversity of news. The dominance of corporate and commercial media in cyberspace does not have to be a fait accompli. Advocates of an online public sphere or digital commons have championed the idea of a collectively owned and managed Internet that would benefit all the “netizens” in cyberspace. I begin the next chapter by considering two competing visions of the Internet; one articulated as a digital market and the other as a digital commons.
CHAPTER 3. THE INTERNET AND NEWS

Envisioning the Internet

Developments and advances in Internet technology have elicited awe-inspiring visions of revolutionary and fundamental transformations in the world of digital computer communication (Burnett & Marshall, 2003; Leiner et al., 2003; Negroponte, 1995). It is not surprising that the potential of the Internet to significantly improve many areas of human existence continues to be featured in the discussions on, and within, the Internet. The Internet as a neutral provider of news and information in service of democracy is described as a utopian approach, emphasizing the social, economic, and politically redeeming benefits of the Internet and of technology in general. There are, indeed, approaches that highlight the negative impact of this technology on individuals and communities. These are the Internet-as-dystopia arguments and include concerns that the Internet blurs the line between the cyber world and real life (Slouka, 1995), thus making real communities impossible in cyberspace. These perspectives bemoan the loss of in-person contact and the negative consequences thereof (Beninger, 1987; Stoll; 1995). Dystopian views emphasize further that computer networks and computer communications steadily remove people from their natural environment, resulting in a weakening of social ties and social networks (Birkerts, 1996; Winner, 2004; Nie & Ebring, 2000; Kraut et al., 1998).

The utopian approach, in contrast, highlights the potential of the Internet to usher in a new era of democratic practice, enhanced social relations, and new modes of citizen-empowered communication. But there are two divergent visions within the utopian approach. The first can be described as a digital market approach, a neoliberal vision that advocates the democratic possibilities of the Internet, and views these possibilities as achievable only through a commercial, privatized, and ideally deregulated digital market. The other approach, the digital
commons approach, equates the Internet with inherent community, democracy, and an intellectual commons (Barlow et al., 1995; Rheingold, 1993; Kapor, 1993).

To better understand the contexts of these two visions, I provide a concise historical account of the build-up to the current manifestation of the ownership and movement of news on the Internet. To this end I have divided the rest of this chapter into four short sections. Part one provides an account of how telecommunications policies regulating the telephone, radio, and television presaged current Internet policy and regulation. Part two focuses specifically on Internet policy and regulation. Part three outlines how proponents of the digital market approach envision the ownership and flows of news and information content online. And in part four I provide an account of the digital commons approach to the Internet.

**Telecommunication Policy**

The system of media in America is integrally linked to the notions of liberal democracy and the existence of a marketplace of ideas. Representative democracy in the United States is premised on the participation of an informed citizenry and the existence of a marketplace of ideas, where views and opinions are seen to compete in order to arrive at a truth (McQuail, 1992; Severin & Tankard, 1997). This liberal model of media was built on principles of commercial ownership, minimal state intervention, and an environment in which politically neutral journalists produce news according to norms of objectivity (Hallin & Giles, 2005).

The development of the liberal model was greatly influenced and shaped by economic subsidies from government and government policies that facilitated the expansion of privately owned commercial media. Early commercial newspapers in the United States survived largely on government printing contracts and by relying on a subsidized federal postal system for circulation and distribution of printed materials. The rates for first class mail (letters and
postcards) were higher than for second (newspapers and magazine mailed by publishers), third (advertising circulars), or fourth class mail (parcel post), because “second class mail is really a by product of postal operations … [and] the post office is maintained essentially to provide first class mail service” (Kennedy, 1957, p. 200). Thus, some of the costs of mailing advertising-filled newspapers and magazines were carried by government subsidies, which essentially meant that some costs were shifted from private publishing firms to the public (Kielbowicz, 1990). These processes, which began in the early 1900s, presaged the development of the commercial broadcasting system in the United States.

While the framework of the current market-driven commercial broadcasting and communications system was established in the post-WWI years (Hilmes, 2003), events leading up to WWI were central to the building of commercial broadcasting (Barnouw, 1968). I will draw from Barnouw’s three-volume history of broadcasting in the United States (1966, 1968, & 1970) and Danielian’s (1939) history of the American Telephone and Telegraph Company (AT&T) to provide an account of significant events and policies in broadcasting starting just before WWI. To understand how the Internet is currently structured and managed, it is important to consider the history and evolution of telecommunications technologies that preceded the Internet and related technologies. Almost every invention that led to the radio and television became the property of a company and “a weapon in titanic struggles, deals, and mergers bearing on control of the broadcasting media” (Barnouw, 1966, p. 9). This historical trajectory of the telephone, radio, and television exhibits close parallels to that of the Internet. I begin this overview with radio.

The history of wireless (radio) communication begins in Germany in the late 1800s when Heinrich Hertz was carrying out innovative experiments with radio waves. Over the next few
years, many experimenters in Europe and North America expanded on the concept of ‘Hertzian waves,’ and began developing a new communication medium that could pass through fog and solid matter. In 1896, after a series of trials, Italian experimenter Guglielmo Marconi\(^2\) created a basic wireless device that could transmit signals up to a few hundred yards and later up to nine miles away. He traveled to London and patented the device, joining with a British company to form Marconi’s Wireless Telegraph and Signal Company. These devices were installed on battleships of the British Navy. During this time, other experimenters, Adolphus Slaby in Germany and Alexander Popov in Russia (as well as French experimenters) were developing wireless equipment, acquiring patents in their countries, and using the equipment in their countries’ navy ships. In 1899, Marconi came to America, patented his inventions, and formed the Marconi Wireless Company of America. Twenty years later, this company became the Radio Corporation of America.

Marconi’s company began equipping U.S. Navy Department vessels and, within a few years, eventually dominated wireless telegraphy in the United States. Other wireless experimenters in the United States and in other parts of the world were also working with versions of this new medium, variously called the wireless telephone, radiotelephone, radiophone, and radio. At the turn of the century, individual experimenters such as Lee De Forest, Reginald Fessenden, Thomas Clark, and “Doc” Herrold created small enterprises to further their inventions and file patents. This pattern began to change in the period before WWI, when big corporations such as Westinghouse, United Fruit, and General Electric started to take control of all the principal patents of this new medium. By the time the war started, amateur experimenters had all but lost control over wireless radio. In 1917, the U.S. government shut

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\(^2\) Marconi’s father was a wealthy Italian merchant and his mother was from a well-connected Irish family in the distillery business.
down all amateur radio stations for the duration of the war, citing reasons of national security. Under pressure from the Department of Navy, the British-owned American Marconi company was forced to sell its assets to the General Electric Corporation (GE), a radio technology company, in exchange for key patent rights abroad. General Electric, with the help of the federal government, created the Recording Corporation of America (RCA). RCA began as a corporation controlled by four co-owners: General Electric, Westinghouse, AT&T, and United Fruit, along with Navy representation on the board.

The early days of wireless communication help us understand how these corporations came to dominate the initial development of telecommunications. The genesis of wired telephony (telephone) as new media goes back to 1875, when Alexander Graham Bell created the Bell Patent Association, thus allowing him to perfect his invention, a device that would transmit vocal and other sounds telegraphically. He launched the Bell Telephone Company a few years later and, during a period of dire financial straits, offered to sell his company and the patent to the powerful Western Union telegraph company. Western Union declined the offer but, once they realized their colossal miscalculation, bought some of Thomas Edison and Amos Dolbear’s pre-telephone experimental patents, thereby launching a patent challenge with Bell. In court, Western Union lost the patent war. Bell’s patent prevailed; the company agreed to stay out of telegraphy and Western Union agreed to stay out of the telephone business.

But the formation of the American Telephone and Telegraph Company (AT&T) soon put the emerging company at the center of the Bell system. AT&T was created in 1885 to provide links between local telephone companies and soon built and controlled a web of wired connections first in New York State and then westward across the United States. When the United States entered WWI, the Navy Department took control of radio and created a legal
agreement for what would be known as the patent pool. But the 1918 Armistice rendered the patent pool illegal. By 1920, together with radio and telephone companies, the License Agreement of July 1, 1920 was created, and apportioned patent rights to different companies. The telephone group consisted of AT&T and its subsidiary the Western Electric Company, Inc. The radio or electric group consisted of General Electric (GE), Westinghouse Manufacturing and Electric Company, Radio Corporation of America (RCA), the United Fruit Company (UFC), Wireless Special Apparatus Company, and Tropical Radio Telegraph Company. An alternative solution would have been a system of communal ownership of patent rights on the developing communications technologies. But the outcome of the License Agreement gave due consideration to research and the acquisition of patents, effectively ensuring “the attainment and preservation of monopoly control in the principle fields of operation” (Danielian, 1939, p. 119). Everything was allocated between the former rivals. For example, GE and Westinghouse would manufacture receivers and parts and RCA would market the parts under RCA trademarks. Wired or wireless telephony as a service belonged to AT&T. By 1934, the Bell System alone owned or controlled more than 9,000 United States patents and licensed 6,725 additional patents.

Meanwhile, hundreds of radio stations were licensed to broadcast on the 360-meter wavelength. By the spring of 1922, the Department of Commerce ran out of three-letter combinations for stations, having issued licenses to universities, churches, amateur broadcasters, departments stores, and newspaper publishers. By 1923, discussions began on how to structure broadcasting. AT&T had already made a case for toll broadcasting—basically the sale of airtime initially using wired lines and eventually wireless. The other option was to adopt the British model of a tax on receivers. AT&T’s station, WEAF in New York, was one of the first stations to experiment with toll broadcasting. Initially, companies bought time to talk about and tout their
products. Toothpaste companies discussed dental care; Gillette’s airtime was filled by talk about fashions in beards and the benefits of the safety razor. This talk format evolved into a less hard-sell approach, with sponsored shows featuring the Lucky Strike Orchestra or the A&P Gypsies. In the meantime, a Federal Trade Commission study of the radio industry accused AT&T, RCA, GE, Westinghouse, UFC, and all of their subsidiaries of “restraining competition and creating a monopoly in the manufacture, purchase and sale in interstate commerce of radio devices …” (Barnouw, 1966, p. 162). There were many other tensions in the emerging radio industry during the mid 1920s, between stations with small transmitters and those with large transmitters, between educational and commercial interests, as well as between copyright owners and users. At the Fourth National Radio Conference, industry leaders urged Secretary of Commerce Herbert Hoover to discontinue giving new licenses. The only way licenses would now be available was by purchasing one from an existing license holder. AT&T began to flex its muscle as the possibilities of the “new medium” of broadcasting emerged. In discussions with the radio group, AT&T went into negotiations about who would control that which was not radio or telephone—broadcasting. The outcome of this dispute resulted in AT&T stepping out of active broadcasting and retaining almost exclusive control over toll broadcasting.

RCA, GE, and Westinghouse bought AT&T’s New York station WEAF, creating a new company—the National Broadcasting Company (NBC). In addition to WEAF, NBC now also owned WJZ, which was an RCA-owned station in New York. NBC was soon a national network, linking stations from coast to coast. Another network was in the making; an executive of the Congress Cigar Company, William S. Paley, rescued the Columbia Broadcasting System (CBS) from its owners and, together with Adolph Zukor’s Paramount-Publix, created the second national radio network to broadcast in the United States. Between 1933 and 1953, radio
broadcasting and then television were transformed from many independent local stations, to a network of many stations linked through leased telephone cables. AT&T had negotiated control over the linkage of these stations initially using telephone wires, then coaxial cable, and later, microwave transmission. Millions of listeners were entertained by national broadcasts of programs like the minstrel comedy of Amos and Andy, radio dramas, and vaudeville. The famous “fireside chats” of President Roosevelt and Edward R. Murrow’s WWII broadcasts from London likewise epitomized the new possibilities of radio.

During this period, the technologies that made television possible were being developed. In the mid 1920s, Scotsman John Logie Baird experimented with television using a mechanical spinning disk (the Nipkow disk), initially by financing his own work and later in partnership with the British Broadcasting Corporation. In the United States, GE experimented with similar mechanical equipment. RCA, under the leadership of David Sarnoff, used the company’s growing revenues from radio set manufacture and control over patent rights to finance research on television. But it was Philo Farnsworth who eventually demonstrated a working electronic television and applied for a patent on the basic tube.

RCA’s Sarnoff had to purchase a license on a royalty basis from Farnsworth. Television sets went on sale in 1939 at the New York World’s Fair. Experiments were conducted with telecasting and linking stations via coaxial cable. The electronic components developed for weapons during WWII, especially radar technology, contributed to more advanced postwar television technology. By 1946, RCA introduced color television and started selling new and improved television sets. Motion picture studios realized the potential for new markets and were able to repurpose their old features for television, providing prerecorded content for television broadcast. Up to this point, most television content had been live.
In 1920, members of the Radio Telephone Patent Pool consisted of companies dominant in crucial areas of the broadcasting process: production, distribution, and technology. The dominance of these companies resulted not only in the formation of the new structure of the American broadcast industry, but also signaled the beginning of a new era of “government/corporate co-operation in the arena of radio” and eventually was carried over into television (Hilmes, 2003, p. 27). A series of discussions among government, trade organizations, and commercial broadcasters resulted in the passage of the 1927 Radio Act and the creation of the Federal Radio Commission. The FRC regulated and assigned licenses based on the “public interest, convenience and necessity” clause of the Radio Act, and thus immediately revoked hundreds of licenses of radio stations run by educational or religious groups. Thus legislation effectively wrested radio technologies from amateur enthusiasts and severely curtailed the educational possibilities of radio. Despite efforts by the National Committee on Education by Radio (NCER), trades unions, and religious organizations control over radio was transferred to for-profit commercial enterprises. The history of the development of radio, from being used by the navy and military; then by religious, educational, and non-profit organizations; and finally being taken over by commercial entities would be repeated in the development of the Internet.

Despite the best effort of reformers who sought to challenge the quickly developing commercial broadcasting system, in 1934 Congress passed the Communications Act and created a new telecommunications regulatory body, the Federal Communications Commission (FCC). The passage of the Communications Act and the creation of the FCC was the outcome of a compromise between the National Association of Broadcasters (NAB), the trade organization for the broadcasting industry, the American Newspaper Publishers Association, and the federal government. Again, a corporate/government arrangement produced telecommunications policy
that determined the allocation of the publicly owned resources of the electromagnetic spectrum. In contrast, the British system of television was based on a public service model and financed by government subsidies and fees paid by owners of television sets. The privately owned U.S. commercial television stations were funded through advertising. The 1943 sale of the newly-created NBC-Blue to Life Savers Corporation, William J. Paley’s purchase of CBS, and the earlier patent pool agreements put into place a national broadcasting system consisting of “three networks [ABC, CBS, NBC] owned by corporations; one programming schedule for each network; AT&T interconnection; advertising as the source of revenue; and consumers as the target of advertisers’ messages” (Meehan, 2005, p. 33).

In 1984, approximately 50 corporations were dominant in different forms of mass media. Two decades later, five media and entertainment conglomerated dominate across several forms of media (Bagdikian, 2004). The original three—American Broadcasting Company (ABC), Columbia Broadcasting System (CBS), and National Broadcasting Company (NBC)—are currently owned by the Walt Disney Company, National Amusements, and General Electric, respectively. The other two conglomerates are Time Warner Inc. and News Corporation. General Electric (in partnership with the Microsoft Network), News Corporation, Time Warner, and the Walt Disney Company are dominant in the production and distribution of online news. Companies that were part of the national broadcasting system created in the early decades of the 20th century still feature prominently in the current system of electronic media, which now includes online and digital formats. The concentration of media ownership began in the 1980s when economic deregulation relaxed, or eliminated, ownership rules for broadcast television and loosened merger guidelines. Together with the reinterpretation of antitrust regulations, these changes greatly facilitated the growth of media and entertainment corporate conglomerates
Media amalgamations in the 1980s were a consequence of the Reagan Administration’s re-regulation of media markets and the dismantling of antitrust regulations (Betti & Hall, 2003). In 1985, Capital Cities took over ABC, General Electric acquired NBC, and the Loews Corporation took control of CBS (Skinner et al., 2006). The ethos of the FCC under Reagan is reflected in a statement of then-FCC chair Mark Fowler, who equated television content to other goods sold in the marketplace and argued that “television is just another appliance—it's a toaster with pictures...” (Reason, 1981). This philosophy was a central component in the efforts to liberalize domestic economic markets (Mosco & Schiller, 2001), an agenda that was cemented in 1989 with the Time Warner merger. Under Fowler’s leadership, the FCC also began dismantling provisions of the Fairness Doctrine, arguing that the doctrine hurt free speech. And by 1995, the Financial Interest and Syndication (Fin/Syn) provisions had expired. These changes facilitated major studio and broadcast network combinations of the three broadcast media companies, ABC, CBS, and NBC.

The Walt Disney Company bought Capital Cities/ABC in 1996 for $19 billion, at that time the largest media merger in history. The Disney Company also owns film studios, television stations, cable television channels, radio stations, record companies, book and magazine publishing houses, online media, and other holdings.³

The ultimate owner of CBS is National Amusements Inc. In 1996, the then-ultimate owner of CBS, the Westinghouse Electric Corporation, merged with Infinity Broadcasting and changed its name to the CBS Corporation. In 2000, CBS merged with Viacom. The newly formed company, Viacom Inc., included the MTV Networks, Showtime, Paramount Pictures, Disney’s holdings include: Buena Vista Theatrical Productions, The Disney Store, Disney Cruise Line, ESPN Zone, Disney Toys, The Baby Einstein Company, Walt Disney Internet Group, Euro Disney (51%), Hong Kong Disney (43%), as well as theme parks and resorts in the United States. (http://corporate.disney.go.com/investors/annual_reports/2007/index.html; http://www.cjr.org/resources)

General Electric is the ultimate owner of NBC and, in partnership with Microsoft, launched the MSNBC channel in 1996. Three years later, GE bought a 32% stake in Paxson Communications and its PAX TV network. In 2002, GE acquired the Telemundo Communications Group as well as Sony and Liberty Media. In a separate deal with Cablevision and MGM, GE acquired the Bravo Network. In 2003, GE bought Vivendi Universal’s entertainment holdings, including Universal Pictures’ motion picture and television studios and theme parks.4

Time Warner Inc. represents the merger of two separate companies. In 1923, the Warner brothers, Jack, Albert, Harry, and Samuel, incorporated their film production and distribution business, called Warner Brothers Pictures, Inc. At the about the same, Henry Luce and Briton Hadden launched Time magazine. The holding of both companies grew over the next six decades. In 1990, Time Inc. merged with Warner Communications, creating Time Warner, Inc. The company then acquired Turner Broadcasting, the ultimate owner of CNN, and in 2000, Time Warner merged with America Online (AOL). The company has vast media and entertainment holdings, including merchandising and retail, theme parks, sports, television and motion picture production and distribution, cable television, magazines, and online services including news production and distribution (www.timewarner.com).

4 In addition to media and entertainment, General Electric also provides products and services in: appliances, aviation, consumer electronics, electrical distribution, energy, consumer and business finance, health care, lighting, oil and gas, rail, security, and water. (http://www.ge.com/products_services/index.html).
The final member of the “big five,” News Corporation, is the ultimate owner of the FOX News Channel and its online distribution Web site www.FOXNews.com. News Corporation has holdings in filmed entertainment, television production, cable programming, direct broadcast satellite television, magazine, newspapers and information services, book publishing, and digital and online services (www.newscorp.com). All of the big five conglomerates have significant holdings in online and digital communications, and as Table 1 indicates, these companies are also dominant as sources of online news. Barnouw (1970, p. 335) concludes his three-volume history by observing that the “American system of broadcasting as it has developed over the years, has been an extraordinary example of governmental laissez-faire. It has allowed private companies, almost without restraints, to set up toll gates across public highways of communication and to exact a toll from the traffic.”

This pattern endured in the decades since, becoming firmly entrenched with the passage of the Telecommunications Act of 1996. This Act signaled a new phase in the regulatory system of U.S. broadcast communication—“indeed all of electronic communication including the Internet” (McChesney, 2004, p. 51). The Act removed television and radio ownership limits, rolled back regulations governing cross media ownership, diversity, and ownership caps. In 1941, ownership of stations by one company was limited to three stations per company, then was increased to seven stations by 1954. In 1984, the FCC raised the limit to 12: 12 AM stations, 12 FM stations, and 12 television stations, as long as those stations did not reach more than 25% of television households nationally (Kunz, 2007a). The 1996 Telecommunications Act removed the numerical station limit and increased the national reach to 35%. In 2004, Congress increased this number to 39%. An important outcome of the Act was the elimination of the need for regulation in the public interest. The rationale was that new technologies and competition would instead
perform the function of ensuring the public good (McChesney, 2004). The Internet is one of these new technologies. Indeed, telegraph, radio, and television technologies made the Internet possible. Like telegraph, radio, and television, Internet technologies had significant support from government agencies, such as the U.S. Defense Advanced Research Projects Agency (DARPA) and the Pentagon’s Advanced Research Projects Agency Network (ARPANET), and from educational and scientific research institutions (Internet Society, 2008). And as with the market-oriented and corporate paradigm for radio, and later television, powerful corporate interests are dominant in the technologies that constitute the Internet. The proponents of the market view provide assurances that the Internet is ubiquitous (Jenkins, 2004) and an inevitable part of a new world where everyone would have to be digital (Negroponte, 1995). The assumption implicit in this approach is that the commercial market is a natural condition within which the Internet must exist and develop. However, numerous factors are responsible for the current structure of the Internet. Paramount among these are efforts of trade organizations, corporate lobbies, and governmental regulator and policy makers. In the next section, I discuss how the historical development of telecommunications regulation and policy set the framework for the current structure of the Internet.

**The Internet, Policy, and Regulation**

The claims by Jenkins (2004) and Negroponte (1995) raise a number of issues germane to my research. To understand the claims of the ubiquity of the Internet and of the inevitability of technology, we need to consider how the Internet is controlled, who exerts the most control, what are the processes that influence how data (news content) are circulated online, and how these processes influence diversity of the online marketplace of ideas.
To illustrate the different aspects of Internet policy and regulation, I will begin by asking an ostensibly straightforward question: what does one need in order to be able to read news on a Web site or to access other information on the Web? One likely answer to this question may be as follows. Assuming access to a reliable source of electricity, the first component required is an Internet-capable computer, that is, either a desktop or a laptop equipped with a telephone modem, an ISDN port, or wireless hardware. In addition, the computer must have an operating system (Microsoft Windows, Mac OS, or Linux) in order to allocate resources and run the computer. The system must have a Web browser such as Microsoft Explorer, Safari, Mozilla Firefox, or Netscape. The browser enables the computer to display and interact with text, graphics, and video on a Web site. In order to gain access to the Web site, the computer user must subscribe to an Internet service provider (ISP).

An ISP provides a connection from the user’s computer to a network of computers at the ISP. The ISP assigns the user a unique number, called an Internet Protocol (IP) address, and then connects the user’s computer to a larger regional service provider network, which then connects the user to yet another network (a network service provider), culminating in a connection to the network of networks—the Internet. To manage the vast numbers of Web addresses, a domain name system (DNS) was created. The ICAAN (Internet Corporation for Assigned Names and Numbers) manages and assigns generic top-level domain (TLD) names, such as .com or .net or country code top-level domain names, such as .za for South Africa or .br for Brazil.\(^5\)

At the user’s computer, the connection to the ISP is generally via a telephone line or a cable modem; this is often the same cable that provides television pictures/programming. This

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\(^5\) In 1993, the National Science Foundation (NSF) gave control of top-level domain names (.com, .org, .net, .edu) to a private firm, Network Solutions Inc. This DNS system consists of top-level domain names that are subdivided into generic top-level domains (gTLD: .com, .net, .org, .int, .gov, .edu, .mil) and country-code top-level domains (ccTLD: .ca for Canada or .it for Italy). Additional gTLDs introduced by ICAAN include: .aero, .asia, .biz, .cat, .coop, .info, .jobs, .mobi, .museum, .name, .net, .org, .pro, and .travel.
setup provides the user with either a (slower) dial-up access via a traditional copper telephone line, or a (faster) cable modem access via a coaxial cable and/or a fiber optic cable. The ISP generally leases a fiber optic line from a telephone service provider and thus has the capacity to allow many users to dial into the ISP’s network. The backbone of the Internet is made up of high-capacity wires that are able to move huge amounts of data between computers connected to the Internet. The capacity of lines or cables to transmit information is referred to as bandwidth. Bandwidth determines the speed at which data (text, graphics, video) will move to and from the user’s computer. A user’s unique IP address (which is the equivalent of a name) and directions to a computer assure the delivery of packets of data.

Therefore, we must first consider that despite the seemingly limitless permutations, domain names are a scarce resource and consequently require regulation (Murray & Scott, 2002). Second, we must consider that the critical components that permit access to the Internet and thus the ability to communicate online—telephone lines, fiber optic lines, and coaxial cable—are controlled by private companies.

The Internet Assigned Numbers Authority (IANA) and then Network Solutions controlled domain names. In 2007, Network Solutions became a subsidiary of General Atlantic, a global equity firm with investments in telecommunications, financial services, financial investments, and health care. Until 1999, Network Solutions was the only domain name registration company appointed by the National Science Foundation. While ICAAN still controls the generic TLDs, there are now several hundred ICAAN-accredited domain name registration companies worldwide. The five largest companies are GoDaddy.com, Inc. (www.godaddy.com), General Atlantic LLC. (www.networksolutions.com), Demand Media Inc. (www.enom.com),
Tucows Inc. (www.tucows.com), and Melbourne IT, LTD. (www.inww.com). Melbourne IT is an Australian company and Tucows is a Canadian company; the others are U.S. companies.

In the late 1980s and the 1990s, ISPs provided the connection to the Internet and leased dial-up (narrowband) phone lines from a handful of telephone companies. The FCC reported that by the end of 2004 about 35 million Americans were using faster broadband services (FCC, 2006). A 2008 survey by the Annenberg Digital Future Project found that three quarters of all Internet users went online by using broadband services (Digital Future Project, 2008). This means that the approximately three quarters of Americans who use the Internet at home use the broadband services of an ISP.

At the beginning of the 21st century, there were approximately 15 ISPs for every 100,000 Internet subscribers in the dial-up market and fewer than two ISPs for every 100,000 Internet subscribers in the broadband market, resulting in the affiliates of cable and telephone companies controlling almost 95% of the market share on the broadband Internet (Consumer Federation of America, 2002). This increasing dominance of telephone and cable companies in the provision of broadband Internet services is highlighted in the current debate on network neutrality (net neutrality). Net neutrality refers to the guiding principle that preserves a free and open Internet (Save The Internet Coalition, 2007), and treats all [Internet] content, sites, and platforms equally (Wu, 2004). Net neutrality also forbids network operators from discriminating against third-party applications, content, or portals or from excluding them from their network (Van Schewick, 2007). The issues underlying net neutrality came to a head when cable company Comcast Corporation defended its degrading of BitTorrent peer-to-peer files by arguing that the BitTorrent standard was used to send pirated material (Svensson, 2007a; Svensson, 2007b). This
blatant violation of net neutrality caused a public outcry and the FCC eventually had to reprimand Comcast for its violation.

The research reviewed thus far has provided a picture of how the framework for current Internet regulation began taking shape at the beginning of the 20th century. The major stakeholders involved in this process include the federal government and its regulatory agencies (first the FRC and later the FCC), the ultimate owners of broadcast networks, trade industry representatives such as the NAB, and the progressive reform movement. The Internet has, in this regard, become a new medium for conglomerates to distribute content created in other divisions of the company. This new medium, however, did not simply arise as an opportunity ready for corporate control. The International Telecommunications Union (ITU), a global organization created by telegraph companies and now made up of government organizations, a private corporation, ICANN, and the dominance and influence of the global industrialized countries were significant in determining how the Internet would be constituted (Mosco, 2004).

In the early 1990s, cyber utopians began to envision and build an online social community one user at a time (Rheingold, 2000). As the cyber utopians discussed how best to use the emerging technologies to develop the civic and democratic potential of new technology to enhance democratic governance, vice-presidential candidate Al Gore was promoting the idea of an “information superhighway.” He articulated this concept in the National Information Infrastructure and the Agenda for National Action (Gore, 1993). In their follow-up policy document Framework for Global Electronic Commerce, President Clinton and Vice President Gore promoted the transformative potential of the Internet, focusing in particular on the e-commerce benefits of the Internet. Their agenda endorsed five principles that formed a framework for facilitating the growth of commerce on the Internet:
(1) The private sector should lead,
(2) Governments should avoid undue restrictions on electronic commerce,
(3) Where government involvement is needed, its aim should be to support and enforce a predictable, minimalist, consistent and simple legal environment for commerce,
(4) Governments should recognize the unique qualities of the Internet,
(5) Electronic commerce on the Internet should be facilitated on a global basis.
(Regale, 1997: ¶10)

The outcome of this agenda and related proposals framed subsequent policy development on critical issues pertaining to the Internet. The ethos of these policies reflected the commercial model of broadcasting. The free market economic approach to Internet and information technology included the regulation of online content, digital intellectual property, online copyright, and the domain name system. Former Secretary of Commerce William Daley spoke about policy directives he received from then President Clinton on ICANN. These objectives included privatizing the management of domain names and addresses and working with the private sector to “facilitate the introduction of robust competition for domain name services” (Daley, 1999).

In summary, this neoliberal position on Internet policy and regulation explicitly promotes the potential opportunities for virtual markets, where private capital leads and government both functions as a regulator for legal commerce and provides support for free enterprise. Since the early 1990s, major stakeholders in Internet policy development have featured government policy makers and technology and information companies. As a consequence, the interests of technology and information service industries dominate current Internet policy, noticeable in part by the great deal of attention focused on concepts such as information economy, e-commerce, and digital economy. The visions of the progressive utopian Internet stakeholders appear to have
been marginalized, giving prominence to the assumption that the free market reflects the ideals of liberal democratic practices. This discourse, however, remains firmly contested. In the remaining two sections of this chapter, I discuss the two primary approaches to the Internet.

**Digital Markets**

The neoliberal approach equates information technology with economic productivity and is rooted in the idea of the postindustrial information society, wherein information and inevitable technological change function in concert with economic growth and new-information economies (Toffler, 1970; Naisbitt, 1982). In this approach, the Internet as new technology is merely the next frontier of the information economy. The proponents of this ideological position view the advancement of the “information superhighway” and the growth of the information economy as best served by unregulated, privatized, and liberal market policies (Drucker, 1993; Negroponte, 1995; Gilder, 2000). In fact, federal governments and industry have consistently pursued strategies that promote the virtues of the free market and competitive productivity in pursuit of innovation and technological development and, as Burnett and Marshall (2003, p. 128) argue, the “glorification of science and technology” as a means of achieving greater efficiency and productivity over all areas of society, including social welfare issues. But conflating the free market and liberal democracy provides technology, information, and the Internet with a veneer of neutrality and respectability that obscures or erases the role of those structures and agencies active in the pursuit of the ideological and economic goals in service of the free market.

The Internet and Internet-related technologies such as telephone lines, cable television, computer software and hardware, the architecture of the Internet, broadband technology, and satellite technology are integral components of traditional telecommunications. In this way, the policies and regulations that were created to govern traditional media have become crucial in
shaping Internet policy and regulations (McChesney, 2004). The policies that determined who owned and controlled the telephone system or how cable television was to be structured have significantly influenced the current structure and functioning of the Internet.

**Digital Commons**

One of the earliest online social communities, The Well or *Whole Earth 'Lectronic Link*, was created as early as 1985. Using a single computer server and several dial-up modems, a small group of users went online and began communicating with each other on topics ranging from politics to personal health (Rheingold, 1993). The Well subsequently grew into a large online community rivaling that of America Online (Hafner, 1997). The Well functioned as a club, allowing members to discuss current news events, have robust political debates, get advice on health problems, and make online postings on just about any topic. The most enduring legacy of this online community was the promotion of the vision of the Internet as a means to build communities and revitalize civil society (Rheingold, 1998). Despite the obvious idealism, these early virtual community builders acknowledged the danger of virtual democracy being substituted for real democracy, yet they persisted in their pursuit of a digital commons (Seabrook, 1996; Rheingold, 1993).

The dominant academic discourses researched and studied the Internet by comparing it with traditional models of communication and identifying the informational services such as file transfer protocol, the World Wide Web, and communication services such as e-mail, mailing lists, and Internet relay chat (Burnett & Marshall, 2003). Various information and communication models were used to interpret the Internet as a set of technologies with the potential to transform society. Cybernetics and systems theory were used to show how the Web functions, while communications theory was used to explain the Internet in terms of
communication, information, value, knowledge, culture, and community (Berners-Lee, 1999; Wellman, 1999; Castells, 1998).

Numerous progressive media efforts emerged from a digital commons approach. The rapid growth of citizen journalism (Rosen, 1999) and the rising popularity of blogs (Matheson, 2004) serve as examples of individuals’ contributions to public discourse. The alternative media movement and the Independent Media Centers, or Indymedia, are examples of how online activist communities provide alternatives to, and critiques of, commercial media content (Rauch, 2007). More than just serving as a critique, the objectives of the Indymedia movement are aligned to theories of citizen journalism or public journalism (Platon & Deuze, 2003). In citizen media, “the emphasis is more on self-education and community building than on reaching out to audiences” (Atton, 2003, p. 24). Thus, in the digital commons paradigm, the Internet functions as a creative commons of shared information, as a decentralized and noncommercial virtual space that challenges dominant commercial media reporting, and attempts to achieve social and political change. Despite online alternative media providing this array of resources on political, economic, and social issues of public concern, these Web sites do not enjoy the prominence of the dominant media organizations.

Proponents of the digital commons approach have launched numerous efforts to reform Internet and telecommunications policy and regulation: the Electronic Frontier Foundation, SavetheInternet.com, CreativeCommons.org, and the Center for Digital Democracy. Some of the work these organizations are involved in includes: upholding the principles of net neutrality, expanding broadband access, supporting municipal broadband to ensure Internet access for underserved communities, and challenging the dominance of the media conglomerates over and within cyberspace. Indeed, the movement for an alternative to profit-driven and advertising,
supported media systems is evident in the early days of radio, during Progressive Era (1900-1915), and in the 1930s and 1940s when reformers mounted “considerable opposition to the commercial media status quo” (McChesney, 2008, pp. 493). The current efforts at reform began with the successful opposition, in 2003, to the FCC’s proposed changes to relax media ownership rules. Since then, a number of organizations came together and formed the Media and Democracy Coalition, a broad coalition of media reform groups that links media issues to social justice issues in the areas of telecommunications and media policies (McChesney). I address the policy implications of my research in my discussion section.

In the chapter that follows, I conduct a review of the literature on online news, civic engagement, media convergence, blogs, and the flow of news content in terms of digital markets and digital commons.
CHAPTER 4. LITERATURE REVIEW

Online News

The distribution of traditional print and television media content via the Internet resulted in the creation of new terms to explain this emerging new media format. Among the descriptions used are: digital journalism (Kawamoto, 2003), online journalism (Hall, 2001), Web journalism (Stovall, 2004), and virtual news (Pavlik, 2001). All these terms describe, in different ways, the practices of media workers involved in producing online news and the new structures and procedures developed to cater to convergence newsrooms. The Poynter Institute offers an example of how this new convergence media works in practice. The News Center, a prototype convergence newsroom, houses the Tampa Tribune newspaper, a local NBC affiliate, WFLA-TV, and Tampa Bay Online (www.TBO.com). All these operations are owned by communications company Media General Inc. At the News Center, print and television reporters, editors, and photographers repurpose their work for the Web site, as well as across traditional television and print formats (Wendland, 2002).

In addition to describing the practices whereby media workers create content, convergence has also been applied to describe the concentration of media companies and the convergence of media content within companies (Gordon, 2003). Convergence, according to Jenkins (2006, p. 18) “is both a top-down corporate-driven process and a bottom-up consumer-driven process.” Internet users, Jenkins continues, are simultaneously consumers and citizens exercising their political rights by embracing commercial convergence culture. The conflation of citizen-as-consumer and consumer-as-voter is presented as a natural condition, as is the concentration of media companies. Interestingly, Jenkins concedes that concerns about media concentration are legitimate, but then dismisses these concerns as entirely exaggerated. In
contrast, the critical approach to media concentration and media convergence places economic concentration and corporate power at the very core of the convergence and new media practices. The commodification of information and culture is considered a fundamental component of the ongoing process of the development of capitalist markets. For example, the mergers of major American media, entertainment, and telecommunications companies in the 1980s were followed by the rise of the Internet and the World Wide Web in the early 1990s. Schiller (2007) argues that these processes allowed a newly formed conglomerate to begin to “develop strategies to multiply the functions performed by its distribution channel or channels—cable systems, terrestrial broadcast systems, satellites, and wireless and wireline telecommunication systems” (p. 113). Internet technology thus serves as a conduit for voice, data, and video content, thereby allowing the diversified media conglomerate to repurpose its product and expand its market output using the Internet.

The dominant discourse on new media and the Internet as a source of news is characterized by claims that online news will increase the diversity of news in cyberspace (Pew, 2005; Gunter, 2003), provide more individually tailored news content (Hall, 2001), and deliver a higher quality product to news consumers (Stovall, 2004; Pavlik, 2001). Thus, online news will contribute to the online marketplace of ideas. These perspectives are the focus of a separate section of this review of the literature. For now, I continue to look at how “new media” is defined and situated within the larger structures of production, distribution, and ownership of news content.

A review of research studies on online news produced a number of terms that are used to refer to online news. These terms can be grouped into two sets. The first set of terms describes the process of producing news content for distribution online: digital journalism, cyber
journalism, convergence journalism, Web journalism, and online journalism. The second set of terms describes the content produced for new media: converging media, virtual news, Weblogs, net news, and online news. The differences between traditional and online journalism and news include the mode of distribution and whether or not online news content has simply been repurposed using offline content. In other words, there are no fundamental differences between online and traditional news content. In fact, Huang et al. (2004) define converged journalism as the practice of reporting news for multiple media platforms such as television, newspaper, the Internet, and radio. Similarly, Kawamoto (2003, p. 4) defines digital journalism as “the use of digital technologies to research, produce, and deliver (or make accessible) news and information to an increasingly computer-literate audience.” Shifting focus from the process to the product reveals a similar pattern of trying to define news content online. Salwen et al. (2005, p. ix) consider online news as content produced by “newspapers, television and radio stations, magazines, and other publications that have a presence on the World Wide Web.” Even blogs are considered a form of online news. Lovink (2008, p. 3) describes a blog or Weblog as “a frequently updated Web-based chronological publication, a log of personal thoughts and Web links, a mixture of daily forms around what is happening in a person’s life, and reports and comments on what is happening on the Web and the world out there.” In this research, the term “online news” encompasses news content created online or offline and distributed or aggregated on the Internet via the World Wide Web.

The majority of studies about online news fall within the administrative research paradigm. These studies focus on various aspects of effects, and uses and gratifications of online news. Studies examine the impact of the Internet on journalism, the effects of blogging on journalists and journalism, the layout and aesthetics of online news sites, the effects of online
news on democratic and political processes, and the effects of technological convergence and new technologies on online news production.

A separate body of literature takes a critical approach to studying online news. Studies within the critical paradigm situate ownership, production, and distribution of news online within the larger economic, political, and social power relations of contemporary capitalism. These studies examine issues such as the takeover of news organizations by transindustrial conglomerates, corporate concentration, the impact of technological convergence on news workers, newsrooms and news content, the impact of commercial journalism and news production on democratic and political processes, and the diversity of news online. In the following sections of this literature review, I first identify typologies of online news. I then review research studies of online news that focus on convergence, civic engagement, journalism and blogs, and digital markets versus digital commons.

**Typologies of Online News**

In an edited volume, *Internet Newspapers: The Making of a Mainstream Medium*, Li (2006) notes that newspapers were first to use the Internet for distributing news and information. In 1992, bulletin board services (BBS) were created and hosted by companies such as Prodigy and America Online. BBS delivered text-based newspaper content to subscribers. In 1994, the first graphic Web browser, Netscape, was released; less than a decade later, about 4,000 U.S. newspapers were online. Li observes “there is not much literature on newspapers on the Internet and that existing literature is largely descriptive” (p. 7). Much of the descriptive research is focused on the Internet or digital revolution as a frontier presenting new opportunities for news, information, and commerce (Katz, 1994; Lapham, 1995). By the early 2000s, most traditional news media organizations had established an online presence. The wide variety of online news
content and the new methods of gathering and disseminating news prompted research aimed at classifying these different types of online journalism. Deuze (2003) proposes four types of online journalism: orientating, instrumental, monitorial, and dialogical. The typology is based on a content analysis of online publishing and extensive interviews with online journalists.

Other studies have focused on identifying and classifying types of online news users. Surveys by the Pew Research Center (Horrigan, 2007) identify 10 groups of Internet users, falling into three main categories. These groups differ mainly by use of news and users’ interests and attitudes toward technology and information online. The surveys identified three categories: elite technology users, middle-of-the-road technology users, and few technology users. Siapera (2004) uses a variant of discourse analysis to determine profiles of Internet users who visit television Web sites. The analysis found six types of online audiences, which were determined by how these users used the Internet. The online audiences consisted of spectators, fans, consumers, citizens, students, and cybernauts. Siapera concludes that the television Web sites are an extension of the television’s terrestrial presence and are an effort by the industry to “proliferate and consolidate its presence and its hold over audiences” on the Internet (p. 168). These findings are similar to Li’s (2006) findings on the motivations for newspapers going online: to increase exposure by repackaging content for redistribution. To conclude, these emerging typologies of online news appear to continue in the tradition of administrative media research, describing and examining the uses and effects of media on audiences. These research studies attempt to explain and organize the categories of online news in terms of technologies of online news distribution and audiences of online news consumption. My study extends the research on typologies and technologies and examines the ultimate ownership of news content
described in the typologies and analyzes the commercial imperatives that drive technological convergence and online news technologies.

**Convergence, Uses, and Effects**

A review of literature on convergence trends in online news produced three types of convergence: convergence of content, convergence of technology, and convergence of roles. As previously stated, Media General’s News Center in Tampa Bay, FL, is an example of a media convergence operation, one that incorporates all three types of converged content. The *Tampa Tribune* (newspaper), WFLA (television station), and www.TBO.com (a news Web site) are owned and operated by multimedia company Media General. All three media operate from a single newsroom that shares newsgathering and reporting resources (http://www.mediageneral.com/about/index.htm2007).

In order to determine the extent of convergence in news production rooms, Duhe et al. (2004) conducted a national survey with members of the Radio Television News Directors Association (RTNDA) and found that nine out of the 10 television newsrooms in the United States practiced some type of online convergence. These operations shared news content with either other news organizations or with another medium in same news organization. The most common convergence practiced was in television newsrooms, radio stations, and newspapers. Allan (2006) conducted case study research on changing news practices and changing professional identities as technological capabilities expand in new media newsroom environments. The research found that journalists prefer to talk about multiplatform news instead of convergence. On a related theme, Huang et al. (2004) use quantitative analysis to assess how media convergence relates to the quality of journalism. The researchers conducted a pre- and post-convergence analysis of five factors they chose to measure the quality of journalism. They
conclude that the news reporting based on enterprise, significance, fairness and balance, authoritativeness, and localization did not change as a result of convergence.

Effects studies by Sundar and Nass (2001) use experiments and paper-and-pencil questionnaires to get subjects to respond to the perceived credibility of sources by reading news stories with different source attributions. The authors use the sender-channel-receiver communication model to create four types of online news sources that subjects would respond to: news editors (senders), computer (technological/channel), other users, and self (receiver). Subjects’ perceptions of the credibility of sources in the stories did not change when the sources were manipulated. However, the likeability, quality, and representativeness ratings varied based on who the sources were. Another theme in the effects and uses of online news research was assessments of how users use news online. A survey by the Pew Research Center found that approximately 50 million American citizens used the Internet to access news (Pew, 2006). This finding indicates that Internet users often use more than one medium as a source of news, but the finding does not indicate exactly what kind of news content was accessed.

A survey by the Project for Excellence in Journalism (2007) indicates that online news users complement their online news with other media sources—television, radio, and newspapers. Tewksbury and Althaus (2000) point out that placing more control over the flow of the news in the hands of individual readers allows online news audiences to become collectively more knowledgeable about a broad range of events and issues, even though “individually the knowledge base of this audience might be rather idiosyncratic” (p. 459). Users are able to select carefully the type of online news content they want, enabling the creation of a personalized electronic newspaper or a news bulletin, akin to Negroponte’s (1995) concept of the Daily Me, which touts the benefits of accessing only news that users want. The ability to achieve this level
of personal gatekeeping has been facilitated by technological innovations in Internet and related technologies.

Technological innovations in Web applications, Internet browsers, and related technologies have permitted changes in the visual presentation of news. This technological change has produced another stream of research on online news. Descriptive studies that analyzed the visual content and design across different news outlets note consistent design changes over time (Chan-Olmstead & Park, 2000; Kiernan & Levy, 1999; Lin & Jeffres, 2001; Neuberger et al., 1998). The traditional modular newspaper design has been developed and refined for an online environment (with visual convergence more pronounced in online sites of newspapers and television), thus allowing the presentation of information in highly scannable modular formats (Cooke, 2003). Experimental research by Eveland et al. (2004) finds that the design of Web sites has mixed influences on users’ information comprehension and knowledge retention. The researchers conclude that hyperlinked stories on newspaper Web sites may not necessarily increase learning or information processing on the part of users. Similarly, Cooke looks at how layout and design of news information influenced the delivery of information. The study analyzed content from three different media: 188 newspaper front pages, 222 television news programs, and 80 homepages of news Web sites. Cooke concludes that the information module design appearing in print, television, and the Internet had, over time, resulted in a visual convergence of these media. Common modular designs accelerated the delivery of information to the reader, viewer, and user. Online news users appear to respond positively to uniformity of design across the Web sites of television, newspaper, and radio. This uniformity is important when considering that converged news operations present news content online in a similar format to the newsprint or television screen presentation formats. Studies on convergence, uses,
and effects focus on the perceived benefits on news audiences of changing online distribution technologies. These studies also highlight the continuing attempts by news organizations to present more aesthetically appealing news content. My research focuses on who ultimately owns the online distribution outlets, and how this ownership influences the diversity of news content made available to online news audiences.

**Civic Engagement**

The next research theme in the literature draws attention to what citizens can potentially do with news in the context of the public sphere. Research on the role of online news in the democratic process examines how the Internet functions as a repository and a medium of news and information. This subcategory of research examines the ways in which the Internet presents possibilities for fostering civic engagement in political processes. Survey data from the Pew Internet and American Life Project indicate a steady increase in the number of Internet users who go online to access information about elections and political news. By 2008, at least 46% of Americans went online for news about the presidential campaign or to share their thoughts (Smith & Rainie, 2008). Researchers have identified several approaches that advocates of cyberdemocracy have created to encourage Internet users to participate in the political process. Electronic town meetings and cybersalons are effective means to encourage Internet users to engage in the political process (Hill & Hughes, 1998; Barber, 1997). The potential of the Internet to foster civic discussions online was evident in ethnographic accounts and discourse analysis of the first social networking communities of the 1980s (Rheingold, 1994). These virtual communities were able to engage in a form of teledemocracy (London, 1995) and conduct electronic plebiscites (Morris & McGann, 2007). Online news web sites do, in some instances,
facilitate the process of civic engagement through Web site feedback features, discussion forums, message boards, and links to government and political parties.

Content analysis research by Rosenberry (2005) finds that few Web sites of online daily newspapers use these features or other features to improve public communication. The objectives of the study were to determine the extent to which Web sites and journalists use the potential of the Web site to enhance democracy and facilitate political discourse and discussion. Rosenberry concludes “many of the devices from the online public affairs coverage framework have not been widely adopted” by online newspapers in order to improve public affairs coverage (p. 70). Dalrymple and Scheufele’s (2007) analysis of the 2004 American National Election Studies (ANES) indicates that users of online newspapers have high levels of political knowledge. Data from a telephone survey study by Nisbet and Scheufele (2007) suggest that there is little difference in civic participation and political knowledge between respondents who use the Internet and respondents who use traditional media. The researchers conclude “at this stage of its development—the role of the Internet in promoting active and informed citizenship is minimal” (p. 69). In contrast, an online audience study by Tewksbury (2003) finds that online news audiences “choose to read public affairs news less frequently than survey research suggests” (p. 694). The survey study analyzed Pew Research Center data and page view data from Nielsen/Net Ratings to determine what kinds of news users access when they go online, and which news Web sites they go to. Tewksbury finds that less than half of the readers accessing online news sites viewed a public affairs topic, and that sports, business, and financial content accounted for 40% of views of the Web sites.

A different picture of civic participation emerges when looking at studies that focus on noncommercial Web sites. Packard’s (2005) study of noncommercial independent media and
Atton’s (2003) analysis of social movement media find that both genres of online news information tend to facilitate discussion in the virtual public sphere. The Web sites of independent and social media were found to provide both mainstream and alternative news. These research findings suggest that commercial media and independent media, including blogs, play different roles in building or facilitating cyberdemocracy. An active virtual public sphere exists in the blogosphere. Kulikova and Perlmutter (2007) analyze the role of a samizdat (unofficial) blog during political crises in Kyrgyzstan and conclude that the blogs were an important source of information not found in mainstream media during times of political crisis and that these blogs contributed positively to democratic media practice.

Research on civic engagement and the Internet tends to focus on the digital commons approach to the Internet and highlights the online contributions of individuals and communities and their role in political and civic engagement online. Citizen journalists and bloggers have forced news Web sites, and the professional journalists who produce media content, to rethink their roles vis-à-vis online news production. In conclusion, the research that addresses themes of online civic engagement exposes differences between commercial and noncommercial online news, and differences between individually and organizationally produced news content. My research adds to this literature by comparing news content on an online news aggregator to news content on the online operation of a traditional news organization. This permits a comparison of levels of diversity of news content between different types of online news sources.

**Journalists, Journalism, and Blogs**

In this section, I survey the literature that examines the influences of (online) journalists and bloggers on political processes and public debate. The posting of details about a relationship between White House intern Monica Lewinsky and then President Clinton on the blog
drugereport.com is offered as a significant coming-of-age moment for Weblogs—the moment when blogs began serving as a source of news. Williams and Delli Carpini (2004) identify this event as heralding a fundamental change and challenge to the role of traditional journalists as gatekeepers, agenda setters, and issue framers. Using the Lewinsky-Clinton event as a case study, the researchers conclude that the gatekeeping power of mainstream media, along with the traditional daily news cycle, collapsed with the rise of blogs. Bloggers like Matt Drudge (of the Drudge Report) did not conform to the norms and conventions of traditional journalism and were thus able to provide unfiltered news and information.

The rapid increase in the numbers and types of blogs and bloggers has attracted a fair amount of research. Regular blogs consist of content produced by individuals not trained as journalists. Journalist blogs, or J-blogs, are produced by journalists affiliated with commercial media organizations or by independent journalists. Wall’s (2005) content analysis of blogs active during the second Gulf War finds that individual current-event blogs represent a new genre of journalism. These blogs emphasize personalization and audience participation in content creation and represent a shift away from traditional journalism’s approach. Reese et al. (2007) analyzed six popular political and news blogs in order to determine their relationship to other Weblogs and traditional news media. They conclude that blogs have a complementary and dependent relationship with traditional news and that blogs, while not radically journalistic in nature, often cross the boundaries between traditional journalism and online diaries. Lasica (2003a, p. 73) concedes that there is general agreement that bloggers and journalists “complement each other, intersect with each other, play off one another.” Media scholar and blogger Jay Rosen (2005) argues that ultimately the journalist versus blogger debate is misleading, given that blog content and traditional media content often overlap. J-blogs suggest porous boundaries between blogs.
and traditional media. After analyzing the sites of seven bloggers, Matheson (2004) concludes that although J-blogs function as a space for journalistic thinking not provided for in institutional journalism, these J-blogs still tend toward the conventions of news journalism. Lowrey (2006) uses a systems framework to map the journalism-blogging relationship from a sociological perspective. Blogs represent a challenge to the occupational responsibilities of traditional journalists. Unlike individual blogs, J-blogs “have an organizationally based occupation with a relatively long tradition, the resources, the division of labor, the formal structures of rewards and punishments, and the legal backing to maintain control over information work” (p. 491). Thus, J-blogs are, according to Robinson’s (2006, p. 79) analysis of blogs written by journalists, “the corporate answer to the internet and to independent bloggers … a way for journalists to reclaim journalism—and its standards—online.” These findings are similar to the results of content analysis of blogs written by journalists affiliated with mainstream media who wrote mainly about civic affairs and politics. Singer (2005) reports that these political J-blogs use links extensively, but link primarily to other mainstream media sites. Singer’s analysis concludes that J-blogs reflect traditional journalistic norms and practices.

Independent journalists also produce political J-blogs in the form of community journalism, civic journalism, or watchdog journalism (Deuze, 1999). These research studies suggest that there are significant differences between blogs on the Web sites of traditional news organizations and blogs news produced by independent or alternative online media. Platon and Deuze (2003) find that independent media tend to take an oppositional approach to news coverage, providing perspectives not found in traditional news content. The researchers conducted in-depth interviews with Indymedia activists from different countries, and then relate these data to theories of traditional journalism and public or civic journalism. Platon and Deuze
conclude that Indymedia interpret journalistic ideology differently from mainstream corporate media, who do not share the principles and ideas that guide the Indymedia media model, which is free from commercial pressures of corporate media. The studies in this section highlight, again, the differences between commercial and noncommercial news content online and the differences between institutional and independent online journalists and bloggers. My research contributes to this subcategory of research by highlighting the owners of news content produced by individual journalists and bloggers—corporate entities. In the remaining two parts of this literature review, I move from individual-level studies to a review of research that examines institutional and system-level issues of online news.

**Consolidation and Convergence of Online News**

In an online news environment, the Web serves as a technological convergence platform for diversified corporations. These media and entertainment companies have holdings across previously distinct media forms such as newspapers and television stations, as well as holdings in media products such as news, advertising, and entertainment (McKercher, 2002). This ensures that content produced by journalists in the print holding of a media company or content produced by news reporters in the television holding can be repackaged for distribution on the Web site of the same company or can be syndicated to other news-related Web sites.

Duplessis and Li (2006) analyzed the content of 100 Internet newspapers and find that newspapers with cross-media partnerships have a higher level of technology convergence than those who do not have such relationships. The study does not look at the structure of cross-media partnerships and the effects of such partnerships on content, but concludes that “Internet newspapers with technological convergence produce dramatically different content from the traditional media” (Duplessis & Li, 2006, p. 173). Technological convergence and corporate
consolidation are interrelated processes in the production and distribution of news content online. These processes impact the economics and diversity of online news content. Greer and Mensing (2004) report that Web sites that steadily offered more news content, more multimedia news, and greater interactivity, garnered greater revenues from advertising on the Web site.

Picard (2000) contends that convergence itself does not produce any fundamental change in content; instead, convergence creates new opportunities for media companies to distribute content faster. During a period of rapid change in the economic and organizational structures of news organizations in the late 1980s and early 1990s, Underwood (1993) conducted in-depth interviews with newspaper editors and reporters and carried out surveys with newsroom employees on management policy. The author found evidence that indicated a trend toward market-oriented management and market-driven journalism, a phenomenon Underwood refers to as “MBA journalism” (p. 118). Newspaper management was increasingly beginning to focus on treating their readers as customers and using marketing principles to guide news production. Research shows that corporate policies and commercial imperatives are significant when considering online news content. Squires (1993) uses a case study approach combined with 17 years of experience working for the Chicago Tribune to describe the corporate takeover of the newspaper. The author concludes that “the journalism establishment lost control over the content of its newspapers” to the profit-driven directives of corporate owners (p. 216). Posing a different set of questions on the same issue, Pavlik (2001) finds that integrated media companies designed applications of digital technologies in order to facilitate the process of multimedia work and to increase journalists’ capacity to repackage articles from one newspaper to another or one platform to another. The author asserts that new media have revitalized journalism, producing more contextualized and navigable news reporting. Pavlik argues that developments in new
media offer possibilities, for example, to re-engage a distrustful and alienated electorate. In contrast, Klinenberg (2007) argues that efforts aimed at economic efficiency are, in fact, largely aimed at reducing production costs. One outcome of this process was the demise of investigative reporting, long-term projects, and in-depth urban affairs reporting in all but the most elite publications.

Corporate concentration in the media industries has been documented by, among others, Bagdikian (2004). In 1983, Bagdikian notes, 50 mass media corporations controlled mass media in the United States; in 2003, this had declined to five corporations. Bagdikian concludes that the takeover of media organizations by transindustrial conglomerates has resulted in the dominance of fewer and much larger companies in the news media and entertainment industries. McChesney (2004, p. 7) argues that the corporate control of media, facilitated by “the policy-making process that establishes and sustains it causes serious problems for a functioning democracy and a healthy culture.” The author documents the influence of powerful corporate lobbies and trade associations in the creation of telecommunications policy and identifies inadequate journalism and hypercommercialism as the core problems in the U.S. media system. The issues arising from the corporate control of media is one of a number of factors that influence the diversity of news online. Corporate control and a lack of diversity of news content are also not restricted to U.S. media organizations.

The diversity of international news content on the Internet is apparent in the case study research by Boyd-Barrett and Rantanen (Paterson & Sreberny, 2004). The authors analyzed international news content produced by news agencies and find that international news agencies Reuters and the Associated Press are consistently the dominant providers of agency news online. This finding is supported by longitudinal content analysis research that measured the extent of
source concentration of news content online between 2001 and 2006. Paterson (2006) concluded “international news flow on the Internet increases in apparent diversity of original reporting but decreases or remains static in actual diversity of original reporting” (n.p.). Earlier research by Boyd-Barrett and Rantanen (1998) and Paterson (1998) find that Reuters and AP\(^6\) dominate international agency news as a de facto duopoly. Related research studies on the reasons for the dominance of international wire agency content online have produced a range of explanations.

The decline of international news bureaus of large news organizations is linked to the rise of agency domination (Fenton, 2005; Riffe & Budianto, 2001; Hess, 1996). An analysis of international news published on the Web sites of The New York Times and CNN finds that the existence of news agencies and the trade volume with the United States are the leading predictors of international news coverage in online print and broadcast content (Wu, 2007). This study also finds that four organizations do extensive international reporting in the online world: Associated Press, Reuters, Agence France-Presse, and the British Broadcasting Corporation. CNN.com, msnbc.com, nytimes.com, and guardian.co.uk do some international reporting, leading Wu to conclude that patterns of the “old guard of international news flow” continue to dominate online (p. xx). McKercher’s (2002) research identifies convergence and corporate concentration as significant factors contributing to the lack of diverse online news content and is most evident in the newspaper businesses in North America. The effects of convergence and corporate monopoly of news media have mostly impacted the labor process of news production. McKercher’s analysis of North American newspapers shows how technological convergence gave rise to

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\(^6\) Reuters is an international multimedia news agency, but derives more than 90% of its revenue from financial services such as commodities, equities, and foreign exchange (Reuters.com, 2007). In May 2007, the boards of Reuters PLC and the Thompson Corporation announced a merger between the two companies. The Thompson Corporation is a global information company with holdings in legal, financial, tax and accounting, and scientific and health care services. In 2006, the company earned revenues of $6.6 billion. The Associated Press is a not-for-profit cooperative, owned by 1,500 U.S. daily newspaper members.
http://www.ap.org/pages/about/faq.html#2
online newspapers and, in the process, eliminated certain elements in the news production process while creating new skill sets that centered on computer-based technologies.

Chan-Olmsted and Park (2000) conducted a content analysis of the Web sites of broadcast television stations and find that television stations did not fully exploit their Web sites’ possibilities for commercial transactions. The authors determine that local stations use the Internet to distribute text-based on-air content “mainly to serve the ‘audience’ rather than the ‘advertiser’ segment of the dual customer base” (p. 335). Using the marketplace theory of news content, Kiernan and Levy (1999) find that competition among local television stations did not influence the type of content on those Web sites. To conclude, studies in this section address the impacts of technological and organizational convergence on online news. The studies raise, directly and indirectly, the implications of corporate consolidation on the newsgathering process and increasing corporate concentration in the media industries. Companies that are consolidated or converged are more likely to have converged their newsgathering and news production operations, permitting these companies to repackage news from one platform to another. One significant effect of corporate concentration and technological convergence is a decline in the diversity of news content, a trend that is evident in the results of the studies documenting the dominance of international news agency content. This prompts the question of what kind of system would be able deliver a diverse range of sources of online news content. That aspect is the focus of the remaining portion of the literature review. Based on this literature, in my analysis of www.FOXNews.com and www.news.yahoo.com, I would expect to find that FOX News Channel content is dominant on www.FOXNews.com and that there is a diverse range of content on www.news.yahoo.com. In the remaining section of this review, I highlight research studies that focus on commercial and noncommercial approaches to online news content.
Digital Markets and Digital Commons

Media research within the dominant paradigm focuses on how commercial media operations need to be made more efficient and on how individual Internet users can potentially influence online news content through consumptive practices. Views in this paradigm highlight the potential of online news to influence the democratic processes and see online news as a “burgeoning context for citizenship and civic involvement on the World Wide Web” (Li, 2006, p. 7). The Internet is posited as “the great equalizer” and a major new news medium that “allows news organizations’ Web sites to compete with non-journalistic providers of similar information” (Seib, 2001, p. 9-10). Collectively, these views set up the Internet as a powerful tool in service of a certain kind of political and economic system. Margolis and Resnick (2000, p. 210) envisage the Internet as helping to spread democracy through economic means “because the information spread via the Internet will contribute to general economic wealth, and because economic wealth facilitates the rise of democratic government, the Internet will contribute to the spread of democracy.” A more cautious assertion by Salwen et al. (2005) concedes that a successful business model for the delivery of news via the Internet has not yet been created. The absence of this successful business model prompted Hamilton (2004) to propose an economic news model that would make news production more efficient. The model is based on a reinterpretation of the five Ws of journalism (who, what, where, when, and why). According to Hamilton (p. 7), news should be seen as “a subset of information offered as news in the marketplace” and thus be guided by five economic (my emphasis) ‘W’ questions:

1. Who cares about the information?
2. What are they willing to pay to find it, or what are others willing to pay to reach them?
3. Where can media outlets or advertisers reach these people?
4. When is it profitable to provide the information?
5. Why is this profitable?
This commercial approach concludes that Internet users could influence news products as consumers since media markets’ production decisions are an aggregation of millions of decisions by individuals about what to read and consume. In other words, users as consumers of news content would buy news in an information marketplace guided by an advertising model and driven by supply and demand.

Alternate perspectives see potential noncommercial benefits of the Internet as a source of news. Bruns (2005, p. 2) views the Internet as an “egalitarian, open access medium which is particularly well suited to Liberating the exchange of alternative, non-mainstream content and ideas.” The author documents and analyzes commercial news production on Indymedia sites and independent blogs and, using the concept of gatekeeping, argues that users of news can also be producers of news; they can be producer/users or “produsers.” These produsers collectively function not as gatekeepers, but as “gatewatchers” of collaborative and open news production online. Bruns proposes that active produsers utilizing the open access nature of the Internet and actively creating news content are alternatives to corporate-dominated online news content. Bruns’ approach is similar to what Lasica (2003b) identifies as participatory journalism, a process where bloggers and Internet users contribute to mainstream news sites, independent or noncommercial Web sites, participatory sites such as OhmyNews and Indymedia, and collaborative Web sites such as Slashdot.com. However, another study finds that the participatory journalism approach to news is gradually beginning to resemble traditional commercial news. Allen (2006) acknowledges the initial promise of individually operated blogs such as the Drudge Report, Indymedia, OhmyNews, and Wikinews. But, Allan argues, these sites are no longer representative of citizen journalism, given that they have taken on the format of traditional news sites. In summary, both the digital market approach and the digital commons
approach acknowledge the positive role online news could play in enhancing civic participation. However, proponents of the digital market argue that this can be achieved by viewing online news as an economic marketplace, while supporters of the digital commons approach envision a more public Internet wherein news is not subject to commercial imperatives of economic markets.

The review of literature reveals an extensive range of research studies covering many aspects of online news. Some studies have produced typologies in order to explain different types of online news. Other studies have revealed that convergence of technologies, convergence of news content, convergence of newsgathering processes, and convergence of news organizations have greatly impacted the flows of online news content. Researchers have also shown that online news has influenced how citizens engage in the political process. Another strand of research has revealed that online news has changed the roles that journalists and journalism play in disseminating news content. Yet another area of research has shown that media companies have also converged and consolidated financial units and newsgathering operations. Finally, research shows that commercial business models of online news dominate current online news operations, but that there are alternative approaches.

In conclusion, the overall review of the literature indicates that extensive research has been conducted, covering numerous areas of online news. However, the literature review has also exposed areas in need of additional research. In this regard, the objective of my study is to fill some of these gaps in the literature. First, my research links the commercial imperatives of News Corporation and Yahoo! Inc., the ultimate owners of www.FOXNews.com and www.news.yahoo.com, to news content on these Web sites. Previous research has not detailed the link between news content and the commercial imperatives of the ultimate owners of the
news content. This allows me to draw attention to the overlooked assumptions about corporate-owned online news content. Second, my research also provides a measure of diversity of news content from the perspective of the ultimate owners of the content. Previous research studies have not identified diversity of news content on commercial news Web sites from this perspective. The third area of contribution my research makes to the literature is to analyze and showcase corporate content supply relationships between ultimate owners of news content online. I map both the content supply relationships between News Corporation and Yahoo! Inc., and the content supply relationships among the ultimate owners of content on www.FOXNews.com and www.news.yahoo.com. My final contribution to the research on online news is to highlight the differences and similarities between an online news aggregator, www.news.yahoo.com, and the Web site of a traditional news organization, www.FOXNews.com.

To accomplish these objectives, I conduct detailed case study analyses of two Web sites, www.FOXNews.com and www.news.yahoo.com, and their respective ultimate owners, News Corporation and Yahoo! Inc. More specifically, I look at the commercial imperatives that drive the production and aggregation of content on these Web sites, I uncover the ultimate sources of news content on these Web sites, I trace the corporate relationships between the ultimate owners of news content and, finally, I determine the types of news content available on these sites. Based on the review of the literature and my perception of the need for additional research, I pose four specific research questions.

Research Questions

RQ1a) What are the stated commercial imperatives of News Corporation, the ultimate owner of www.FOXNews.com, and how are the commercial imperatives linked to the
production, aggregation and distribution of news on www.FOXNews.com?

RQ 1b) What are the stated commercial imperatives of Yahoo Inc, the ultimate owner of www.news.yahoo.com, and how are the commercial imperatives linked to the production, aggregation and distribution of news on www.news.yahoo.com?

RQ1 is answered by conducting a qualitative analysis of the commercial imperatives of both ultimate owners and then considering how these imperatives are linked to the production, aggregation, and distribution of news on the respective Web sites. Data for this question are drawn from annual reports and corporate press releases of News Corporation and Yahoo! Inc.

RQ2a) What are the cited sources of news on www.FOXNews.com? Who ultimately controls/owns those cited sources?

RQ2b) What are the cited sources of news on www.news.yahoo.com? Who ultimately controls/owns those cited sources?

In RQ2 I conduct a qualitative analysis and basic quantitative analysis of homepages of www.FOXNews.com and homepages of www.news.yahoo.com covering a three-year time period.

RQ3a) What corporate relationships exist between News Corporation and the ultimate owners identified on www.FOXNews.com, and what corporate relationships exist among the ultimate owners of news content on www.FOXNews.com?

RQ3b) What corporate relationships exist between Yahoo! Inc., and the ultimate owners identified on news.yahoo.com, and what corporate relationships exist among the ultimate owners of news content on www.news.yahoo.com?

RQ3 identifies and then analyzes the corporate relationships between News Corporation and the ultimate owners of news content on www.FOXNews.com, and then considers the
relationships among the ultimate owners of news content on www.FOXNews.com. RQ3b serves to analyze and consider the same aspects for Yahoo! Inc. and www.news.yahoo.com. Data for this question are derived from annual reports, corporate press releases, and online corporate profiles of the ultimate owners.

RQ4a) What are the categories of news content and how are they presented on www.FOXNews.com?

RQ4b) What are the categories of news content and how are they presented on www.news.yahoo.com?

RQ4 is a qualitative and descriptive analysis of the homepage data of each Web site. RQ4 focuses on gaining insight into how news content is presented on www.FOXNews.com and www.news.yahoo.com, and what kinds of news content are available on each site. In Chapter Five, I provide a detailed account of research procedures, the research design, and the research method.
CHAPTER 5. DESIGN AND METHODS

In this chapter, I outline the research design and provide a detailed discussion of the methods used in this study. To recap briefly, as outlined in the introduction to this research, this study is framed by three observations about online news. First, research data reveal a growing trend toward the use of the Internet as a source of news. Second, corporations already dominant in the production and distribution of traditional news, information, and entertainment content own the most frequently visited news Web sites—nationally and globally. Third, government telecommunications policies and regulations, influenced by corporate interests, have greatly impacted the current structure and management of the Internet, and hence the ways in which news is available. The theoretical framework of this study draws from the discipline of critical political economy. Critical political economy approaches to the study of information and entertainment content provided me with the theoretical and analytical tools to understand the production, aggregation, and ownership of online news content. Critical political economy also allows me to establish a framework within which to interpret the commercial imperatives of the ultimate owners of the online news content. I have designed this research project around each of the primary research questions. Part (a) of each question deals with www.FOXNews.com and News Corporation. Part (b) of each question deals with www.news.yahoo.com and Yahoo! Inc.

The Case Study and Document Analysis

The data for RQ1 consisted of annual reports and press releases for the years 2005, 2006, and 2007, as well as press releases from January to April 2008. These data were retrieved in electronic format from News Corporation’s corporate Web site (http://www.newscorp.com/index.html) and from Yahoo! Inc.’s corporate Web site (http://yhoo.client.shareholder.com/index.cfm). I retrieved 119 press releases from the corporate
Web site of News Corporation and 312 press releases from the corporate Web site of Yahoo! Inc. A summary of this data is available as Appendix A.

These data were analyzed using a case study approach. The case study is one of a number of approaches available to the qualitative researcher. This approach was deemed appropriate for this study because (1) the research questions ask ‘what,’ ‘how,’ and ‘why’ questions; (2) the research focus is on institutional level entities; and (3) the phenomenon being studied—online news—is central to contemporary communication technologies. Prior scholarship allows for the aforementioned criteria as sufficient justification for using a case study. According to Yin (2003, p. 13) the case study is “an empirical inquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident.” Stake (2003) explains the application of qualitative case study research and notes that the case study is both a process of inquiry about the case and the product of that inquiry and, in some instances, the actual case may be of secondary interest to the primary objective of discovering what the case study produces. In fact, sources of evidence are crucial in case study research and can include documents, archival records, interviews, direct observations, participant observation, films and photographs, life histories, and physical artifacts (Yin, 2003). This study focuses on documentation and archival material, forms of evidence generally regarded as a stable. The documents are also detailed and can be quantified as necessary. The potential weakness of documentary evidence is that the text can “say” many different things in different contexts (Hodder, 1994). To remedy this potential shortcoming, I used the theoretical framework of political economy to guide analysis of the documents.

Specifically then, RQ1 required the analysis of annual reports and press releases produced by News Corporation and Yahoo! Inc. As part of the methodological approach, I
familiarized myself with the data by carefully reading the material and making preliminary notes. This first reading provided a broad picture of how the annual reports were organized, what the institutional language was, and how operations and functions dealing with news content fit into the overall structure and operation of the organization. On subsequent readings of the documents, I identified all direct and indirect references to news, news distribution, news aggregation, and news production operations, and newsgathering. These references were then sorted into broad themes and qualitatively analyzed. For example, the 2006 News Corporation annual report refers to the creation of a new division within News Corporation, FOX Interactive Media (FIM), to guide all of the online operations of the company. The description of FIM included references to www.FOXNews.com and was thus considered as data relevant to this study.

In RQ2 I analyzed the sources of news content on the homepages of www.FOXNews.com and www.news.yahoo.com. I collected data for RQ2 from the Internet Archive Web site. The Internet Archive was created as a 501(c)(3) nonprofit to build an Internet library consisting of digital material and accessible to researchers, historians, and scholars (http://www.archive.org/about/about.php). The Archive has a feature called the Wayback Machine that permits searches of Web sites stored in the Internet Archive’s database. Since 2001, the Wayback Machine has crawled the Internet and downloaded Web sites, archiving to date 85 billion Web pages.

Using the Wayback Machine’s search function, I accessed the archives of Web pages for www.FOXNews.com and www.news.yahoo.com and selected the most recent data—2006 and 2007. I was not able to use Wayback Machine data for the years 2003, 2004, and 2005 because

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7 Founded in 1996 and located in the Presidio of San Francisco, the Archive has been receiving data donations from Alexa Internet and others. In late 1999, the organization started to grow to include more collections. Now the Internet Archive includes texts, audio, moving images, and software as well as archived web pages in our collections (http://www.archive.org/about/about.php). Alexa Internet, a Web information company owned by Amazon.com, built the Wayback Machine for the Internet Archive. (http://www.alexa.com/site/company/history)
the data were incomplete or corrupt and thus not useable for this research. For the Web site www.FOXNews.com, the Internet Archive had captured and archived 163 pages in 2006 and 100 pages in 2007; for www.news.yahoo.com, it had captured and archived 133 pages in 2006 and 176 pages in 2007. I numbered each of these data points and then, using a random number table, I generated three constructed weeks for each Web site for each of the years 2006 and 2007. This provided 21 days of homepages for 2006 and 21 days for 2007 for www.FOXNews.com and www.news.yahoo.com.

After collating the data, I first identified and tabulated all the cited sources on the homepages of both www.FOXnews.com (Appendix C) and www.news.yahoo.com (Appendix D). For example, when a story was attributed to Reuters, I identified Reuters as the cited source; for a story attributed to the New York Post, I identified the New York Post as the cited source. I then determined the frequency and prevalence of these sources on the homepages, counting the number of times each source was cited as a source. The results of this data analysis provided an indication of the range and frequency of cited sources of online news on the homepages of www.FOXNews.com and www.news.yahoo.com.

Next, using investigative journalistic techniques (online database research and fact checking), I identified the ultimate owners of the cited sources in the data sets for each of the Web sites. For example, the source of a story is identified as the Wall Street Journal (WSJ). The WSJ is owned by the Dow Jones Company, which in turn is owned by News Corporation. Thus the ultimate owner of the news story cited as WSJ is in fact News Corporation. The analysis for RQ2a and RQ2b enabled me to describe the cited sources and to identify the ultimate owners of online news content for the Web sites of www.FOXNews.com and www.news.yahoo.com.

The methods employed for RQ3 and RQ4 involved document analysis, case study research, and investigative journalism techniques. RQ3a and RQ3b addressed questions of corporate relationships. Corporate relationships are defined as content supply relationships, joint venture relationships, and any exchange of content between ultimate owners of content (as identified in RQ2a and RQ2b). The first part of RQ3 determined the corporate relationships between News Corporation and the ultimate owners of content on www.FOXNews.com, and corporate relationships between Yahoo! Inc. and the ultimate owners of content on www.news.yahoo.com. The second part of RQ3 determined corporate relationships among
ultimate owners of content on www.FOXNews.com and www.news.yahoo.com. For RQ3a and RQ3b, I used data on the ultimate owners of news content that were generated from RQ2a and RQ2b. For each of the ultimate owners on www.FOXNews.com, I researched press releases issued by News Corporation or the ultimate owner. In addition, I looked at the corporate Web sites of each ultimate owner. Likewise, I researched press releases issued by Yahoo! Inc. and looked at the corporate Web sites of each ultimate owner on www.news.yahoo.com. Finally, I cross-referenced these results by looking at newspaper stories about the corporate relationship. In almost all cases, ultimate owners issued press releases announcing their corporate relations with either News Corporation or Yahoo! Inc. For example, if the Yahoo! Inc. annual report or press release referred to a joint venture with NBC Universal, I corroborated and supplemented this information by searching corporate press releases and statements from NBC Universal and its ultimate owner, General Electric. Appendix E contains a detailed account of corporate relationships between News Corporation and ultimate owners of content on www.FOXNews.com, as well as corporate relationships among the ultimate owners on www.FOXNews.com. Appendix F contains detailed accounts of corporate relationships between Yahoo! Inc. and the ultimate owners of content on www.news.yahoo.com, as well as corporate relationships among the ultimate owners on www.news.yahoo.com.

The data for RQ4 (as for RQ1) were derived from the sample of homepages from www.FOXNews.com and www.news.yahoo.com. These Web pages can be broadly described as complex cultural artifacts presented in digital form as still images, video, graphics, or written text and can be described specifically as online news, entertainment, and information content (Brooks, 2003; Berners-Lee, 1999). The objectives for RQ4 required describing the design and structure, and then analyzing the organization and presentation of news content on
www.FOXNews.com and www.news.yahoo.com. To accomplish this, I adapted a coding sheet from the 2007 State of the News Media report, conducted annually by the Project for Excellence in Journalism (PEJ, 2007). A section of the lengthy report, entitled “Digital Journalism: A Topography of News Web sites,” identified categories of news Web sites and then built a typology of these sites in order to analyze organization, content, and layout. I adapted the PEJ coding sheet to create my own (Appendix G). I then described in detail the elements of www.FOXNews.com and www.news.yahoo.com, using the criteria from the coding sheet. The seven primary criteria included: customization, user participation, multimedia, editorial branding, story depth, revenue streams, and homepage advertising. In addition, my description and interpretation also included: (1) the proportion of the homepage devoted to narrative, photos/noninteractive graphics, video, audio, live streaming, and user blogs; (2) the existence of live question and answer; (3) the use of slideshows; (4) the availability of polls; and (5) the availability of interactive graphics. In Chapter Six, I present and discuss the results of the research questions.
CHAPTER 6. RESULTS AND ANALYSIS

In this chapter, I present the results of each research question. Part “a” of each research question addresses www.FOXNews.com; part “b” addresses www.news.yahoo.com.

Commercial Imperatives of News Corporation

RQ1a) What are the stated commercial imperatives of News Corporation, the ultimate owner of www.FOXNews.com, and how are the commercial imperatives linked to the production, aggregation, and distribution of news content on www.FOXNews.com?

The mission of News Corporation, as stated consistently in the company’s annual reports is “to provide as many consumers as possible with the highest quality content through the most convenient distribution channels” (News Corporation annual report, 2006, p. 5). The key elements in this statement are, “many consumers,” “high quality content,” and “most convenient distribution channels.” In the 2007 annual report, all three of the preceding elements are articulated within the context of the acquisition of the Dow Jones Company (emphasis added):

Our Company follows a clear strategy. We provide a compelling combination of information and entertainment for the largest audience around the globe. Few media companies can claim to match our breadth of offerings, or our global reach. And when we add Dow Jones to our stable of other news and information businesses, our leadership will be even more pronounced. (News Corporation annual report, 2007, p. 5).

Increasing revenues and maximizing profits are clearly integral to the commercial imperatives of News Corporation. Three objectives appear to be key to this mission: increasing the numbers of consumers of News Corporation content, increasing the amounts of information and entertainment content, and expanding the distribution channels for the content. To illustrate these objectives, I provide excerpts from the data that provide examples of each and an analysis of each example.
Consumers

In a 2005 address to stockholders, News Corporation Chair and Chief Executive Officer (CEO) Rupert Murdoch provided an explanation of the company’s urgent focus on digital media.

Why the urgency? Because the Internet is the fastest growing advertising market. It has the fastest growing audience. More importantly, broadband proliferation is at last real, meaning the opportunity is now to grow exponentially the distribution of our vast video content in news, sports and general entertainment. If we are to deliver on our mission to return value to you our shareholders—and see the fruits of the thrilling days that lie ahead—we must intelligently and prudently transform our company—beginning now—to take advantage of the massive digital transition that is occurring.
(Rupert Murdoch, Annual Meeting of Stockholders, 2005).

In this construction, Murdoch equates audience, consumers, and Internet users. The descriptor “Internet users” was used fewer than four times in each of the annual reports for 2005, 2006, and 2007. In the 2007 annual report, “Internet users” was used to refer to the growing numbers of users of www.MySpace.com. The company’s annual reports describe users of its Web sites as audiences, and in the context of the preceding excerpt, audiences are really consumers. Consumers then translate into markets for advertising. Viewed within the framework of News Corporation’s commercial imperatives, the potential for the delivery of more content (“vast video content”) more quickly (“broadband proliferation”) provides for greater revenues (“return value to you our shareholders”) from advertising content. This fiscal approach is geared toward maximizing profits from the distribution of news, information, and entertainment content.

In the same speech to News Corporation shareholders, Murdoch cites the creation of Fox Interactive Media (FIM) as the outcome of the urgent focus on digital media. The FIM division was formed to direct the company’s overall Internet strategy and to manage all of News Corporation’s Internet properties. The social networking site MySpace.com, the videogame
entertainment site IGN.com, and the sports network Scout.com fall within the purview of FIM, acquired in fulfillment of News Corporation’s commercial imperatives. Murdoch explains, “Their youthful audiences are our audiences. Their interests are our interests. With the addition of these companies, we have now the most potent combination of relevant content and critical audience mass to forge a real and profitable presence on the Web” (p. 5). Operating with the overall objectives of maximizing revenues, the company gains access to larger audiences and consumers by buying Internet properties with coveted advertiser demographics. In a speech to the American Society of Newspaper Editors, Murdoch outlined how the company’s pursuit of audiences relates to consumers of news:

> In the same way we need to be relevant to our readers, the internet provides the opportunity for us to be more relevant to our advertisers. Plainly, the internet allows us to be more granular in our advertising, targeting potential consumers based on where they’ve surfed and what products they’ve bought. The ability to more precisely target customers using technology-powered forms of advertising represents a great opportunity for us to maintain and even grow market share and is clearly the future of advertising. (Rupert Murdoch, 2005)

In this formulation, Internet users of News Corporation Web sites are effectively potential consumers, available to be targeted with advertising, thus providing “great opportunity” for the company to increase advertising market share and revenues.

**Content and Distribution**

In a similar manner to the audience-consumer construct, News Corporation content or product is not differentiated, except in terms of target audiences and methods of distribution. In keeping with its commercial imperatives, the company strives to maximize content distribution across its various operations.
As a result of our longer-term focus and capital allocation, News Corporation today boasts among the best mix of assets in the business, and a corporate structure that enables us to get the most out of those assets. We produce award-winning, critically acclaimed and popular content. We have also invested in the world’s largest distribution platform and the only one that is truly global in scope. Most importantly, we’ve learned how to integrate our content and distribution assets into a seamless whole that allows us to get the most out of each individual asset—an attribute that further distinguishes us from our peers.

(News Corporation annual report, 2005, p. 6)

Corporate profits are thus derived largely from established News Corporation brands such as the FOX News Channel, FX (cable channel), and FOX sports channels:

Our cable businesses are today where we hope and expect our Internet businesses to be in the near future. The FOX News Channel set another record for operating income and revenue growth, and has now held the number one position in cable news for 18 straight quarters. High ratings have driven up advertising revenues and the expiration—beginning this October—of our early deals with cable and satellite providers will shortly allow us to renew our carriage agreements at substantially higher rates.

(News Corporation annual report, 2006, p. 7-8).

Since 2005, revenues from the online operations have increased steadily. In 2005, online operations accounted for 5% of the company’s total revenues, and in 2007, online operations accounted for 8% of the consolidated revenues (Annual Report, 2006; Annual Report, 2007, p. 48). In monetary terms: for fiscal year 2007, revenues increased by $889 million, or 64%, compared to fiscal year 2006:

The increase was primarily driven by an increase in the number of active users and higher advertising revenues from FIM’s Internet sites. The revenue increase was also driven by incremental revenues from acquisitions by FIM in October 2005 and from the Jamba joint venture which was formed in January 2007. Also contributing to the revenue increase was Global Cricket Corporation’s sale of the broadcast and sponsorship rights of the International Cricket Council (“ICC”) Cricket World Cup with no comparable event in fiscal 2006.

(News Corporation annual report 2007, p. 48)
The financial success of News Corporation’s online operations is related to the company’s “sustained focus on monetization of its content and distribution since the creation of the Fox Interactive Media business unit” (Annual report, 2007, p. 35). FIM’s claim of reaching more than 160 million people worldwide allowed News Corporation to enter into a $900 million agreement with Google Inc. for search functionality and text-based advertising on all FIM sites. The commercial imperatives of News Corporation are also evident in the production, aggregation, and distribution of news on www.FOXNews.com.

**Commercial Imperatives and News on www.FOXNews.com**

FOXNews.com falls within the business unit Fox Interactive Media, which manages all of News Corporation’s Internet operations. FIM also includes News Corporation’s advertising unit, Fox Interactive Media Audience Network, which manages advertising and technology for News Corporation Web sites. The company’s objectives in the 2007 annual report provide evidence that online news content is subject to the overall commercial imperatives of the corporation:

> Our strategy for the Internet is the same as our strategy for other media. News Corporation will combine the best content with the strongest distribution platforms to offer consumers the widest variety of quality choices. A stronger, smarter Internet presence will enable us to get the most out of our content, expand our reach and exponentially increase consumer choice. Our aim is nothing less than to provide the best and stickiest Internet experience available anywhere.  
> (News Corporation, annual report, 2005, p. 9).

Two years later, News Corporation declared in its 2007 annual report, “Over the past two years, we have begun to transform our Company from a traditional media giant into a digital juggernaut” (News Corporation annual report, 2007, p. 5). The delivery of news content via the Internet formed part of the overall commercial imperatives of News Corporation. In a speech to
the American Society of Newspaper Editors in 2005, Rupert Murdoch emphasized that newspapers and newspaper content were still relevant despite the Internet. He qualified this declaration by positing news content as a commodity and news audiences as consumers:

And we in this room—newspaper editors and journalists—are uniquely positioned to deliver that news. We have the experience, the brands, the resources, and the know-how to get it done. We have unique content to differentiate ourselves in a world where news is becoming increasingly commoditized. And most importantly, we have a great new partner to help us reach this new consumer—the internet.
(Rupert Murdoch, April 13, 2005)

In effect, Murdoch declared that the medium of news delivery was irrelevant to the news content: “At News Corporation, where we’re both a video programmer as well as a newspaper publisher, the rewards of getting this right are enormous” (Murdoch, 2005). Production and distribution of news content using different methods of delivery are part of the larger corporate imperatives that drives the “digital juggernaut” that is News Corporation (Murdoch, 2007, p. 7).

**Commercial Imperatives of Yahoo! Inc.**

RQ1b) What are the stated commercial imperatives of Yahoo! Inc., the ultimate owner of www.news.yahoo.com, and how are the commercial imperatives linked to the production, aggregation, and distribution of news on www.news.yahoo.com?

Yahoo! Inc.’s annual reports and accompanying SEC filings for 2005, 2006, and 2007 report the company’s core business as providing “offerings to business” and “offerings to users.” More specifically, these offerings constitute Internet services to communities of users, advertisers, publishers, and developers. The descriptor “offerings to businesses” was replaced in the 2007 annual report with “how we generate revenues,” reinforcing the principle that Yahoo! Inc. generates revenues primarily through the services it provides to businesses. Yahoo! Inc.’s offerings to business consist of an array of Internet marketing services for advertisers and
publishers, as well as Web services and software application interfaces for developers. An example of Yahoo! Inc.’s service for publishers is its partnership with National Amusements, wherein Yahoo! provides search tools and contextual advertising for Viacom’s broadband sites including MTV, VH1, Comedy Central, and Nickelodeon television networks (Yahoo! Inc. annual report, 2007, p. 4). Yahoo! Inc.’s services to users are listed in five categories: (1) Front Doors, (2) Search, (3) Communications and Communities, (4) Media, and (5) Connected Life. Yahoo! Inc. Front Doors services are provided for free: news content, a personalized homepage, and browser add-ons. The free services are sustained by revenues generated from display advertising, highlighting the business model of attracting a consumer base with free services and then selling access to consumers to advertisers. Similarly, the Search services provide users with online search capabilities embedded in the advertising model. For example, Yahoo! Travel provides online travel research and reservations, permitting Yahoo! Inc. to generate revenues from “travel partners when users click-through to their Web sites and/or through a revenue share of the booking value when users make travel arrangements on Yahoo! Travel” (Yahoo! Inc. annual report, 2007, p. 7). The Communications service provides free e-mail and social networking services, generating revenues from display advertising. Most germane to this research is the Media service, offering a combination of information, entertainment, and lifestyles content. Yahoo! News, a subcategory of Media services, provides users with free access to aggregated news, information, and entertainment content from providers such as the Associated Press, Reuters, Agence France-Presse (AFP), ABC News, CBS, CNBC, CNN, FOX News, Disney, Warner Brothers, the National Football League, the National Basketball Association, and numerous other news, information, and entertainment content providers. The mechanism of providing Media content on www.news.yahoo.com, occurs within Yahoo! Inc.’s
overall business model. This business model is clearly articulated in the company’s mission statement:

We seek to leverage the power of the Yahoo! Properties to create the most innovative and highest quality Internet services for users and to provide the most efficient and effective marketing services for businesses to reach these users. (Yahoo! Inc. annual report, 2005, p. 3)

The mission statement provides a convenient starting point to analyze the company’s commercial imperatives. SEC filings indicate that Yahoo! Inc. revenues almost doubled between 2004 ($3.60 billion) and 2007 ($6.96 billion). The majority of these revenues were derived from marketing services. “For the year ended December 31, 2006, 88 percent of our total revenues came from marketing services” (Yahoo! Inc., 2006 annual report, p. 16). Marketing and advertising revenues are thus integral to the commercial imperatives of Yahoo! Inc. While almost all of the services for users are free, these services are efficiently integrated into the company’s marketing services for businesses. For example:

… if a user searches using the keyword “television” in the Yahoo! search box or the search box on the website of one of our affiliates, links to websites for advertisers selling televisions will appear alongside the algorithmic search results. As another example, if the user is reading an article about interest rates, he or she may be presented with advertising links to websites for mortgage-related advertisers. For these advertising services, we earn revenue when “click-throughs” occur. A “click-through” occurs when a user clicks on an advertiser’s listing. Such advertising services will be referred to as “search marketing.” (Yahoo! Inc. annual report, 2005, p. 5).

Yahoo! users are attracted by the free services to users and the users are then marketed to businesses as part of Yahoo! Inc.’s services to businesses. This process is articulated in the following statement: “We seek to leverage the power of the Yahoo! Properties to create the most innovative and highest quality Internet services for users and to provide the most efficient and
effective marketing services for businesses to reach these users” (Yahoo! Inc. annual report 2005, p. 3). At the end of 2007, Yahoo! Inc. redefined the company’s business strategy, with the commercial imperatives now focused on redefined categories: audiences, advertisers and publishers, and technology. Two of the four new strategic priorities were:

(1) Expand customer-centric culture and capabilities: We have organized around audience segments and advertising customers, rather than around products. Our goal is to develop rich experiences for each audience segment and deliver solutions to meet the needs of all advertisers and publishers,
(2) Create leading social media environments: We are encouraging every user on the Yahoo! network to participate in the consumption and publishing of information and knowledge and make connections through tagging, reviews, sharing images, audio and video, and other social media activities.
(Yahoo! Inc. annual report, 2006, p. 5)

This audience-based business strategy allows Yahoo! Inc. to refine continually its marketing capabilities “by targeting audiences based on demographics, geography, and behavior across the Yahoo! Network” (Yahoo! Inc. annual report, 2006, p. 7). Online content on Yahoo! Inc.’s Web sites are differentiated according to advertising target markets, rendering the type of content immaterial to the larger commercial imperatives of the company.

**Commercial Imperatives and News on www.news.yahoo.com**

The most instructive example of how Yahoo! Inc.’s commercial imperatives are apparent in the production, aggregation, and distribution of news on www.news.yahoo.com is the company’s join venture partnership with the Newspaper Consortium. Yahoo! Inc.’s news content offerings feature its own in-house news operation called *Kevin Sites in the Hot Zone*, Yahoo! News columnists, and its user-driven *You-Witness News*. In 2006, the company formed a strategic partnership with a consortium of newspaper companies. The consortium collectively provides news from more than 400 daily newspapers owned by about 20 media companies.
Members of this consortium include the Belo Corporation; Cox Corporation; E.W. Scripps Company; Hearst Newspapers; Journal Register Company; Lee Enterprises; Media News Group, Inc.; Calkins Media, Inc.; Media General, Inc.; Morris Communications Company LLC; and Paddock Publications, Inc. To its users, Yahoo! Inc. promotes the joint venture as enhancing the diversity of media sources available to Yahoo! Inc. users. To the Newspaper Consortium, the deal enables “the newspapers to provide advertisers who list jobs in any of the consortium’s newspapers the ability to also post their jobs on Yahoo! HotJobs and throughout the Yahoo! network” (Yahoo! Inc. annual report 2006, p. 5). In addition, the partnership contributes to Yahoo! Inc.’s primary source of revenues—advertising. The strategic partnership revolves around four key benefits for the company:

- Enhancing newspaper online advertising revenue using Yahoo!’s graphical advertising technology,
- Leveraging leading local and national online sales forces. This relationship creates an all-in-one buying opportunity for local advertisers, allowing newspaper sales representatives to offer the combined aggregated reach of local newspaper and local Yahoo! online audiences,
- Integrating Yahoo!’s paid search technology across newspaper sites. Yahoo!’s search functionality will be deployed across hundreds of newspaper Web sites and exposed to more than 50 million users on a monthly basis, and
- Distributing high-quality newspaper content broadly across the Yahoo! network. Newspaper content will be fully integrated within local news modules and delivered to Yahoo! users interested in local news, sports, finance and other content in Yahoo!

This partnership enhances Yahoo! Inc.’s ability to generate online advertising revenue through the placement of advertisements for the company’s business clients on hundreds of newspaper Web sites. In this way, Yahoo! Inc. is able to sell access to its users/audience/consumers to its business clients and simultaneously provide free news,
information, and entertainment content to its users. The company fulfills its commercial imperatives through a system of trading in various commodities in the form of selling Internet users or audiences to advertisers and selling space for search advertising and display advertising to advertisers. The attractions for users are the free news, information, and entertainment content.

The analysis conducted thus far indicates that the overall commercial imperatives of News Corporation and Yahoo! Inc. are geared toward generating revenues for the shareholders of these corporations. Revenue generation is built around the advertising business model; the strategies of both companies are geared toward increasing the number of users on their online properties. These users function as key components of the companies’ commercial imperatives; higher numbers of active users mean higher numbers of potential consumers, which in turn ensure higher advertising revenues from the online properties owned by each company. On the homepage of www.FOXNews.com, advertising content is very apparent, and even intrusive, while on www.news.yahoo.com, the advertising content is less apparent and appears primarily as search advertising. Both www.FOXNews.com and www.news.yahoo.com have sophisticated search advertising and marketing features. The search algorithms on www.news.yahoo.com mine important demographic, geographic, and psychographic data essential to effective advertising. The advertising on www.FOXNews.com tends to feature more traditional Web advertising such as expandable banners, floating banners, pop ups, pop unders, institials, and video in-banners.

The overall corporate imperatives illustrate how the production, aggregation, and distribution of news content online are subject to the business model in which advertising content features prominently. In this model, news, information, and entertainment content are undifferentiated; advertising is sold to “third parties, so that commercial corporate sponsors could be said to ‘support’ such forms of cultural practice” (Schiller, 2007, p. 114). Online news,
information, and entertainment content thus form part of the larger cultural industries where in
addition, information about audiences, users, and customers is packaged and sold to corporate
advertisers. We are thus left with the impression that the advertising-driven business model used
by these two corporations ensures the provision of diverse news, information, and entertainment
online. In fact the overall corporate imperatives of News Corporation and Yahoo! Inc. reflect
similar characteristics. The business models of both companies highlight the importance of
audiences, products, and strategies for reaching those audiences. The annual reports of News
Corporation and Yahoo! Inc. reveal changes in their strategies for increasing audiences and
advertising. News Corporation attributes the company’s larger advertising markets to the
successful use of digital technologies and the integration of multiple distribution platforms such
as cable, Internet, and satellite technologies. News Corporation has also added more online
properties to its FOX Interactive Media division, instantly increasing audience size. Yahoo! Inc.
made changes to its overall business plan by retooling its marketing strategies, shifting from a
product focus to an audience focus by developing its social media properties. These changes
indicate that News Corporation, as representative of a traditional media company, and Yahoo!
Inc. as representative of an online news aggregator have similar approaches to the production,
aggregation, and distribution of content.

Sources of News on www.FOXNews.com

RQ2a) What are the cited sources of news on www.FOXNews.com? Who ultimately
controls/owns those cited sources?

Cited Sources on www.FOXNews.com

Twenty-five news sources are cited consistently in the data sets for 2006, 2007, and 2008.
Four sources were excluded from the final analysis because they did not occur in all three years

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and primarily because they account for less than a quarter percent of the total cited sources.

Excluded sources Eweek.com and ExtremeTech.com occurred only in 2006, while WSJ.com (Wall Street Journal) and SkyNews appeared only in the 2008 data set. The analysis thus considers news sources that occur in all three years—2006, 2007, and 2008. To briefly recap, the data set for RQ2 consists of homepages from 21 days in 2006, 21 days in 2007, and 21 days in 2008. This represents a total of 63 days of homepages, covering a three-year period.

**Table 2 Cited Sources of News on the Homepages of www.FOXNews.com**

<table>
<thead>
<tr>
<th>Source</th>
<th>Number of occurrences</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Associated Press</td>
<td>1517</td>
<td>36.26</td>
</tr>
<tr>
<td>2. FOX News Channel Video</td>
<td>797</td>
<td>19.05</td>
</tr>
<tr>
<td>3. FOX News</td>
<td>550</td>
<td>13.14</td>
</tr>
<tr>
<td>4. FOX News Channel iMagazine</td>
<td>273</td>
<td>6.52</td>
</tr>
<tr>
<td>5. FOX News Blogs</td>
<td>179</td>
<td>4.27</td>
</tr>
<tr>
<td>6. FOX News &amp; AP</td>
<td>113</td>
<td>2.70</td>
</tr>
<tr>
<td>7. MarketWatch</td>
<td>105</td>
<td>2.51</td>
</tr>
<tr>
<td>8. WebMD</td>
<td>83</td>
<td>1.98</td>
</tr>
<tr>
<td>9. LiveScience.com</td>
<td>78</td>
<td>1.86</td>
</tr>
<tr>
<td>10. JunkScience.com</td>
<td>77</td>
<td>1.84</td>
</tr>
<tr>
<td>11. Reuters</td>
<td>77</td>
<td>1.84</td>
</tr>
<tr>
<td>12. FOX Sports</td>
<td>73</td>
<td>1.74</td>
</tr>
<tr>
<td>13. FOX Business</td>
<td>68</td>
<td>1.62</td>
</tr>
<tr>
<td>14. The Times</td>
<td>34</td>
<td>0.81</td>
</tr>
<tr>
<td>15. Mansueto</td>
<td>31</td>
<td>0.74</td>
</tr>
<tr>
<td>16. Comtex</td>
<td>27</td>
<td>0.64</td>
</tr>
<tr>
<td>17. YNET</td>
<td>16</td>
<td>0.38</td>
</tr>
<tr>
<td>18. news.com.au</td>
<td>15</td>
<td>0.36</td>
</tr>
<tr>
<td>19. eonline.com</td>
<td>15</td>
<td>0.36</td>
</tr>
<tr>
<td>20. U.S. News &amp; World Report</td>
<td>13</td>
<td>0.31</td>
</tr>
<tr>
<td>21. London Daily Mail</td>
<td>12</td>
<td>0.28</td>
</tr>
<tr>
<td>22. Daily Telegraph</td>
<td>11</td>
<td>0.26</td>
</tr>
<tr>
<td>23. Jerusalem Post</td>
<td>10</td>
<td>0.23</td>
</tr>
<tr>
<td>24. Space.com</td>
<td>7</td>
<td>0.17</td>
</tr>
<tr>
<td>25. Evening Standard</td>
<td>2</td>
<td>0.05</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4183</td>
<td>100</td>
</tr>
</tbody>
</table>

A summary of the analysis for RQ2a is presented in Table 2. I will use Table 2 to complement the discussion and analysis. The 25 dominant news sources are listed in the first
column. These sources occur on the homepages 4,183 times. The second column contains the number of times each source occurs on the homepages. The third column lists the number of occurrences as a percentage of the total number of occurrences of cited news sources. The tabulated data indicate that the most frequent source of news cited on www.FOXNews.com is AP, accounting for 36.26% of all news sources cited on the homepages of www.FOXNews.com. The next five most frequent cited sources, numbered two through six, are all FOX branded sources: FOX News Channel Video, FOX News, FOX News Channel iMagazine, FOX News Blogs, and FOX News & AP. In total all FOX-branded sources account for 49.04% of cited sources on www.FOXNews.com. Thus, almost half of the cited sources on the homepage are FOX News sources, followed by next most dominant cited source, the Associated Press, accounting for just over a third (36.26%) of all cited sources on www.FOXNews.com. MarketWatch.com accounts for 2.51%. The rest of the cited sources each contributed less than 2% toward the total number of cited sources, from LiveScience.com to the Evening Standard.

The data may be summarized as follows: FOX News sources plus the Associated Press make up 85.3% of cited news sources on FOXNews.com. The remaining 17 cited sources account for 14.7% of the cited news sources. Thus, the dominant cited sources on the homepage are FOX News and the Associated Press.

The source of news content on the homepage of www.FOXNews.com is not immediately apparent; the identity of the source is only evident once the news story is selected and appears in a landing page. In the data for this study, the only news item identified consistently is the dominant photo or graphic appearing at the top of the page in the main news box. The photo accompanying the main news story is usually an Associated Press photo. Content branded as

---

8 This cited source is identified on the homepages as “FOX News” and then “The Associated Press contributed to this report.”
FOX News dominates news content on the homepage of www.FOXNews.com. More specifically, this content is attributed to the FOX News Channel and FOX News. Thus, looking at the cited sources of content, approximately half (49.04%) of the content on www.FOXNews.com is derived from the FOX News Channel. This content includes blogs produced by FOX News Channel personalities; content attributed to FNCiMAG, the FOX News Channel’s Internet Magazine; and content from FOX Sports and FOX Business Network\(^9\). By adding the cited sources for the FOX News Channel to the cited sources for the Associated Press, it becomes apparent that at least 85.3% news content on www.FOXNews.com is not original content; it is content aggregated from other sources and distributed on the Web site. We may thus conclude that the Web site www.FOXNews.com functions primarily as an aggregator of Associated Press content and FOX News Channel content. To gain a more precise picture of news content on www.FOXNews.com, it is necessary to look at who or what is the ultimate source of the cited source of news content. This task is the focus of the second part of RQ2a.

**Ultimate Sources on www.FOXNews.com**

In the second part of RQ2a, each of the 25 cited sources was traced back to an ultimate source or ultimate owner. For example, it is apparent that FOX Sports is part of the FOX News and the FOX News Channel. The ultimate owner of FOX News, FOX Sports, and the FOX News Channel is News Corporation. The ultimate source or owner of the cited source eonline.com is Comcast Corporation. Another example: Space.com is cited as a source of news content on www.FOXNews.com; Space.com is one of several brands of news and information content produced by Imaginova Corporation. Imaginova Corporation is thus the ultimate source of news content identified on www.FOXNews.com as Space.com. Thus, ultimate owners of sources are

\(^9\) The Fox Business Network was officially launched in October 2007 (http://www.newscorp.com/news/news_344.html)
not apparent on the homepages of www.FOXNews.com. The ultimate owner of each of the 25 sources was determined using company information and online corporate profile data. The results of this analysis are presented in Table 3.

**Table 3 Ultimate Sources of News on the Homepages of www.FOXNews.com**

<table>
<thead>
<tr>
<th>Ultimate owner</th>
<th>%</th>
<th>Cited Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. HLTH Corporation</td>
<td>2.0</td>
<td>WebMD.com</td>
</tr>
<tr>
<td>4. Imaginova Corporation</td>
<td>1.98</td>
<td>LiveScience.com, space.com</td>
</tr>
<tr>
<td>5. Thomson Reuters Corporation (UK)</td>
<td>1.81</td>
<td>Reuters</td>
</tr>
<tr>
<td>6. Steven J. Milloy</td>
<td>1.81</td>
<td>JunkScience.com</td>
</tr>
<tr>
<td>7. Mansueto Ventures Inc.</td>
<td>0.88</td>
<td>Mansueto</td>
</tr>
<tr>
<td>8. Comtex News Network</td>
<td>0.64</td>
<td>Comtex</td>
</tr>
<tr>
<td>9. Yedioth Ahronoth Group (Israel)</td>
<td>0.38</td>
<td>YNET.com</td>
</tr>
<tr>
<td>10. Comcast Corporation</td>
<td>0.36</td>
<td>Eonline.com</td>
</tr>
<tr>
<td>11. Daily Mail and General Trust (UK)</td>
<td>0.33</td>
<td>London Daily Mail, Evening Standard</td>
</tr>
<tr>
<td>12. Mort Zuckerman (Boston Properties Inc.)</td>
<td>0.31</td>
<td>U.S. News &amp; World Report</td>
</tr>
<tr>
<td>13. Mirkaei Tikshoret Ltd (Israel)</td>
<td>0.23</td>
<td>Jerusalem Post</td>
</tr>
</tbody>
</table>

The first column of Table 3 lists the ultimate owner of the cited news source. The second column contains the percentage of total sources each ultimate owner accounts for on www.FOXNews.com, and the third column lists all the cited sources owned by the ultimate owner. From this table it is clear that the 25 cited sources on www.FOXNews.com represent 13 ultimate sources. News Corporation is the ultimate owner of the FOX-branded sources. News Corporation is also the ultimate owner of MarketWatch.com, The Times, The Daily Telegraph, and news.com.au. This means that News Corporation is the ultimate owner of 52.98 percent of all cited sources on www.FOXNews.com. If we consider ultimate owners of sources, then almost 90% of news content on www.FOXNews.com is derived from two ultimate owners—News Corporation (52.98%) and the Associated Press (36.26%). The remaining ultimate sources
represent national and global media, entertainment, and telecommunications corporations. By relating the findings for RQ2a and RQ1a, it becomes possible to see the relationships between corporate imperatives and sources of content on www.FOXNews.com.

The dominance of News Corporation content on a News Corporation–owned Web site is consistent with the commercial imperatives of News Corporation discussed in RQ1. According to RQ1, a key feature of News Corporation’s corporate imperatives is to maximize the distribution of News Corporation content across News Corporation distribution platforms. Repurposing content across different operations within News Corporation, then, fulfils the corporate imperative of maximizing revenue generation “that allows us [News Corporation] to get the most out of each individual asset” (Annual Report, 2005, p. 6). Thus, News Corporation’s Web site, www.FOXNews.com, serves as a distribution platform for content produced in other of its corporate holdings. For example, content originating from a News Corporation holding in Australia, news.com.au, is distributed on www.FOXNews.com. Content originating from the Daily Telegraph, a News Corporation operation in the United Kingdom, is distributed on www.FOXNews.com. News content thus becomes a commodity, produced in one part of the corporation and then repackaged and redistributed as many times as possible within News Corporation and within the larger market that trades in information and entertainment content. In RQ3, I address this aspect: corporate relationships and the aggregation and flow of online news content.

The results produced by RQ2a contest a key News Corporation imperative: “Our strategy for the Internet is the same as our strategy for other media. News Corporation will combine the best content with the strongest distribution platforms to offer consumers the widest variety of quality choices” (Annual Report, 2005, p. 9). The quality of the online content is not within the
scope of this study; the issues surrounding the “widest variety” of content are. News Corporation content accounts for 53.2% of sources on www.FOXNews.com, and the Associated Press accounts for 36.26%. Therefore, approximately 90% of the content on www.FOXNews.com is derived from two ultimate owners—News Corporation and the Associated Press. This does not support News Corporation’s claim of the “widest variety” of choices of news content.

The rest of the ultimate owners of sources on www.FOXNews.com include media and telecommunication companies: Imaginova Corporation, Thomson Reuters Corporation (UK), Daily Mail and General Trust (UK), Mansueto Ventures Inc., Comtex News Network, Yedioth Ahronoth Group (Israel), Comcast Corporation, Mirkaei Tikshoret Ltd (Israel), HLTH Corporation (a health information company), and individuals Mort Zuckerman, the owner and editor-in-chief of *U.S. News & World Report*, and Stephen J. Milloy, a FOX News columnist and writer for the Cato Institute. Zuckerman is also chairman and co-publisher of the *New York Daily News* and co-founder and chairman of the board of Boston Properties, Inc. Notable among the preceding list are media and telecommunications companies Comcast Corporation, Comtex News Network, Daily Mail and General Trust, and Thomson Reuters; these companies feature prominently in RQ3, which deals with corporate relationships.

The dominance of the Associated Press as a source on a News Corporation–owned Web site presents an interesting perspective in terms of corporate relationships. The Associated Press self-identifies as a not-for-profit cooperative “owned by its 1,500 U.S. daily newspaper members. They [the members] elect a board of directors that directs the cooperative” (AP.org, 2008). Among the 23 board members who direct this cooperative (as of May 2008) are representatives from large media corporations such as Media News Group Inc., McClatchy Company, Gannett Company Inc., The New York Times Regional Media Group, The
and the Tribune Company. Table 4 lists all of the board members. The newsgathering divisions
within the Associated Press include Newspaper Services, Broadcast, and Digital and Photos. The
advisory board of AP Broadcast includes representatives of major media corporations such as
McGraw-Hill Broadcast Group, Hearst-Argyle Television, Media General Broadcast Division,
Gannett Broadcasting Group, Tribune Broadcasting Company, and ABC Radio.

**Table 4 Associated Press Board of Directors**

<table>
<thead>
<tr>
<th>Corporate Affiliation</th>
<th>Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC News</td>
<td>David Westin, president</td>
</tr>
<tr>
<td>Advance.Net</td>
<td>Steven O. Newhouse, chairman</td>
</tr>
<tr>
<td>Arkansas Democrat-Gazette</td>
<td>Walter E. Hussman Jr., publisher</td>
</tr>
<tr>
<td>Bonneville International Corp.</td>
<td>Bruce T. Reese, president and CEO</td>
</tr>
<tr>
<td>Citizen Tribune</td>
<td>R. Jack Fishman, publisher and editor</td>
</tr>
<tr>
<td>Community Newspaper Holdings</td>
<td>Donna J. Barrett, president CEO</td>
</tr>
<tr>
<td>Gannett Company Inc.</td>
<td>Craig A. Dubow, president and CEO</td>
</tr>
<tr>
<td>GateHouse Media, Inc.</td>
<td>Michael E. Reed, CEO</td>
</tr>
<tr>
<td>Lee Enterprises, Inc.</td>
<td>Mary Junck, president and CEO</td>
</tr>
<tr>
<td>McClatchy Company</td>
<td>Gary Pruitt, chairman, president and CEO</td>
</tr>
<tr>
<td>Media General Inc.</td>
<td>H. Graham Woodlief, vice president and</td>
</tr>
<tr>
<td></td>
<td>president of publishing</td>
</tr>
<tr>
<td>Media News Group Inc.</td>
<td>William Dean Singleton, vice chairman and</td>
</tr>
<tr>
<td></td>
<td>CEO</td>
</tr>
<tr>
<td>News Corporation</td>
<td>Rupert Murdoch, chairman and CEO</td>
</tr>
<tr>
<td>Pioneer Newspapers, Inc.</td>
<td>David Lord, president</td>
</tr>
<tr>
<td>Rust Communications</td>
<td>Jon Rust, publisher and co-president</td>
</tr>
<tr>
<td>Rutland Herald</td>
<td>R. John Mitchell, publisher</td>
</tr>
<tr>
<td>Schurz Communications Inc.</td>
<td>Charles V. Pittman, senior vice president,</td>
</tr>
<tr>
<td></td>
<td>publishing</td>
</tr>
<tr>
<td>The Journal Gazette</td>
<td>Julie Inskeep, publisher</td>
</tr>
<tr>
<td>The New York Times Company (Regional Media Group)</td>
<td>Mary Jacobus, president and CEO</td>
</tr>
<tr>
<td>The Washington Post Company</td>
<td>Boisfeuillet (Bo) Jones, publisher and CEO</td>
</tr>
<tr>
<td>Tribune Company</td>
<td>Sam Zell, chairman and CEO</td>
</tr>
</tbody>
</table>

Source: [http://www.ap.org/pages/about/board.html](http://www.ap.org/pages/about/board.html)

Several companies represented on the AP board of directors are also ultimate sources of
Times Company, Tribune Company, and the Washington Post Company. Despite its not-for-profit status, the Associated Press is directed by a board made up of high-level executives of major media corporations.

Analysis of landing pages on www.FOXNews.com was not part of this research, however, it is interesting to note the cited sources and ultimate owners on these landing pages. Landing pages are Web pages that require several mouse clicks beyond the homepage. A tabulation of cited sources from both the homepages and landing pages of www.FOXNews.com produces a total of 91 cited sources and 59 ultimate sources. Among the 59 ultimate sources are major media and entertainment corporations: Belo Corporation, Bloomberg Finance L.P., Cox Enterprises, Forbes Media LLC, Gannett Company Inc., General Electric, McClatchy Company, McGraw-Hill, Media News Group, Microsoft Corporation, New York Times Company, Pearson Plc (UK), Time Warner, Tribune Company, Walt Disney Company, Yahoo! Inc., and the Washington Post Company. These findings provide additional evidence that news content on www.FOXNews.com not owned by News Corporation is derived primarily from media, entertainment, and information companies already dominant in traditional news production and distribution. In RQ3a, I address the corporate relationships between News Corporation and suppliers of news content on www.FOXNews.com. The second part of RQ2 focuses on the cited and ultimate sources of news on www.news.yahoo.com.

**Sources of News on www.news.yahoo.com**

RQ2b) What are the cited sources of news on www.news.yahoo.com? Who ultimately controls/owns those cited sources?

Thirty-two news sources appeared 4,472 times in the data of the homepages of www.news.yahoo.com. Table 5 lists all 32 sources, the number of times each source appeared on
the 63 homepages viewed, and the percentage each source contributes to the total number of all occurrences. As with RQ2a, I discuss cited sources that each account for more than 2% of the total number of cited sources. In this case, six sources each contribute more than 2% to the total. They are Associated Press, Reuters, Agence France-Presse, National Public Radio, USA Today, and the Christian Science Monitor.

**Table 5 Cited Sources of News on the Homepages of www.news.yahoo.com**

<table>
<thead>
<tr>
<th>Source</th>
<th>Number of occurrences</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Associated Press</td>
<td>1111</td>
<td>24.80</td>
</tr>
<tr>
<td>2. Reuters</td>
<td>626</td>
<td>14.00</td>
</tr>
<tr>
<td>3. Agence France-Press</td>
<td>611</td>
<td>13.70</td>
</tr>
<tr>
<td>5. USA Today</td>
<td>260</td>
<td>5.80</td>
</tr>
<tr>
<td>6. Christian Science Monitor</td>
<td>106</td>
<td>2.40</td>
</tr>
<tr>
<td>7. PC World</td>
<td>63</td>
<td>1.40</td>
</tr>
<tr>
<td>8. BusinessWeek.com</td>
<td>59</td>
<td>1.30</td>
</tr>
<tr>
<td>9. ACS News Today</td>
<td>58</td>
<td>1.30</td>
</tr>
<tr>
<td>10. Congressional Quarterly</td>
<td>58</td>
<td>1.30</td>
</tr>
<tr>
<td>11. eonline</td>
<td>58</td>
<td>1.30</td>
</tr>
<tr>
<td>12. FashionWireToday.com</td>
<td>58</td>
<td>1.30</td>
</tr>
<tr>
<td>13. Politico</td>
<td>58</td>
<td>1.30</td>
</tr>
<tr>
<td>14. Rasmussen Reports</td>
<td>58</td>
<td>1.30</td>
</tr>
<tr>
<td>15. Space.com</td>
<td>58</td>
<td>1.30</td>
</tr>
<tr>
<td>16. Yahoo! Entertainment</td>
<td>58</td>
<td>1.30</td>
</tr>
<tr>
<td>17. Yahoo! Finance</td>
<td>58</td>
<td>1.30</td>
</tr>
<tr>
<td>18. Yahoo! Health</td>
<td>58</td>
<td>1.30</td>
</tr>
<tr>
<td>19. Yahoo! Movies</td>
<td>58</td>
<td>1.30</td>
</tr>
<tr>
<td>20. Yahoo! Sports</td>
<td>58</td>
<td>1.30</td>
</tr>
<tr>
<td>21. Yahoo! TV</td>
<td>58</td>
<td>1.30</td>
</tr>
<tr>
<td>22. You-Witness News</td>
<td>58</td>
<td>1.30</td>
</tr>
<tr>
<td>23. Financial Times</td>
<td>57</td>
<td>1.27</td>
</tr>
<tr>
<td>24. PC Magazine</td>
<td>56</td>
<td>1.25</td>
</tr>
<tr>
<td>25. HealthDay.com</td>
<td>55</td>
<td>1.23</td>
</tr>
<tr>
<td>26. HuffingtonPost.com</td>
<td>55</td>
<td>1.23</td>
</tr>
<tr>
<td>27. The Sporting News</td>
<td>49</td>
<td>1.09</td>
</tr>
<tr>
<td>28. CNN video</td>
<td>45</td>
<td>1.01</td>
</tr>
<tr>
<td>29. Realclearpolitics.com</td>
<td>37</td>
<td>0.83</td>
</tr>
<tr>
<td>30. ABC News video</td>
<td>25</td>
<td>0.56</td>
</tr>
<tr>
<td>31. LiveScience.com</td>
<td>23</td>
<td>0.51</td>
</tr>
<tr>
<td>32. Time.com</td>
<td>10</td>
<td>0.22</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4472</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Cited Sources on www.news.yahoo.com

The Associated Press accounts for approximately one quarter (24.8%) of news sources on www.news.yahoo.com. Reuters accounts for 14%, and Agence France-Presse accounts for 13.7%. On the homepages of www.FOXNews.com, Associated Press content made up 36.26% of the total news content. Thus, the Associated Press is dominant on both www.news.yahoo.com and www.FOXNews.com. On www.news.yahoo.com, however, three global news agencies are dominant; the Associated Press, Reuters, and Agence France-Presse. All three news agency sources make up just over one half (52.5%) of the total number of news sources on the homepages of www.news.yahoo.com.

The next four top sources after the news agencies are: National Public Radio (9.2%), USA Today (5.8%), and the Christian Science Monitor (2.4%). Added up, all top six cited sources account for 69.9% of all news sources on www.news.yahoo.com. The remaining 30.1% of news content is attributed to 26 sources. To obtain a different perspective on the news content on www.news.yahoo.com, the second part of RQ2, determines the ultimate owners of news sources on www.new.yahoo.com.

Ultimate Sources on www.news.yahoo.com

An analysis of the 32 cited sources on the homepages of www.news.yahoo.com revealed 24 ultimate owners. Table 6 reveals that the Associated Press is the dominant ultimate owner, accounting for almost one quarter (24.8%) of all news sources. In second position, at 14%, is the Thomson Reuters Corporation, ultimate owner of Reuters. The London-based Reuters Group PLC, the previous ultimate owner of Reuters, was re-branded as Thomson Reuters when the Thomson Corporation acquired Reuters in early 2008. Another international news agency, Agence France-Presse, is the ultimate owner of 13.7% of news sources, making it the third most
dominant source on www.news.yahoo.com. Agence France-Presse is a public corporation based in France. These three international news agencies account for just over half (52.5%) of the news sources on www.news.yahoo.com.

**Table 6 Ultimate Sources of News on the Homepages of www.news.yahoo.com**

<table>
<thead>
<tr>
<th>Ultimate owner</th>
<th>%</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Associated Press</td>
<td>24.80</td>
<td>Associated Press</td>
</tr>
<tr>
<td>2. The Thomson Reuters Corporation (UK)</td>
<td>14.00</td>
<td>Reuters</td>
</tr>
<tr>
<td>3. Public Corporation (France)</td>
<td>13.70</td>
<td>Agence France-Presse</td>
</tr>
<tr>
<td>4. NPR Private not-for-profit Corporation 501(3)(c)</td>
<td>9.20</td>
<td>National Public Radio</td>
</tr>
<tr>
<td>5. Yahoo! Inc.</td>
<td>7.80</td>
<td>Yahoo! Entertainment, Yahoo! Finance, Yahoo! Health, Yahoo! Movies, Yahoo! Sports, Yahoo! TV</td>
</tr>
<tr>
<td>6. Gannett Company Inc.</td>
<td>5.80</td>
<td>USA Today</td>
</tr>
<tr>
<td>7. Church of Christ Scientist</td>
<td>2.40</td>
<td>Christian Science Monitor</td>
</tr>
<tr>
<td>8. Imaginova Corporation</td>
<td>1.81</td>
<td>LiveScience.com, Space.com</td>
</tr>
<tr>
<td>9. International Data Group</td>
<td>1.40</td>
<td>PC World</td>
</tr>
<tr>
<td>10. Fashion Wire Daily</td>
<td>1.30</td>
<td>Fashion Wire Daily</td>
</tr>
<tr>
<td>11. Politico</td>
<td>1.30</td>
<td>Politico</td>
</tr>
<tr>
<td>12. American Chemical Society</td>
<td>1.30</td>
<td>ACS News Today</td>
</tr>
<tr>
<td>13. Comcast Corporation</td>
<td>1.30</td>
<td>eonline</td>
</tr>
<tr>
<td>15. Pearson PLC (UK)</td>
<td>1.30</td>
<td>Financial Times</td>
</tr>
<tr>
<td>16. Poynter Institute</td>
<td>1.30</td>
<td>Congressional Quarterly</td>
</tr>
<tr>
<td>17. Rasmussen Reports Inc.</td>
<td>1.30</td>
<td>Rasmussen LLC</td>
</tr>
<tr>
<td>18. Time Warner Inc.</td>
<td>1.23</td>
<td>CNN.com, Time.com</td>
</tr>
<tr>
<td>19. HuffingtonPost.com Inc.</td>
<td>1.20</td>
<td>HuffingtonPost.com</td>
</tr>
<tr>
<td>20. ScoutNews LLC</td>
<td>1.20</td>
<td>HealthDay.com</td>
</tr>
<tr>
<td>21. Ziff Davis Publishing Holding Inc</td>
<td>1.20</td>
<td>PC Magazine</td>
</tr>
<tr>
<td>22. Advance Publishing Inc. (Newhouse)</td>
<td>1.10</td>
<td>The Sporting News</td>
</tr>
<tr>
<td>23. John McIntyre and Tom Bevan</td>
<td>0.80</td>
<td>RealClearPolitics.com</td>
</tr>
<tr>
<td>24. Walt Disney Company</td>
<td>0.60</td>
<td>ABC News Video</td>
</tr>
</tbody>
</table>

The finding that news agency material dominates is consistent with previous research on the flow of news agency content online. Patterson’s (2004) analysis of news agency content on major online news sites, such as CNN, ABC, and MSNBC, finds that news content on these sites rely heavily on content from the Associated Press and Reuters. In general, content produced by
these news agencies is homogenous and highly constrained (Patterson, 2004), and is guided by
the ideological, structural, and cultural nature of these organizations (Paterson, 1996; Cohen et
al., 1996). One outcome of this pattern of sustained dominance of news agency content is a less
diverse range of sources of news online. Internet users accessing news content on the Web sites
of News Corporation and Yahoo! Inc. are very likely to encounter news content produced by the
Associated Press, Thomson Reuters, or Agence France-Presse.

The ultimate owner in position four is a private not-for-profit corporation, National
Public Radio (NPR), accounting for 9.2% of the sources. NPR is classified as a 501(3)(c)
corporation under the Broadcasting Act of 1967, and is an independent producer of
noncommercial news and entertainment content. NPR is emphatic about its public service
orientation, proclaiming that the corporation produces and distributes programming content “that
meets the highest standards of public service in journalism and cultural expression”
(www.npr.org).

The next ultimate owner, in position five, is Yahoo! Inc. (Yahoo! Entertainment, Yahoo!
Finance, Yahoo! Health, Yahoo! Movies, Yahoo! Sports, and Yahoo! TV). Yahoo! Inc. is the
ultimate owner of 7.8% of the total news sources. In addition to aggregating news, Yahoo! Inc.
produces and distributes news content. Yahoo! Inc. has a small news production staff and (during
the period under study) at least one correspondent in the field. Yahoo! Inc. also solicits content
from users on its You-Witness News feature, where users can upload still images and video to
the You-Witness News page. Yahoo! news content ensures that the Yahoo! brand is visible on
the homepage as a source alongside other prominent providers of news content. In the sixth
position is Gannett Company Inc., the ultimate owner of the source USA Today (5.8%). The
Gannett Company is a global news, information, and entertainment company, with holdings in
print media, broadcast, and online marketing and advertising businesses
(http://gannett.com/about/company_profile.htm). The company is thus able to produce and
distribute content across media formats and platforms. The seventh most dominant ultimate
owner is the Church of Christ Scientist, which owns the Christian Science Monitor (csm.com).
The source csm.com accounts for 2.4% of sources on www.news.yahoo.com. The remaining
ultimate owners contribute less than 2% toward total ultimate owner content. The seven top
ultimate owners of news content collectively own 71.3% of content on www.news.yahoo.com.
They are commercial entities, producing and distributing news and information content across a
number of outlets both online and offline. The remaining ultimate owners (in positions 8 through
24) are the ultimate owners of 28.7% of sources on www.news.yahoo.com. Represented in this
group are global media, information, and entertainment corporations, such as
Advance/Newhouse, the Comcast Corporation, McGraw Hill, Pearson, and the Walt Disney
Company.

Taking into account all the results, we may conclude that the Web site
www.news.yahoo.com, is an outlet for news and information content produced by large media
corporations. The dominant ultimate owners on this Web site are the news agencies the
Associated Press, Reuters, and Agence France-Presse. Comparing the results to ultimate owners
on www.FOXNew.com, suggests that the only similar pattern is the dominance of news agencies
as ultimate owners. This finding would not support claims that www.FOXNews.com and
www.news.yahoo.com have truly diverse sources of news content available on their homepages.

Again, although not part of this research study, a cursory analysis of all the available cited
sources on Web pages beyond the homepages of www.news.yahoo.com, produced a total of 83
cited sources. Analysis of these cited sources revealed 56 ultimate owners. Among these 56

In conclusion, a comparison of News Corporation, as representative of a traditional media corporation and Yahoo! Inc., as representative of an online news aggregator, show a number of similar characteristics in terms of sources of news and ultimate ownership of sources. First, the Associated Press is a common dominant source and ultimate owner on www.FOXNews.com and www.news.yahoo.com. Second, both Web sites distribute international news agency news content, the Associated Press, Agence France-Press, and Thomson Reuters Corporation. But, there are additional differences between the Web site of a traditional news organization and an online news aggregator. Besides the news agencies, www.FOXNews.com has more international news sources—from Australia, the United Kingdom, and Israel. A possible reason for this may have to do with News Corporation’s history as a company with origins in Australian and/or its extensive operations in the United Kingdom. This may also explains the hyperlinks to News Corporation properties on landing pages of www.FOXNews.com. Next, there is more video-based content on www.FOXNews.com compared to www.news.yahoo.com. This is logical given that www.FOXNews.com is an outlet for the FOX News Channel. Another difference between the two Web sites is that www.news.yahoo.com has two ultimate owners who are not-for-profit operations—National Public Radio and Agence France-Press. Neither one of these organizations has the explicit corporate ties that the Associated Press has.

Next, in RQ3a, I focus on the corporate relationships among the ultimate owners of sources on www.FOXNews.com and News Corporation, and similarly in RQ3b, I investigate the
corporate relationships among the ultimate owners of the sources on www.news.yahoo.com and Yahoo Inc.

**Corporate Relationships Among Ultimate Sources on www.FOXNews.com**

RQ3a) What corporate relationships exist among the ultimate sources identified on www.FOXNews.com?

In RQ3a and RQ3b, I investigate and analyze the corporate relationships among these ultimate sources. For example: Comcast Corporation is the ultimate owner of www.eonline.com or E!News. Comcast supplies E!News to News Corporation and to Yahoo! Inc. Comcast is also a partner in Hulu.com, a joint venture partnership\(^\text{10}\) distributing online video news and entertainment content. Additionally, Comcast is a joint venture partner with Sony Corporation, distributing content on the Web site www.FEAR.net. In discussing the ultimate sources on the homepages of www.FOXNews.com and www.news.yahoo.com, I focus my analysis on ultimate owners considered major media and entertainment companies. For example: the New York Times Company was not featured as a default ultimate source on the homepage of either www.FOXNews.com or www.news.yahoo.com. But the New York Times Company did feature as an *available* ultimate source on both www.FOXNews.com and www.news.yahoo.com. My discussion and analysis refer to the results for RQ3a as presented in Figure 1. Appendix F provides detailed accounts of corporate relationships among ultimate sources on www.FOXNews.com.

Figure 1 represents content distribution relationships between News Corporation and ultimate owners of content on www.FOXNews.com. The discussion and analysis of corporate relationships will consider relationships concerning content sharing, content distribution,

\(^{10}\) The primary ultimate owners in the Hulu.com joint venture are General Electric and News Corporation. Other partners include: Yahoo! Inc., Time Warner Inc., Microsoft Corporation., and Comcast Corporation.
Figure 1 News Corporation's Content Supply Relationships With Ultimate Owners on www.FOXNews.com and Content Supply Relationships Among Ultimate Owners on www.FOXNews.com
and joint venture partnerships between suppliers and distributors of news and information content. Also represented in Figure 1 are content distribution relationships among ultimate owners on www.FOXNews.com. To illustrate the scope and nature of these corporate relationships, I discuss four types of ultimate owners: an international news agency (the Associated Press), a global media and entertainment conglomerate (Time Warner Inc.), an information and technology company (Imaginova Corporation), and an online news aggregator (Yahoo! Inc.). The Associated Press, in addition to supplying News Corporation with content, also supplies Time Warner with content (on www.cnn.com and www.aolnews.com). The Associated Press has an immense reach, supplying content to 1,700 U.S. daily newspapers, 5,000 radio and television outlets, and at least 550 international broadcasters (www.ap.org, 2008). To recap from RQ2, the Associated Press is led by a board of directors, almost all of whom are leaders of large corporate media companies to whom the Associated Press supplies content. As Figure 1 shows, the Associated Press supplies Time Warner Inc. with content, Time Warner Inc. supplies News Corporation with content (on cnn.com and aolnews.com), and News Corporation supplies Time Warner Inc. with content (on SmartMoney.com).12

The second ultimate owner, Time Warner, has a joint venture and a content sharing agreement with News Corporation (beliefnet.com). In addition, Time Warner Inc. has content production and content distribution relationships with numerous other media companies. For example, Pearson PLC., ultimate owner of FT.com, provides Time Warner’s aol.com with international business news content. Time Warner, Inc. also has a content sharing alliance with Internet Broadcasting Systems, Inc., a media company that aggregates and distributes television news content online, using IPTV or Internet protocol television. As part of this relationship,

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11 News Corporation has a joint venture with the Associated Press called stats.com. Stats.com produces and distributes sports statistics.
12 SmartMoney.com is a product of the Dow Jones Company, which was acquired by News Corporation.
Time Warner Inc. provides CNN Newsource feeds to Internet Broadcasting Systems, Inc. for use on its local Web channels. In return, Internet Broadcasting Systems, Inc. provides CNN.com with local news content. Internet Broadcasting Systems, Inc. has partnerships and content sharing and distribution agreements with Hearst-Argyle Television, The Washington Post Company, McGraw-Hill Broadcasting Group, Capitol Broadcasting Company, and CanWest Global (Canada). These patterns of online content sharing and online content distribution illustrate how complex and connected the corporate relationships are among the ultimate owners on www.FOXNews.com. In this setup online news as well as information and entertainment content, become commodities that move between large information and entertainment companies and smaller companies. News content can thus no longer be regarded as contributing to a public sphere containing diverse news, views, and ideas; instead, news content now serves to fulfill an exchange value rather than a use value.

The third owner example is the Imaginova Corporation, a news, information, entertainment, and technology company. Imaginova’s major investors include Blue Chip Venture Capital, RedShift Ventures, Steelpoint Capital Partners, Venrock Associates, and Gannett Co., Inc. Imaginova Corporation supplies news and entertainment content to News Corporation (FOXNews.com), Time Warner, Inc. (cnn.com, aol.com), Gannett Company (usatoday.com, captivate.com), and General Electric and Microsoft Corporation (msnbc.com). Imaginova brands LiveScience, Space.com, Aviation.com, and Newsarama.com are also distributed on Imaginova’s own advertiser-supported Web sites. Thus, online news content is also traded with what appears to be a small operation, but involves an established media corporation—Gannett Company.
The preceding examples illustrate how news and entertainment content is produced and circulated online among News Corporation, the Associated Press, Time Warner, Inc., and Imaginova Corporation. These companies are connected through joint ventures or through content sharing and content distribution agreements. Established media companies, such as Time Warner and News Corporation, as well as traditional print media companies such as Gannett Company and the Washington Post Company, have entered into content sharing arrangements with companies running convergence operations. Internet Broadcasting Systems Inc. and Imaginova Corporation are two such companies, both of which also have investment relationships with venture capital companies. Thus, established media and entertainment companies distribute their news and information products via the relatively new convergence companies. Through content sharing and distribution relations, these companies have been able to repackage and repurpose content from traditional media operations for distribution online.

The fourth ultimate owner of news content on www.FOXNews.com is the online news aggregator Yahoo! Inc., supplying, for example, Yahoo! Sports content to www.FOXNews.com. RQ3b analyzes corporate relationships between ultimate owners on www.news.yahoo.com. By way of leading into the analysis for RQ3b, I will discuss a joint venture in which Yahoo! Inc., with several other media, entertainment, and technology companies, serves as a content distributor for News Corporation and NBC Universal. The Web site hulu.com illustrates how traditional and online media operations converge. Hulu.com is a joint venture between News Corporation and NBC Universal, which is owned by General Electric. Hulu.com is set up as an Internet video distribution network, featuring news, information, and entertainment content supplied initially by News Corporation and NBC Universal. The content provided on hulu.com is distributed online through aol.com (Time Warner), msn.com (Microsoft Corporation),
Myspace.com (News Corporation), and Yahoo! Inc. A statement on the Hulu.com site emphasizes that the provision of content is legal and free, and is supported by advertising. A press release issued at the launch of Hulu.com, claims that the new service:


More than 50 content providers (from film studios and broadcast and cable networks) supply Hulu.com with hundreds of episodes of news and entertainment content (hulu.com, 2008). The content aggregated on www.hulu.com is then syndicated to other online content distributors such as AOL.com, Comcast.com, MSN.com, MySpace.com, and Yahoo! Inc. In this process, news and entertainment content that is produced, aggregated, and distributed via traditional media is repurposed and repackaged for aggregation and distribution online.

The ultimate owners of content (both offline or online), the sites of aggregation, and the platforms for distribution remain within the sphere of influence of dominant media and entertainment corporations. The ultimate owners and distributors of traditional media content (or offline content) thus become dominant in the aggregation and distribution of online content. This dominance is facilitated through direct ownership, such as News Corporation’s ownership of www.FOXNews.com, or indirectly through corporate content sharing and distribution arrangements on aggregator sites such as www.news.yahoo.com—the focus of RQ3b.

**Corporate Relationships Among Ultimate Sources on www.news.yahoo.com**

RQ3b) What corporate relationships exist among the ultimate owners identified on www.news.yahoo.com?
In RQ3b, I analyze corporate relationships among ultimate owners on
www.news.yahoo.com. I analyze, in particular, Yahoo! Inc.’s content sharing and content
distribution partnership with the Newspaper Consortium. And, in the final part of RQ3b, I
discuss significant corporate relationships among ultimate sources of news on
www.news.yahoo.com. Figure 2 reveals that News Corporation is an ultimate owner of content
on www.news.yahoo.com. The Fox Business Network supplies content branded as FOX
Business Now to Yahoo! Finance. The results of RQ3a showed that content ultimately owned by
Yahoo! Inc. appears on www.FOXNews.com and that content ultimately owned by News
Corporation appears on www.news.yahoo.com. This is not apparent when viewing content on
www.FOXNews.com or on www.news.yahoo.com. The content on these Web sites are cited
according to branded identities, thus obscuring the ultimate owners of content. The numerous
brand names of the cited sources impart a patina of diversity of sources. However, this is not the
case when the cited sources are traced back to the ultimate owners. Corporate relationships, in
the form of content sharing and content distribution arrangements, serve to redistribute content
across media platforms and Web sites. These corporate relationships are also multilayered, as in
the case of the dating Web site www.soulmatch.com. Yahoo! Inc. has “business and editorial
partnerships,” with Beliefnet, owner of www.soulmatch.com (http://www.beliefnet.com/about/index.asp). Beliefnet also has content distribution relationships
with, among others, ABC World News Tonight (Disney Company), Newsweek (Washington Post
Company), AOL (Time Warner), and U.S. News & World Report (Mortimer Zuckerman). The
ultimate owner of Beliefnet is News Corporation. In other words, this makes Yahoo! Inc. both a
provider of content on www.FOXNews.com as well as business and editorial partner of
Figure 2 Yahoo! Inc.’s Content Supply Relationships With Ultimate Owners on www.news.yahoo.com and Content Supply Relationships Among Ultimate Owners on www.news.yahoo.com
www.FOXNews.com owner, News Corporation. And, if we consider the other partners in this content sharing and distribution agreement, it becomes apparent that the same major corporations who are ultimate owners on www.FOXNews.com also feature in corporate relationships on www.news.yahoo.com. These companies include the Disney Company, Time Warner, and the Washington Post Company. RQ3a demonstrates how content from the television operations of News Corporation and other broadcast entities are repurposed for distribution online. This analysis of cited sources on www.news.yahoo.com permits me to illustrate how content from numerous print operations is repurposed for distribution online. Figure 2 shows that there are at least 14 newspaper publishing operations that are ultimate owners of content on www.news.yahoo.com. Twelve of these operations, constituted as the Newspaper Consortium, provide news, information, and advertising content to Yahoo! Inc. The Newspaper Consortium’s partnership with Yahoo! Inc. consists of four key goals:

1. Enhancing newspaper online advertising revenue using Yahoo!’s graphical advertising technology.
2. Leveraging leading local and national online sales forces.
3. Integrating Yahoo!’s paid search technology across newspaper sites.
4. Distributing high-quality newspaper content broadly across the Yahoo! Network.
   (Yahoo! Inc. press release, April 16, 2007)

The primary objectives of the Newspaper Consortium are focused on maximizing advertising revenues on www.news.yahoo.com and other Yahoo! Inc. properties. Belo Corporation chairman and chief executive officer Robert W. Decherd affirms that members of the Consortium benefit from this agreement because “[this] partnership creates the newspaper industry’s first full-fledged integrated online advertising network and significantly expands

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consortium members’ Internet presence” (Yahoo! Inc. annual report, 2007). In this way, newspaper content produced by these corporations is repurposed for distribution online, with the primary objective of generating advertising revenues. In the context of diversity, repurposing newspaper content for distribution online does not enhance the diversity of news and information content online—particularly since the primary objective is geared toward maximizing advertising revenues in contrast to increasing the diversity of news sources online. In fact, many ultimate owners of news and information content on www.news.yahoo.com have content sharing relationships with each other. One example is the Associated Press, the most dominant source on www.news.yahoo.com, accounting for about a quarter of content on the homepage. The Associated Press is also the second most dominant source on www.FOXNews.com, accounting for 36.26% of content on the homepages of www.FOXNews.com. The Associated Press, as a dominant global news agency, has content distribution relationships with several thousand individual news outlets, which by extension means that the Associated Press has content distribution relationships with the ultimate owners of these outlets. So the Associated Press supplies content to News Corporation, Yahoo! Inc., and Time Warner. Time Warner supplies content to News Corporation. And Advance/Newhouse (portfolio.com), National Amusements (AOLRadio.com, Truveo.com), and Imaginova Corporation (space.com, LiveScience.com) all supply content to Time Warner. These are patterns are similar to the patterns of content production and content distribution on News Corporation’s www.FOXNews.com. In addition to its corporate relationship with Yahoo! Inc, the Thomson Reuters Corporation also has content distribution relationships with FT.com, owned by Pearson PLC, and IHT.com, the International Herald Tribune’s Web site, owned by the New York Times Company. The corporate content sharing and distribution relationships discussed thus far show that the ultimate owners of news
and information products appearing on www.news.yahoo.com also own news and information products on the homepages of other ultimate owners. This sharing of content creates the equivalent of a “walled garden” of news and information—produced by a small group of ultimate owners. RQ3a and RQ3b have established that there are relationships among the ultimate sources on both www.FOXNews.com and www.news.yahoo.com, and these relationships involve the production, distribution, and sharing of online content. These relationships, including joint venture partnerships, have produced a network of online information flow that envelops both News Corporation and Yahoo! Inc.

If we compare News Corporation, as a traditional news organization to Yahoo! Inc., as an online aggregator, one common feature is immediately clear. Both companies have content sharing relationships with a group of the same ultimate owners and these ultimate owners include media organizations already dominant in other media formats. In this regard there are several differences between the two companies. News Corporation has content relationships with more broadcast ultimate owners and with more foreign ultimate owners. Yahoo! Inc., on the other hand, has more corporate relationships with ultimate owners in print media. These differences may be explained, in part, by www.FOXNews.com functioning as an outlet of the FOX News Channel and News Corporation’s extensive Australian and British operations. Yahoo! Inc. as an online aggregator appears to have developed more extensive corporate relationships with ultimate owners of print media. This could be attributed to Yahoo! Inc.’s commercial imperatives that target localized audiences based on the company’s ability to mine user data from its email and other online services. In RQ4, I focus on determining how news content is organized on the homepages of www.FOXNews.com and www.news.yahoo.com. Detailed
data of corporate relationships between ultimate sources on www.news.yahoo.com are contained in Appendix G.

**News Content on www.FOXNews.com**

RQ4a) How is news content organized on the homepage of www.FOXNews.com, and what categories of news content are presented?

In this final research question, I analyze the organization and presentation of news content on the homepage of www.FOXNews.com. First, I describe and discuss the layout of the homepage. I follow this with an analysis of categories of news content and the presentation of news content on the homepage. To ensure consistency in the course of the analysis, I use the following terms and definitions, as they relate to Web page elements:

- **Column**: horizontal column on a Web page, usually without lined borders, but apparent in the way page elements are organized
- **Homepage**: the Web page that opens after typing the “home” Web address in the URL box, for example, www.FOXNews.com
- **Landing page**: the Web page that opens when a hyperlink on the homepage is clicked
- **Navigation tab**: a tab that hyperlinks to a landing page. For example, the word “home” at the top of the Web page is a navigation tab; when clicked, it opens the homepage of the Web site
- **News category**: a category of news content, for example, national, world, or politics
- **News content**: video, still images, text, and graphic content on the Web site identified as news
- **News module**: a rectangular box or square containing a list of hyperlinked news headlines and the first line or paragraph of the accompanying story. The news module or news box is
sometimes defined by a light outline and may stretch across one, two, or all (three) columns of the Web page

- Web site: the homepage and all associated landing pages that make up the Web site
- Web page elements: all visible objects or items occurring on a Web page. This includes news content, advertising content, self-promotional content, and third-party content.

**Organization of Content**

As is evident from Figure 3, the homepage layout of www.FOXNews.com consists of a standard three-column format. Each column occupies roughly one third of the total width of the Web page. At the top of the page is a floating banner advertisement running across all three columns. Below this advertisement is a rectangular module—the site identification module. In the far left corner of this module is the FOX News logo, the tagline “We Report. You Decide,” and an indication of when the site was last updated. Immediately to the right of the tagline is a search box for an internal search engine (the search feature is powered by Google). The remaining third of this rectangular module has a navigation tab: “On FOX News Channel” and, only in the 2008 homepages, a tab “UREPORT Send us your video and news.” The “UREPORT” tab hyperlinks to a landing page that allows the Web site user to send video clips, still images, or text to www.FOXNews.com. The “On FOX News Channel” tab links to a schedule of programs on the FOX News Channel. A top-to-bottom scan of the homepage of www.FOXnews.com shows that the site contains commercial advertising content, some of which appears as pop-up advertising when navigating to the site. The Web site is also a promotional medium for the FOX News Channel and an outlet for the networks content; FOX News Channel schedules, logos, programs, and on-air personalities are featured prominently in different sections on the homepage. Below the site identification module are two rows of navigation tabs.
Figure 3 Homepage of www.FOXNews.com (October 19, 2006)
These navigation tabs are hyperlinks to various sections of the homepage and to other elements on the Web site beyond the homepage. The navigation tabs on the first row are “Home, U.S., World, Politics, Business, Health, Science, Tech, FOXLife, Video, Views, MyNews, Sports, Weather.” These are standard news categories for most news and information Web sites. On the second row, the tabs are: “Radio, Mobile, FOX & friends, FOX online, Your World, Big Story, Special Report, FOX Report, O’Reilly Factor, Hannity & Colmes, On the Record, FNC IMag, FOX Fan.” All of these tabs link to and promote content on the FOX News Channel.

Immediately below these two rows of tabs is the primary news module, containing the top news stories on the homepage. The main news module is roughly equivalent to the prominence given to, and the space occupied by, lead stories in a newspaper (PEJ, 2007). This space is also proportionately comparable to the lead stories of a television or radio newscast. The
first column of this module contains the top three stories; each story is a hyperlink to the full text of the story that opens in a landing page when selected. The second, or center, column in this module contains a headline and a still image with a caption that is hyperlinked to more detailed text of the story and/or a video clip related to the story. The source of the still image is always identified. For example, AP (Associated Press), FN (FOX News), FNC and AP, or FNC (FOX News Channel). The main photograph is the only news item on the homepage that is explicitly cited. In 2006, the only other news content to be cited was the “AP Wires” module at the very bottom of the page. The source of all other news content on the homepage is only identified when the story is opened to a landing page.

The third column on the homepage contains a series of advertisements, interspersed with content promoting the FOX News Channel. There were an average of 21 occurrences of advertisements on each homepage in the data for 2006. For the 2007 and 2008 data, the number of advertisements increased slightly to an average of 23 occurrences per homepage. The homepage of www.FOXNews.com does not have a site map or a diagram of the site’s contents. Instead, the two rows of navigation tabs at the top of the homepage provide the best detail of the overall hierarchical layout of the contents of www.FOXNews.com.

The organization of news content on the homepages of www.FOXNews.com has several characteristics, which can be summarized as follows: Content branded with the FOX News Channel logo is featured prominently on the homepages. Other than the primary photograph in the main news module, the sources of news content are not identified, although bylines are. The impression that this creates is that all the news content on the homepages originates from the FOX News Channel. This, as we have seen from previous research questions’ data is not the case. Categories of content on the homepages are organized according to standard news
categories, for example, business, entertainment, and health. But content is also organized around FOX News Channel brands. For example, “The O’Reilly Factor,” “Only on FOX,” FOX 24/7,” or “FNC IMag.” To gain insight into the implications of these characteristics, I analyze the categories and the presentation of news content on the homepages. This analysis is guided by an online news typology adapted from a study by the Project for Excellence in Journalism. The study identified six different characteristics regarding the presentation of news content on Web sites.

**Presentation of Content**

Customization: The FOXNews.com homepage allows users to customize the page. Users are able to select sources of news for each of the news categories and to choose from a list of RSS news feeds. The “MyNews” navigation tab allows a registered user to change the layout of the homepage, to add or delete from the default list of available news categories, and to add or delete from the default list of news sources. Content in the main news module cannot be customized, but registered users can customize news sources in other news categories, such as “U.S.,” “World,” and “Tech.” Registered users can sign up for newsletters and breaking-news e-mail alerts by using the “FOX Fan” tab at the bottom of the homepage. Users are also able to send e-mail to FOX News Channel shows listed on the homepage, although it is not clear who receives this e-mail. From the perspective of diversity of news content, customization allows the user to tailor content available on the site to his or her preferences and to select from whatever news sources are available on the site. In other words, the ability to customize sources of news allows users to see or read only news content they want; they can choose to exclude content that they do not want to be exposed to. In summary, the user is restricted to the sources of news
content available on the Web site, the user can customize sources only in certain sections of the Web site, and has to register to be able to customize.

Search options also form part of the ability to customize the homepage. The site provides a simple search option powered by the Google Search Appliance. The Google Search Appliance is a Google Inc.–produced software program that provides document indexing of content on a Web site or in an electronic database. The product is sold primarily to corporate clients. A news search produces stories from the FOXNews.com archive in a list format. RSS feeds are available for users who register and then sign into the FOXNews.com Web site. At the bottom of the homepage, the FOXNews.com site offers subscriptions to podcasts of FOX News Channel shows. There is also an option (in the 2007 and 2008 data sets) to listen to a live audio stream of FOX News Radio. Mobile phone delivery options exist as FOX Mobile, providing real-time text alerts and audio and video content. The basic search function produces results going back two weeks. Selecting the archive tab at the bottom of the page allows the user to access archive material dating back to November 2005. The search function is basic and requires the user to scroll through search results to find specific dates or stories.

The landing page of every news story has a tab that enables the user to e-mail the news story or to share the story on content sharing sites: digg.com, facebook.com, stumbleupon.com, myspace.com, and fark.com. These sites allow Internet users to share and store bookmarks of Web pages on the Internet, and then make them public or keep them private. Registered users of www.FOXnews.com can also participate on the Web site in several ways. In the data sets for 2007 and 2008 users were able to leave comments on the blogs of FOX News Channel anchors.

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14 “How it works: The Google Search Appliance crawls your content and creates a master index of documents that's ready for instant retrieval using Google's search technology, whenever a customer or employee types in a search query. The Google Search Appliance can index millions of documents, and its security features ensure that users can only access the information that they have permission to view. It's integrated hardware and software, making it easy to set-up and maintain.” (http://www.google.com/enterprise/gsa/)

123
and hosts: “On the Scene Breaking News Blog, In the Greenroom, GretaWire, Weather Machine, FOX Embeds, E-Mac's Stock Watch, Cameron's Corner, FOX News Health Blog, The Bourbon Room.” Users can also take part in online polls and upload video clips or still photos. There are no options on the homepage for commenting on or rating stories. In other words, the ability for interactive, two-way communication is not available on the homepage. Users and viewers are able to make comments on a FOX News anchor’s blog page, for example, Greta Van Susteren’s GretaWire blog.

Multimedia: Content on the homepage consists of text, still images, and graphics. Video is always identified as such, and the word “video” is hyperlinked to the video clip. The video clip opens in a landing page and is identified with a FOX News logo. This landing page contains links to all videos appearing on the Web page. A 30-second video advertisement plays before each video clip starts. There is no option to turn off the commercial. While data did not permit the analysis of live streaming video, live streams do occur on the homepage. A crawl at the top of the main news module identifies the live stream. For example, “Breaking News >> Bush Speaks to National Catholic Prayer Breakfast: Watch Live.” (A crawl can only be seen on a Web page and cannot be duplicated on in a figure.) Photo slide shows are frequently used on the landing pages of news stories. Multimedia features are primarily video-based and consist of content from FOX News Channel programs. Video content is thus integrated with advertising content on the homepages. This is reflective of the overall advertising-based business model of News Corporation, discussed in the research question that focused on corporate imperatives.

Editorial Branding: The source of the dominant image in the main news module on the homepage is always identified. The source is usually a wire service, such as the Associated Press or Reuters. Video clips are identified as FOX News Video or have the FOX News Channel logo.
The most noticeable individual byline for text-based stories on the homepage is that of Roger Friedman, identified as a writer of stories in the Entertainment, FOX 411, and Features & Faces sections. Video from the FOX News Channel is identified with the name of the program and the host, and has a picture of the host, for example, “Special Report w/Brit Hume.” The source of a text-based story is only made apparent when the story is selected and opens in a landing page. A story in a landing page appears below a headline and is surrounded by ads at the top and bottom and on the right side. Below the headline is a dateline and source of the story. For example, when clicking on the link for a story on the homepage headlined “Man Charged With Kansas Coed's Murder,” the full detailed story opens on a new page, with the dateline “Wednesday January 17, 2007” and the source “Associated Press.”

Display advertisements for products occur on the homepage and can be as large as the dominant still photo or in some cases larger than the still photo. Search advertisements occur within the body text of stories. This is again reflective of the advertising business model of News Corporation. In some cases news content is as prominent as, and in some, less than, advertising content. Not only does advertising appear in text, but also within video clips and in search appliances.

Story Depth: News stories on the homepage appear as headlines only, except in the primary news module, where stories are accompanied by two lines of text. Clicking on the hyperlinked headline opens the detailed story in a new page within the FOXNews.com domain. The story is accompanied by links to related stories from the archive as well as display advertisements. Within the text of the detailed story, certain words are hyperlinked to a search engine and/or an advertisement—these are in-text search ads. For example, in a story in the
politics section, the words “Democratic” and “Republican” appear in the headline “Two Georgia Democrats Reps. Look to Hold Off Old Foes.” If the cursor is placed over either double-underlined word, a pop-up ad appears. The pop-up is powered by Microsoft Live Search and is tagged as an ad for Vibrant Media (http://web.archive.org/web/20060529071232/http://www.FOXNews.com/). Clicking on the word Vibrant provides an explanation for the pop-up ad, “These are advertiser links running on FOXNews.com through Vibrant Media, a third-party media group. FOXNews.com is working with Vibrant Media to run an InteliTXT, In-Text Media Campaign” (http://www.vibrantmedia.com/whatisintellitxt/whatisintellitxt_FOX.html). The pop-up can be deactivated as long as the browser is cookie enabled.\(^\text{15}\) With regard to story depth, news content remains almost exclusively within the FOXNews.com homepage. This phenomenon is referred to as the “walled garden,” where a Web site or service keeps users on its site. In some cases external links are provided, for example, to the New York Post or The Times—News Corporation–owned operations. Video clips are sometimes identified as originating from FOX-affiliated television stations.

Revenue Streams: The site does not require registration to view content. However, it does require registration to be able to customize news sources. There are no fees for the basic archive search. Between 20 and 23 advertisements appear on the homepage. At the very bottom of the homepage is a rectangular module titled “Marketplace,” which includes categories of advertisements. In the left third of this module are links for “Travel, Autos, Real Estate, 

\(^{15}\)“Vibrant Media delivers this advertising in real-time and only after the FOXNews.com article has been posted online. These links in no way reflect the views or opinions of the FOXNews.com editorial team and all in-text media placements are fully disclosed and identified with the words ‘sponsored link.’ If you would prefer not to see any double-underlined words and corresponding advertisements, please click here. Please note: deactivation requires the use of cookie technology. If you should delete or refresh your cookies the service will be re-activated automatically” (http://www.vibrantmedia.com/whatisintellitxt/whatisIntelliTXT_FOX.asp)
Mortgages, Personals, Relationships.” The remaining two thirds are links to ads for
“Expedia.com, Chemistry, RealtyTrac, Match.com, Bankrate.com, CarsDirect.com, Dell, FOX
News Shop.” Clicking on the “Autos” tab takes the user to the Web site www.carsdirect.com.
The ultimate owner of www.carsdirect.com is Internet Brands Inc., an Internet media company
and an advertiser on www.FOXNews.com. Advertising is very apparent and prevalent on
average in terms of advertising content when compared to similar sites (PEJ, 2006). The PEJ
study concluded that www.FOXNews.com did not provide enough video content, and that the
site relied heavily on commercial advertisements for its revenue stream. In terms of video
content, my data allow me to conclude that the homepages of www.FOXNews.com now offer
significant amounts of video content, derived almost entirely from programs on the FOX News
Channel. This conclusion is supported by the results of my data analysis of the corporate
imperatives of News Corporation (RQ1) and of corporate relations (RQ3). The analysis shows
that the overall commercial imperatives of News Corporation, in terms of production,
aggregation, and distribution of news, are the same for www.FOXnews.com and FOX News
Channel:

Our strategy for the Internet is the same as our strategy for other
media. News Corporation will combine the best content with the
strongest distribution platforms to offer consumers the widest
variety of quality choices. A stronger, smarter Internet presence
will enable us to get the most out of our content, expand our reach
and exponentially increase consumer choice.
(News Corporation annual report, 2005, p. 9)

The philosophy behind this strategy is articulated in the organization of content on
www.FOXNews.com. The video content has been repurposed from the television operations of
News Corporation for distribution on its online operation, www.FOXNews.com. The corporate
imperatives are fulfilled: The same news content, produced originally for broadcast on the FOX News Channel is redistributed in another medium, maximizing the revenue-generating potential of the news content.

Although my research did not analyze in any detail advertising content on www.FOXNews.com and www.news.yahoo.com, my data do affirm the PEJ findings that advertising is dominant on the Web site www.FOXNews.com. Advertising content is featured prominently on the Web pages and is integrated into FOX News Channel video content that is featured on the Web pages. There is also a separate advertising feature in the “Marketplace” module at the bottom of the homepage. In the next section, I examine news and information content on the www.FOXNews.com homepage in greater detail.

**Categories of Content**

In addition to discussing the categories of news content on the homepage of www.FOXNews.com, I also provide an overview of the sources of news content within each category. I then relate these sources to News Corporation’s commercial imperatives as well as corporate relationships between ultimate owners of news content on www.FOXNews.com. I report the findings in Table 7, categorizing content from the top of the homepage, the portion of the page that appears first in a browser, and working my way down the page. Table 7 also allows a comparison of changes in categories over the three-year period covered by the data. The types of content in the different modules on the homepage remained consistent over the time covered by the data.

Main news module and secondary news module: These modules contain the most important or breaking stories. The most recent news appears in the secondary news module and is labeled “latest news.” Breaking news appears in a ticker above the main news module.
<table>
<thead>
<tr>
<th>Modules</th>
<th>Homepage elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main news module</td>
<td>2006 Two to three main stories across two columns, including links to text and/or video</td>
</tr>
<tr>
<td>Secondary news module</td>
<td>Latest news headlines</td>
</tr>
<tr>
<td></td>
<td>Featured Sections</td>
</tr>
<tr>
<td></td>
<td>• U.S. Current News Headlines</td>
</tr>
<tr>
<td></td>
<td>• World National</td>
</tr>
<tr>
<td></td>
<td>• Politics World</td>
</tr>
<tr>
<td></td>
<td>• Business Politics</td>
</tr>
<tr>
<td></td>
<td>• Health Technology</td>
</tr>
<tr>
<td></td>
<td>• Science Science</td>
</tr>
<tr>
<td></td>
<td>• Tech Tech</td>
</tr>
<tr>
<td></td>
<td>• FOXLife FOXLife</td>
</tr>
<tr>
<td></td>
<td>AP Wires AP Wires</td>
</tr>
<tr>
<td></td>
<td>Marketplace Marketplace</td>
</tr>
</tbody>
</table>
For example, “Breaking News >> Pope Benedict XVI Celebrates Mass at St. Patrick’s Cathedral: Watch Live” (www.FOXnews.com, April 19, 2008, 8:00 a.m.). Stories that appear in the primary news module are often repeated in the latest news module or in other news categories lower down the page. At least two stories in the primary module on each Web page are repeated in a module lower down the page or in a landing page.

In this way, stories are not only repurposed from the FOX News Channel, but also recycled on www.FOXNews.com. Just below the primary news module in the 2006 data there was a box labeled “Latest News”/“Top Stories.” In 2007, there were two categories: “Latest News Headlines” and “Most Read.” By 2008, the categories in this box had expanded to “Latest News, Most Read, Top Videos and Urgent Queue.”

News content from the Associated Press and the FOX News Channel are dominant in the main and secondary news modules (confirming the results obtained in RQ2a). The next most featured sources of content are FOX News Channel video clips, FOX News, and content cited as “FOX News and the Associated Press.” For example, in a story headlined “U.N. May Break Bank With $2B Renovations,” the source is identified as FOX News, but at the bottom of the story is a qualifier “The Associated Press contributed to this story” (www.FOXNews.com, May 6, 2008). The net effect of this type of source attribution is that it is not clear who is the ultimate producer or source of the news content.

Only On FOX: A variety of content is featured in this news module: news stories, news quizzes, news clips from FOX News Channel programs, and opinion pieces. Examples include: “Technology Entrapping the Innocent. Opinion: Computer virus could lead to life in prison” (www.FOXNews.com, Jan 17, 2007) and “Murder in Paradise. Video: Greta is still digging for answers in Natalee Holloway’s disappearance” (www.FOXNews.com, May 29, 2006). The
“Only On FOX” category no longer appeared in the 2008 Web pages; it had been renamed “FOX News Channel.” FOX News Channel–branded content appears more prominently in the data for 2008.

FOX 411, Features & Faces, Today’s Features, FOXLife: This module of content contains categories of news consisting largely of feature and entertainment stories. While the names of the categories changed over time, the placement on the homepage remained consistent—just below the main news stories. Examples include: “Stone to Host Nobels. By Roger Friedman. Sharon Stone nabs well-deserved Nobel Prize gig” (www.FOXNews.com, October 10, 2006), “The Laws of Sex. FOXSexpert: Don’t you ever think about having sex with a porcupine in Florida” (www.FOXNews.com, April 19, 2008), “Pop Tarts: ‘Secret’ Sex History: Tori Spelling says you don’t need to tell your husband everything about your sex life” (www.FOXNews.com, May 1, 2008). Content in this section is dominated by celebrity news and celebrity gossip, particularly evident in the ‘Pop Tarts’ section, which focuses on the lives of female celebrities. The primary sources in this module are FOX News and the Associated Press.

FNC iMag: This module of content appears in the last column next to the feature sections. FNC iMag is described as “FOX News Channel’s Online Magazine.” Advertising content is blatant in this module and often relates to the news item on the page. Examples of stories from this category include: “Luscious Lips, Lovely Locks, Office to Evening” and “Gift an Adventure, Gift Guide for Women and Gift Guide for Men” (www.FOXNews.com, Nov 28, 2006). Content in this module is branded as FOX News. The FNC IMAG module has a number of subcategories (not always visible on the homepage): “Style, Career, Small Business, Featured Series, Beauty, Fitness, Health, Travel, Go Green.” Content in the “Small Business” subcategory is attributed to sources such as the U.S. Small Business Administration, in addition to being
labeled as FOX News content. This is another instance where content does not appear to have a
definite ultimate source. Other content in this module is identified as “FOX Fan” and has no
byline. “FOX Fan” is a feature for users who register on FOXNews.com to sign up for
newsletters and/or breaking news alerts.

FOX 24/7: This module appears in the 2006 and 2007 data. Content featured in this
module consist of video clips from FOX News Channel shows such as: “The O’Reilly Factor,”
“Your World with Neil Cavuto,” “Special Report with Brit Hume,” and “On the Record With
Greta.” In the homepages for 2008, this module was consolidated in the FOX News Channel
section at the bottom of the homepage.

FOX Blogs: Content in this module consists of blogs of FOX News Channel
and “GretaWire.” The blog content relates to the show hosted by the FOX News Channel
personality being promoted, and changes when hosts change. Up to this point all the modules of
news and information content clearly reflect the prevalence of FOX News Channel content. This
reaffirms the ethos of redistributing news content produced for television. This pattern is
prevalent in the stand-alone modules as well, although in this part of the homepage, additional
sources of news begin appearing.

Stand-alone News Modules: In the data ending in April 2008, the configuration of the
homepage gives more prominence to the categories of news content. Each news category is now
presented in self-contained rectangular module, occupying the width of two columns across the
homepage. Each category (now a module) is laid out in a rectangular box with a row of
navigation tabs at the top of the rectangle. For example in the “World” stand-alone module, the
first two tabs, “Go” and “All World,” open a landing page with an index of all the news items in
the “World” news module. Next to these tabs are links to the categories; each category has an “all” tab at the beginning and a “video” tab at the end of the row. To avoid repetition, I analyze three stand-alone news modules: “U.S.,” “World,” and “Business.”


Business: The subcategories of news content in this module are “Markets” and “Personal Finance.” There are also two additional tabs for “Our Team” and “Find FOX Business near you.” The dominant sources of news are the Associated Press, Market Watch, Reuters, FOXBusiness, Comtex, and Mansueto. In the data for 2008, links in the business module redirected users to the landing page for www.FOXBusiness.com. This site is the homepage of the Fox Business Network, which was launched in October 2007. Registered users are able to choose from the following news sources: Bloomberg, BusinessWeek, Finance, Financial Times, Forbes, FOXNews, Inc.com, Kiplinger Personal, MarketWatch, Smart Money, and TheStreet.
The organization of content in the stand-alone modules of news reflects a consistent pattern: the default source of news is the FOX News Channel or the Associated Press. Until the end of the data-gathering period (April 2008), users were able to register on www.FOXNews.com and then access news sources other than those dominant on the homepage. The sources listed above were sources only accessible to registered users who disabled pop-up blockers on their Web browsers. In other words, access to sources of news other than the FOX News Channel required users to register and enable pop-ups, which then allowed pop-ups that included advertising content. News content on www.FOXNews.com reflects a “walled-garden” approach; the predominance of FOX New Channel content ensures users stay within the www.FOXNews.com domain and be exposed to content from News Corporation.

**News Content on www.news.yahoo.com**

RQ4b) How is news content organized on the homepage of news.yahoo.com, and what categories of news content are presented?

**Organization of Content**

In this section I will describe the categories and presentation of content on www.news.yahoo.com by referring to the selected 2006 homepage as shown in Figure 4. The layout of the news.yahoo.com homepage uses a three-column format. The first two columns, left and center, are noticeably wider that the last column. The last column contains a combination of advertisements, featured videos, a photo slideshow, weather, and promotions for Yahoo! services. The “Yahoo! News” logo appears in the left top corner across two columns. To the right of the logo is a Yahoo! search block. Immediately below the logo are two rows of navigation tabs that run the width of all three columns. The top rows of navigation tabs, starting with a “Home” tab are hyperlinks to categories of news content: “U.S., Business, World,
Figure 4 Homepage of www.news.yahoo.com (October 19, 2006)
Figure 4 continued
Entertainment, Sports, Tech, Politics, Science, Health, Travel, Most Popular.” The second row includes “Photos, Opinion, Local News, Odd News, Comics, Travel, Weather, Full Coverage, Video/Audio, You Witness News, Site Index.” Immediately below the two rows of navigation tabs is a basic news search function that has an option for an advanced search. Unlike the search function on www.FOXNews.com, the advanced search function on www.news.yahoo.com provides for an option to search for the terms in a headline, in-text, or in a URL. Additional search criteria include date, source, location, [news] categories, and language.

Immediately below the news search tab is the main news module. The most prominent news item appears in the center column of this news module. The still image accompanying this news item (not reproduced in Fig. 4) is the largest on the page and has the most amount of text accompanying the news item. To the left of the prominent item are two scrollable news stories, one atop the other. Each of these three stories (the prominent story and the two smaller stories) has a headline, a date and time of posting, and a dateline. Each story may be accompanied by a combination of the following hyperlinked tabs: a slideshow, a video, an interactive graphic, related coverage, or full coverage. In the remaining column across from the main news module is a featured video or a featured text news item. Below the main news module is a secondary news module that runs across the first and second columns. The title of this news module is “More Stories” and only the headline, the source, and the date of posting of each story appear in this module. There are no accompanying links to moving or still images, as is the case with the three prominent stories. In this module, the full story appears in a new page when the headline is selected. Alternatively, when a cursor hovers over the headline, a pop-up of the story appears, containing a still image and the first paragraph of the story.
Below this secondary news module is a series of stand-alone news modules containing categories of news content. These stand-alone modules occupy the rest of the homepage. These modules are “Top Stories,” “Most Popular,” “Local News,” “World,” “Entertainment,” “Travel,” “Sports,” “U.S. News,” “Politics,” “Business,” “Science,” “Technology,” “Health,” “Odd News,” and “Opinion.” Each module has its own set of tabs, and each tab represents a news source. At the bottom of the page is a replica of the news search engine that appears at the top of the homepage.

The organization of news content on the homepage of www.news.yahoo.com more closely resembles traditional categories of news. There is also noticeably less advertising content than on www.FOXNews.com. Every item of news on www.news.yahoo.com is attributed to a source and has a date and time of posting.

**Presentation of Content**

Customization: Users of www.news.yahoo.com are able to personalize the default homepage by adding or removing categories of news or rearranging the order of the news modules. Users are able to add to or delete from the default list of news sources available on the site. The advanced search option allows for targeted searches and produces content no more than 30 days old. The search landing window produces the results across two columns and includes a list of “sponsor results” in the form of display and search advertisements in the third column. RSS feeds are provided for each of the news sections and for additional categories within each module. For example, selecting the “more technology feed” on the general RSS feed page produces an additional list of 20 feeds to choose from, including “Personal Technology, Linux/Open Source, Mobile & Wireless.” Podcasts and mobile phone delivery options are not available on www.news.yahoo.com. A story can be shared through e-mail or by using IM.
(Yahoo! Messenger). The local news content parameters are determined after users have selected a zip code. The zip code determines sources of local news content that then appear in the local news module. The homepage can be customized according to the user’s preferences. Customization of content on www.news.yahoo.com allows the user to tailor news content to his or her tastes. While customization of news content permits the user to choose, for example, only Associated Press stories, the user is still able to view all the other available default news sources. This customization does not restrict the range of sources, as it does on www.FOXNews.com.

Participation: Users are able to recommend a story by using a rating scale at the bottom of the story consisting of five stars. A beta version of Y! Buzz allows users to see the most “buzzed” stories on www.news.yahoo.com. The list of stories appearing on the “Buzz” page is determined through a combination of the most e-mailed, the most viewed, and the most recommended stories. There are no polls or live discussion facilities. Users are able to submit photos or videos to You-Witness News, which is linked to the news stories produced by Kevin Sites, “Yahoo’s first news correspondent” (http://hotzone.yahoo.com/meet-kevin;_ylt=AyiK3MWv0296j0K76svtY.LFMsf). Kevin Sites is a former CNN and NBC News correspondent and is part of Yahoo! News’ 20-strong news team. Clicking on a news story on news.yahoo.com takes the user to a landing page with the full text of the story. Appearing next to the story is a list of other stories and videos from the chosen news category, a list of most e-mailed stories, and a list of most viewed stories.

Multimedia: Each of the three top news stories in the primary news module of the homepage has a link (not visible in the Fig. 4 reproduction) to a slideshow and a video clip. The remainder of the stories on the homepage is text-based, except for the featured video in the right column and smaller still images featuring the photo of the day. Stories opened in landing pages
are similarly set up with links to slide shows, video clips, and, in some cases, graphics. This makes news stories in the primary news module very detailed.

Editorial Branding: The source of individual items of news content on the www.news.yahoo.com homepage and on subsequent landing pages is always identified. In addition to the source, each story also has a dateline, a date, and time of posting. For example; “Iraq tribal chief signs ‘pact of honor’ AP – Sat Aug 26, 1:11 PM ET” or “A day in the life of Katrina survivors AP – 2 hours, 20 minutes ago” (http://web.archive.org/web/20060826220341/http://news.yahoo.com/). “Kevin Sites In the Hot Zone” is the only Yahoo!-branded news content on the homepage. News content produced by the search engine includes internal sources on www.news.yahoo.com as well as external sources, thus avoiding the walled-garden approach.

Story Depth: When selecting a story, the landing page produces the full text of the story and a list of related stories (video, text, and still images) from other sources on the www.news.yahoo.com site. In addition, the landing page contains additional stories from the news category the story was originally selected from. Story depth is notable; multiple sources are available for each story.

Revenue Streams: Content on www.news.yahoo.com is available without having to register on the site. However, only registered users are able to customize news content and personalize the homepage. The data for 2006 show an average of 10 advertisements on each homepage. In the data for 2007 and 2008, each homepage had an average of six advertisements and landing pages contain an average of six advertisements (including sponsored links). Thus, advertising content is present, but is less conspicuous than on www.FOXNews.com. The advertising revenues for Yahoo! Inc are derived from Yahoo! Inc.’s content sharing agreement.
and joint venture with members of the Newspaper Consortium. Yahoo! Inc. places its search
technology software on advertising on the Web sites of the more than 400 newspapers that are
members of the consortium. This allows local advertisers to place ads on the Web sites of the
local newspapers and reach local Yahoo! Inc. audiences. In this way, Yahoo! Inc.’s audiences are
the primary commodity and news content is a secondary commodity. The Yahoo! Inc. 2006
annual report explains this revenue generating method: “Our marketing communications efforts
help accelerate product momentum, awareness, adoption, and engagement. We use online,
television, print, radio and outdoor advertising, and we leverage our global online network and
our distribution partnerships to market our products and services to the right people at the right
time.” (Yahoo! Inc., annual report, 2006, p. 13). This explains, in part, the noticeable lack of

Categories of Content

There are 15 modules on the homepage of www.news.yahoo.com, each containing a
news category and within a rectangular module stretching across two columns of the homepage.
I will describe and analyze three of these categories (Table 8): the primary news module, the
secondary news module, and the stand-alone module “Politics.”
Primary News module: Three main stories appear in this module. This is the portion of the
homepage that can be seen without having to scroll down to view the rest of the page. The stories
are given the prominence by being placed in the left and center columns. Each story contains a
headline, the first line of the story text, a still photo, a source identification, and the time of
posting. For example, “U.S. Aims to Dampen Talk of Striking Iran. AP – 38 minutes ago.”
(www.news.yahoo.com, April 10, 2006). One of the three prominent stories has a larger photo,
while the other two stories have smaller-sized photos accompanying each story.
Table 8 Organization and Presentation of News Content on www.news.yahoo.com

<table>
<thead>
<tr>
<th>Modules</th>
<th>Homepage elements: 2006-2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main news module</td>
<td>Two columns with links to full coverage, slideshow, video, related coverage, interactive. Two to four stories with still image, headlines, and first paragraph of story.</td>
</tr>
<tr>
<td>Stand-alone modules</td>
<td>News categories can be customized, sources can be added or deleted and layout can be changed. Five story headlines visible in each module.</td>
</tr>
<tr>
<td>Top Stories:</td>
<td>AP is the default source. Seven additional sources available.</td>
</tr>
<tr>
<td>Most Popular:</td>
<td>five of the most e-mailed, most viewed, most recommended stories are visible.</td>
</tr>
<tr>
<td>Local News:</td>
<td>source can be customized according to zip code</td>
</tr>
<tr>
<td>World:</td>
<td>AP is the default source, with five headlines visible. Six additional sources available.</td>
</tr>
<tr>
<td>U.S. News:</td>
<td>AP is the default source, with five headlines visible. Four additional sources available.</td>
</tr>
<tr>
<td>Politics:</td>
<td>AP is the default source, with five headlines visible. Six additional sources available.</td>
</tr>
<tr>
<td>Business:</td>
<td>AP is the default source, with five headlines visible. Seven additional sources available.</td>
</tr>
<tr>
<td>Science:</td>
<td>AP is the default source, with five headlines visible. Five additional sources available.</td>
</tr>
<tr>
<td>Technology:</td>
<td>AP is the default source, with five headlines visible. Four additional sources available.</td>
</tr>
<tr>
<td>Health:</td>
<td>AP is the default source, with five headlines visible. Five additional sources available.</td>
</tr>
<tr>
<td>Entertainment:</td>
<td>AP is the default source, with five headlines visible. Six additional sources available.</td>
</tr>
<tr>
<td>Travel:</td>
<td>AP is the default source, with five headlines visible. Two additional sources available.</td>
</tr>
<tr>
<td>Sports:</td>
<td>AP is the default source, with five headlines visible. Three additional sources available.</td>
</tr>
<tr>
<td>Odd News:</td>
<td>Reuters Oddly Enough is the default source, with five headlines visible. Three additional sources available.</td>
</tr>
<tr>
<td>Opinion:</td>
<td>USA Today.com is the default source, with five headlines visible. Three additional sources.</td>
</tr>
</tbody>
</table>
Each story also has all, or a combination of, the following links: slideshow, video, interactive, full coverage, and related coverage. These links produce a landing page with a slideshow of still images, a video clip, a graphic, additional sources on the story, and related stories. In the homepage data analyzed, the Associated Press was the dominant news source in this block. The news in this module is updated constantly and news content is typically breaking news.

Secondary News Module: Below the top three stories in the primary news module is a secondary news module labeled “More Stories.” This module has a list of between three and six story headlines, including a source, and a time of posting. The column to the right of this primary news block contains a featured story, a featured video, and a list of four additional news stories. These stories are interspersed with advertisements. Even by registered users cannot customize content in the primary and secondary news modules.

Stand-alone News Modules: Each module has a list of default news sources and a list of additional news sources. Five headlines appear in each news module. Registered users are able to select the “My Sources” tab and then add or delete news sources in each of the stand-alone news modules.

Politics: Associated Press is the default source in this module. Additional news sources include Reuters, AFP, Politico, CQ Politics, Bloomberg, and Rasmussen Reports. On the 2008 Web pages, a registered user who selects the “My Sources” tab can choose from two additional subcategories of political sources: news and Web logs. The sources in the news category are ABCnews.com, NPR, MSNBC.com, NYT, CNN.com, CBSNews.com, FOXNews.com, GovTrack.us, White House News, Washingtonpost.com, and CQPolitics.com. The tab for Web logs listed 24 “Most Popular in Weblogs” sources. These blogs change from day to day, but include blogs such as Instapundit.com, DailyKos.com, and michellemalkin.com, as well as blogs
such as The Modern World (blog from WordPress), The Corner (blog of The National Review),
and GOP.com Blog (official blog of the Republican National Committee).

Additional Modules: The remaining 13 modules reflect a similar pattern of source
prevalence. News agencies are the predominant sources in all the modules, and are followed by
sources owned by major news and information companies. The notable exception is National
Public Radio (NPR) content. Sources branded as Yahoo! Inc. are also featured on
FAQ states that Yahoo! does not write or edit any of the news on the site
(http://help.yahoo.com/l/us/yahoo/news/navigating/beta-08.html). The site does, however,
promote its field news reporter Kevin Sites. Sites is a solo news reporter who travels to war
zones reporting stories on a Web page called “Kevin Sites in the Hot Zone.” Kevin Sites is
supported by a three-person Hot Zone team. The Yahoo! News site has a news team consisting
of a team of editors for responsible for different areas of content on news.yahoo.com. There are
editors for photos, multimedia, news, and full coverage. The Hot Zone page is linked to Yahoo!
Inc.’s You Witness News, which encourages users to submit still photos and video clips for
inclusion on the site.

The categories of news content on www.news.yahoo.com appear to be diverse, but in
actuality represent dominant sources. The dominant sources are organized and presented in
modules that allow sources such as the Associated Press or Agence France-Presse to be the
default source, thus ensuring that these are the first sources the user encounters when going to
the homepage www.news.yahoo.com. Yahoo! Inc. also promotes its news content as free. The
news content is free but only in the context of the advertising model within which it is produced,
aggregated and distributed. In conclusion, a number of differences and similarities emerge, with
respect to organization and presentation of content on the homepages, when comparing
www.FOXNews.com as the Web site of a traditional news operation to www.news.yahoo.com as
the Web site of a news aggregator. First, the homepage www.news.yahoo.com provides the user
with a high level of customization. This reflects one of the functions of an online news
aggregator – to provide as many sources as possible thus allowing the user to engage with those
sources they are interested in. In comparison, the homepage www.FOXNews.com provides
almost no customization features. This makes sense if we consider that almost 90% of the news
content on www.FOXNews.com is ultimately owned by the FOX News Channel and the
Associated Press. In other words, a customization feature is useful only if there is a range of new
sources to customize. Second, the layout of news content on homepage www.news.yahoo.com
provides visual evidence that content is aggregated from other sources, compared to the news
content on the homepage www.FOXNews.com, which is not identified, except for the FOX
News Channel promotional content and the lead photo in the primary news module. Again, this
may be attributed to the dominance of two ultimate sources—FOX News Channel and the
Associated Press. Third, in comparison, video content is dominant on homepage
www.FOXNews.com, while multimedia content appears to be dominant on
naturally have content that has been re-packaged for distribution online, while the Web site of an
aggregator has news content from many different media formats, video, still photographs, text,
and graphics. In the next chapter, I summarize the key findings of this research, I discuss the
implications of the findings, and I highlight some of the limitations of the study and how these
may be addressed in follow-up studies.
CHAPTER 7. SUMMARY OF RESULTS AND CONCLUSION

Key Findings

Corporate Imperatives, Advertising, and News Commodities

The data analyses indicate that the commercial imperatives of both News Corporation and Yahoo! Inc. are geared toward maximizing financial revenues for each company. An advertising model is the primary means used to generate revenues for the corporation. Advertisers on www.FOXNews.com and www.news.yahoo.com are provided with opportunities to target users of these Web pages. The users thus become potential consumers in a process wherein corporate strategies are shaped by delivering audiences to advertisers. In this regard, as News Corporation’s Rupert Murdoch notes, the Internet is the fastest-growing advertising market because it has the fastest-growing audience (Murdoch, 2005). In other words, news content is used to attract users to the Web site and to create, in advertising parlance, a “sticky” experience on a Web site. News Corporation’s $900 million advertising deal with Google Inc. is an indication of the potential the company sees in being able to generate advertising revenues from the vast numbers of users who visit the company’s Web sites. The advertising model is also crucial to the corporate imperatives of Yahoo! Inc. Almost 90% of Yahoo! Inc.’s revenues are generated from marketing services, rendering the production, aggregation, and distribution of news content a small component of Yahoo! Inc.’s overall commercial imperatives. It is clear that the commercial imperatives of both News Corporation and Yahoo! Inc., ensure that production and distribution of news content is only one component of a larger corporate philosophy that views the Internet primarily as an innovative delivery mechanism for news and other forms of digital content. Both News Corporation and Yahoo! Inc. are for-profit entities that that rely on an advertising model in their core businesses to generate returns on investments for shareholders.
But, both companies are also engaged in, among other things, the production, aggregation, and distribution of news, information, and entertainment commodities. News content thus becomes a valuable commodity in terms of its exchange value, rather than its use value. The exchange value of news commodities is determined by what the news commodity can command in the marketplace. In contrast, the use value contributes toward fulfilling the normative news needs of citizens a democratic society. So, in this context the commercial imperatives of News Corporation and Yahoo! Inc. are logical - the exchange value of news commodities provides greater financial benefits for these companies than use value does. We may thus conclude that the exchange value of news is critical to fulfilling the commercial imperatives of News Corporation and Yahoo! Inc. The use value of news on the other hand, is foundational to effectively fulfilling the diverse information needs of citizens in a democracy. Therefore, news produced by a for-profit corporation whose raison d’être is to generate revenues, does not fulfill the normative news and informational needs of citizens in a democratic system. One of these needs is the availability of a diverse range of news, views, and opinions in the public sphere. This diversity is not meaningful when measured according to branded sources of news—instead genuine diversity, as my research demonstrates, may be more precisely assessed by looking at the ownership of news content.

**Corporate Ownership and Diversity of News**

The data analysis of cited sources of news revealed at least 25 news sources. An analysis of the ultimate owners of these cited sources showed that news content on www.FOXNews.com and www.news.yahoo.com is dominated by a handful of ultimate owners, many of which feature as ultimate owners on both Web sites. In other words, News Corporation and Yahoo! Inc. receive news content from the same media companies. For example, the Associated Press is the ultimate
owner of 35% of news content on www.FOXNews.com, and is the ultimate owner of 25% of news content on www.news.yahoo.com. This situation does not enhance diversity of news content on either Web site. On www.FOXNews.com two companies, News Corporation and the Associated Press, own almost 90% of news content. The dominance of News Corporation–owned news content on a News Corporation Web site is logical—the corporate imperatives dictate that the company must maximize the outlets for distribution of its news content. The dominance of Associated Press news content is also logical given that its role as news agency. It is significant therefore, that almost 90% of news content on www.FOXNews.com is repurposed content (from FOX News Channel and Associated Press). This reinforces the lack of diversity of ownership of news content on www.FOXNews.com and thus lack of diversity of news content.

A similar situation prevails on www.news.yahoo.com, where seven ultimate owners account for at least 75% of news content. A news aggregator is expected to show greater diversity of news content, but this is clearly not the case on www.news.yahoo.com. Even though the dominance of ultimate owners on www.news.yahoo.com is not as extreme as in the case of www.FOXNews.com, my study shows that corporate ownership of the production, aggregation, and distribution of news content does not enhance diversity of news online. In other words a news aggregator, compared to the Web site of a traditional news organization, does not necessarily provide a greater diversity of news content. Instead, www.FOXNews.com and www.news.yahoo.com, as commercial for-profit Web sites, exhibit similar levels of relative diversity of ownership of news content on their Web sites. The influence of corporate media becomes more apparent when we analyze the relationships between News Corporation and the ultimate owners of news on www.FOXNews.com and the relationships between Yahoo! Inc. and the ultimate owners of content on www.news.yahoo.com.
Corporate Relationships, Corporate Convergence, and Diversity of News

The results of this research question reveal that media and entertainment corporations, already dominant in the production, distribution, and ownership of traditional news content, are also dominant in the production, aggregation, and distribution of online news content. Content distribution and content sharing relationships reveals the movement of news content among and between online news Web sites. These relationships showcase the interconnectedness of corporate producers, distributors, and aggregators of news content, and provide a picture (Figure 1 and Figure 2) of the limited range of the producers, distributors, and aggregators of news content. First, News Corporation and Yahoo! Inc. have content distribution relationships with each other. Second, both News Corporation and Yahoo! Inc. share many of the same news and information providers. For example, the Associated Press, Thomson Reuters Corporation, Comcast Corporation, and Imaginova Corporation account for at least 40% of content on www.FOXnews.com and www.news.yahoo.com. Third, there are content sharing, content distribution relationships, or joint venture partnerships among ultimate owners of news content on www.FOXNews.com and www.news.yahoo.com. The implications of this network of producing, sharing, and distributing of content within and among the same producers of news are clear—serves to effectively reduce and limit the range of news content online. In addition, these corporate relationships and joint ventures are not readily apparent to users who navigate the homepages on www.FOXNews.com and www.news.yahoo.com. For example, it is not obvious that Comcast Corporation is the ultimate owner of content branded E! Online (an entertainment content Web site). Of course, E! Online is the online operation of E! Entertainment Television, which also owns Style Network and G4 Television. Both News Corporation and Yahoo! Inc. have content sharing relationships with, among others, Thomson Reuters, HLTH Corporation,
Pearson, The New York Times Company, and Imaginova Corporation. These ultimate owners provide a patina of diversity by producing news content under different brand names. Thus, these many brands obscure the ultimate ownership of the news, information, and entertainment content, thereby obscuring the lack of diversity of news content. One media company that produces many products under different brand names does not contribute significantly to the diversity of news, information, and entertainment content online. The literature on convergence and my analysis of corporate relationship suggests that corporate consolidation and convergence of technologies, negatively impacts diversity of news content online. Corporate consolidation facilitates corporate imperatives and allows for news commodities to be produced, packaged, re-packaged, and repurposed for distribution via the numerous outlets of the consolidated corporation. Convergence technologies facilitate the production of news content for distribution and re-distribution across many platforms—within the consolidated corporation and to other corporations. The effect of this small pool of producers, aggregators, and distributors of news content does not bode well for the free flow of diverse news content in cyberspace, and in the traditional media sphere.

**Corporate News and the Public Sphere**

News is but one of many branded products being distributed in the online news and content market by diversified news and entertainment conglomerates. These conglomerates are dominant across a number of industries, including film, radio, television, advertising, and information technology - all of which converge online. This puts these conglomerates at the very center of the culture industries that produce and distribute media, entertainment, news, and information products. When the production of news and information content is guided by corporate imperatives that privilege the interests of shareholders and investors, it creates
impediments for expanding the diversity of news content in the public sphere and threatens the robustness of public discourse in a democracy. Habermas (1989) argues that communication and the free flow of information are foundational to the existence of a vibrant public sphere. This and other research have shown that corporate-owned media organizations are subjected to the dictates of the corporation and thus tend to work against a thriving public sphere (Mosco, 1996). In the online public sphere, news and information content, social networks, and public spaces compete against the online presence of transindustrial and diversified media conglomerates as well as government regulations and policies. Policies and regulation reflect and actively sponsor a market approach to news and information production and distribution in the online digital environment.

The traditional media public sphere is currently under threat from powerful controlling interests that hold sway over the production capacities, raw materials, productive labor, and distribution channels of news and information content. My research highlights the extent to which the online public sphere is also subject to the same dominance of corporate media content online and a lack of diversity in online news. This research makes contributions to political economy and mass communication research by highlighting the networks of ownership that converge in the production and distribution of news content online and the dearth of diversity of ownership of online news content. The history of radio, television, and related mass communication technologies is instructive. When ownership of technologies is privatized, these technologies no longer serve the interests of the public. Instead, corporate-owned media and telecommunication technologies serve, first and foremost, the commercial interests of their ultimate owners. My analysis of the corporate imperatives of News Corporation and Yahoo! Inc. provides clear evidence that this pattern is being followed in the production, aggregation, and
distribution of online news. Furthermore, this digital market approach to online news is explicitly supported and maintained by existing Internet policy and regulation systems. These policies and regulations directly enhance the corporate objectives of the for-profit advertising model of media companies.

**Policy Implications**

The promise of a digital commons Internet has been thwarted by existing corporate dominance, privatized ownership of the productive and distributive technologies of media, and neoliberal telecommunications regulation and policies. In terms of online news, my research provides support for the assertion that corporate-owned online media are detrimental to the diversity of news online.

The conclusions arrived at in this research raise several policy implications. First, corporate-owned (Internet) media fail to provide diverse sources of news in the online public sphere. Thus, I propose that we consider an alternative: to impose levies on corporations that use any part of the publicly owned electromagnetic spectrum to produce and distribute content online. These levies would then support the creation of a public Internet news organization similar to the model of public service broadcasting. Corporate online media would continue with their operations, but they would be required to pay a fee for using public telecommunication properties. Second, Internet policy making facilitates and supports the system of for-profit corporate media. To remedy this market-biased policy and regulation, Internet policy making should be democratized and made to be inclusive of all stakeholders with an interest in contributing to how the Internet is managed. For example, regulatory processes should be made transparent by creating an advisory board consisting of public-government-corporate stakeholders. This board would then monitor policy-making and regulatory mechanisms in the
public interest to ensure a thriving public Internet news sector. The imperatives of Internet policies and regulations must explicitly serve the interests of citizens. Advertising would be prohibited in public Internet news sites. Third, the ultimate ownership of online news content is obscured, often by branding. News content on a public Internet news site would provide an explicit ultimate source identification as well as a clear indication of where, and how many times, the news item has appeared in other outlets. This would enhance the user’s ability to determine whether news content has been repurposed or repackaged and thus enable users to assess the diversity of news content on public Internet news and other news and information Web sites. To conclude, my proposal would entail creating a public Internet news agency—a non-profit news organization that would incorporate some of the characteristics of the public service broadcasting model and be owned by and accountable to the users and citizens it will serve. This does not mean the creation of a new organization, rather it would involve the restructuring of existing non-corporate news organizations, allowing the new service to operate in the interest of the public good, thus be more likely result in producing and distributing a broad range of news, views, and opinions. Most importantly, this service must not be disadvantaged by current market-biased political and economic policies that favor corporate-owned news operations.

Of course, to be realistic, these policy recommendations must be considered in the larger context of existing telecommunications polices and regulations that impact the Internet, and in the context of the current ownership structures of the means and technologies of media production, aggregation, and distribution. To be clear, the Federal Communications Commission (FCC) does not directly regulate the Internet, but it does regulate “interstate (between states) and international communications by radio, television, wire, satellite, and cable” (www.fcc.gov).
These components are key to facilitating the flow of content over the Internet. For example, broadband services fall within the FCC’s purview. Broadband systems and technologies are critical to the transmission of integrated digital content - video, audio, and data - over the Internet. Cable and telephone companies are the dominant providers of broadband services, and are involved in the production, aggregation, and distribution of news content online. For example, cable service providers Time Warner, Cox Communication, and Comcast are also ultimate owners of news content on www.FOXNews.com and www.news.yahoo.com. The creation of any new Internet policies to serve the public interest and ensure diverse sources of information online, must reconsider existing economic and regulatory systems—systems that currently privilege corporate media operations.

When we consider the competing visions for the Internet, as outlined in Chapter 3, it becomes clear that the rhetoric of the free market prevails in terms of Internet policy and regulation. In other words, free market rhetoric claims that economic markets will ensure the provision of diverse news and information online—without the need for government regulation. My research has shown that this is not the case. Certainly, market-driven news production is prevalent, but only with the help of policies and regulation that supports and encourages corporate ownership of news. For now, this digital market approach dominates, while proponents of the digital commons approach struggle to make inroads on alternative policy and regulation impacting the Internet. My research makes a contribution to on-going public interest efforts seeking to ensure universal and affordable access to high speed Internet services, and thus the efficient delivery of news and information content. My research also highlights key aspects of the broader efforts aimed at ensuring that the Internet is not just a vast digital marketplace dominated by powerful telecommunications companies, that instead, it can become a digital
commons that could serve the interests of the citizens of the world in a democratic and egalitarian manner.

**Limitations and Future Research**

Although the case studies were carefully selected to represent two dominant categories of news web sites—an aggregator and the Web site of a traditional broadcast news operation—the use of two case studies potentially limits this research. The homepage of www.news.yahoo.com was selected because it is representative of Web sites that serve as news aggregators. Yahoo! News is also the most visited news aggregator online. The Web site www.FOXNews.com was chosen because it is representative of Web sites of traditional news organizations that have online news operations. This case study illustrated how traditional news organizations repurpose content for redistribution in other formats. The most recent Internet research data show that the online properties of News Corporation, the ultimate owner of www.FOXNews.com, have enjoyed tremendous increases in unique users, thus expanding the potential audiences who encounter content on www.FOXNews.com. Despite my motivations, the use of only two case studies does not permit generalizing these results beyond this research. In addition the time period chosen for this research and the amount of data collected may also present potential limitations in terms of the robustness of the data. The use of three constructed weeks over a three-year period is statistically sound, but may need to be replicated using a different time frame and additional data. Nevertheless, the results of the two case studies provide a number of notable findings about online news. This research contributes to understanding the patterns of ownership of online news content and the corporate imperatives that drive the production, aggregation, and distribution of news on the Internet. The case studies also illuminate how online news content flows among and between ultimate owners of news. The finding on ultimate owners provides a
strong indication of how the media conglomerates dominant in traditional media also dominate online news. The predominance of agency news content and the relatively small group of ultimate owners of online news indicates that the most popular sites of online news feature very similar sources of news content. These findings suggest that claims of genuine diversity of news sources in online news sites are, at best, wishful thinking.

And finally, this research presents opportunities for future research using the Web sites of other kinds of news organizations. The next logical step would be to conduct case studies using the homepages of print media organizations and another news aggregator such as Google News. It may also be useful to look at news blogs and the Web sites of several television news operations.
REFERENCES


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APPENDIX A. ANNUAL REPORTS AND PRESS RELEASES OF NEWS CORPORATION & YAHOO! INC.

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## APPENDIX B. RANDOMLY SELECTED HOMEPAGES FROM WWW.FOXNEWS.COM AND WWW.NEWS.YAHOO.COM

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APPENDIX C. CODING SHEET FOR RQ2A

Cited sources of news content on www.FOXNews.com

1. About.com, About.com Mens, About.com Womans
4. AOL
5. Arizona Free Republic
6. Associated Press
7. Atlanta Journal and Constitution
8. BBC News
9. Blogometer
10. Bloomberg
11. BusinessWeek
12. Chicago Tribune
13. Christian Science Monitor
14. CNET.com
15. Comtex
16. Daily Telegraph (AU)
17. Dallas Morning News
18. Diet & Fitness
19. Discovery
20. E!Online
21. ESPN
22. Evening Standard (UK)
23. eWeek.com
24. Extreme Tech
25. Financial Times FT.com (UK)
26. Forbes
27. FOX Blogs, FOX Business, FOX Business Network, FOXNews, FOXSports
31. Gizmodo
32. Health and Well-Being
33. Hollywood Reporter
34. Hotline
35. Inc.com
36. India Times (INDIA)
37. iVillage
38. Jerusalem Post (??)
39. junkscience.com
40. Kiplinger Personal
41. Live Science/Imaginova
42. London Daily Mail (UK)
43. London Daily Telegraph (UK)
44. Manseuto
45. Market Watch [Pulse]
46. Mayo Clinic
47. Miami Herald
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APPENDIX D. CODING SHEET FOR RQ2B

Cited source of news content on www.news.yahoo.com

1. ABC News Video
2. AccuWeather Video
3. ACS News Today
4. Adweek.com
5. Agence France-Presse, AFP Features, AFP Video, AFP World Sports
6. Assignment Earth Video
7. Associated Press, AP Video, AP Strange Video, AP Editorial Roundup, AP Travel Features, AP Travel News, AP Travel Columns,
8. Aviation.com
9. BBC News Video, BBC.co.uk
10. Bloomberg
11. BusinessWeek Online
12. CBC.ca Video
13. 60 Minutes Video (CBS/National Amusements), 60 Minutes on Yahoo! News
14. Christian Science Monitor
15. CNN Video
16. CNet News
17. Congressional Quarterly
18. Discoverynews.com
19. Espn.go.com
20. E! Online
21. Expanded Books Video
22. Fashion Wire Daily
23. Financial Times
24. FOX News Video, foxnews.com
25. HealthDay
26. HuffingtonPost.com
27. Infoworld
28. Intrade
29. Investor’s Business Daily
30. Kevin Sites in the Hot Zone Video
31. LiveScience.com
32. McClatchy Newspapers
33. Macworld.com
34. MarketWatch.com
35. Mediaweek.com
36. Motley Fool
37. Msn.foxsports.com
38. Nasa.gov
39. (The) Nation
40. National Public Radio, NPR Audio
41. News.com.au
42. News Factor
43. News of the Weird
44. Nytimes.com
45. One World.net
46. PC Magazine
47. PC World
48. PEW Data
49. Planet Out
50. Playbill
51. Politico
52. Press Releases
53. Rasmussen Reports
54. RealClearPolitics.com
55. Reuters, Reuters Features, Reuters Life, Reuters Video, Reuters Oddly Enough, Reuters UK
56. Space.com
57. The Sporting News
58. Techweb
59. Time.com
60. TV Guide News
61. USAToday.com
62. U.S. News and World Reports
63. WashingtonPost.com
64. Wall Street Journal
65. Weather.com Video
66. The Weekly Standard
67. Yahoo! Sports
68. Yahoo! Weather Front
69. You Witness News User Video/Photo
70. BLOGS
71. ELECTION 08
72. ENTERTAINMENT
  72.1. Dear Abby
  72.2. Dear Margo
  72.3. Andy Borowitz
  72.4. Peter Mckay
73. COLUMNISTS
  73.1. Brent Bozell III
  73.2. Pat Buchanan
  73.3. Mona Charen
  73.4. Linda Chavez
  73.5. Randy Cohen
  73.6. Joe Conason
  73.7. Ann Coulter
  73.8. Larry Elder
  73.9. Susan Estrich
73.10. Maggie Gallagher
73.11. Georgie Anne Geyer
73.12. James J. Kilpatrick
73.13. Michelle Malkin
73.14. Ted Rall
73.15. Richard Reeves
73.16. Robert Scheer
73.17. David Shribman
73.18. Cynthia Tucker
## APPENDIX E. CORPORATE RELATIONSHIPS ON WWW.FOXNEWS.COM

<table>
<thead>
<tr>
<th>Ultimate owner</th>
<th>Types of corporate relationships</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. A.H. Belo Corporation</td>
<td>• Supplies content to Yahoo Inc (news.yahoo.com)</td>
</tr>
</tbody>
</table>
| 2. Advance/Newhouse                   | • Supplies content to Time Warner (portfolio.com to AOL.com)  
• Supplies content to Disney (portfolio.com to ABCNews.com)  
• Supplies content to General Electric (portfolio.com to msbnc.com)  
• Supplies content to Washington Post Company (portfolio.com to washingtonpost.com)  
• Supplies content to Yahoo Inc. (portfolio.com to news.yahoo.com) |
| 3. Agence France-Presse               | • Supplies content to Yahoo Inc. (news.yahoo.com)  
• Supplies content to News Corporation (Dow Jones Company)                                                                                                                                                                         |
| 4. Associated Press                   | • Supplies content to Yahoo Inc. (news.yahoo.com)  
• Joint venture with News Corporation - Stats.com (sports statistics and information)  
• Supplies content to Time Warner (CNN and AOL.com - as stats.com)                                                                                                                                                               |
| 5. Bloomberg Finance L.P.             |                                                                                                                                                                                                                                  |
| 6. Comcast                            | • Supplies content to Yahoo Inc. (eonline.com to news.yahoo.com)  
• Joint venture (Hulu.com) with Yahoo Inc., Time Warner, Microsoft Inc. General Electric, and News Corporation (online distribution of video news and entertainment content)  
• Joint venture (FEAR.net) with Sony Corporation (online distribution of entertainment content)                                                                                                                                 |
| 7. Comtex News Network, Inc.          | • Supplies content to Bloomberg L.P. (Bloomberg.com), News Corporation (Marketwatch.com), Thomson Financial (Thomson Reuters Corporation), and others                                                                                                                                 |
| 8. Cox Enterprises                    | • Supplies content to Yahoo Inc. (news.yahoo.com) and others  
• Joint venture (TVworks.com) with Comcast Corporation (cable distribution software)  
• Joint venture (Internet Broadcasting) with Time Warner (CNN.com), Hearst Corporation (Hearst-Argyle Television), McGraw-Hill Companies (McGraw-Hill Broadcasting), Meredith Corporation (Meredith Broadcasting), General Electric (NBC), and Washington Post Company (Post-Newsweek Stations) for distribution of news and advertising content |
| 9. Daily Mail and General Trust (UK)  |                                                                                                                                                                                                                                  |
| 10. Discovery Holding Company         | • Joint venture (includes The Discovery Channel, TLC, Animal Planet, The Travel Channel, Discovery Health Channel) with Advance/Newhouse (Discovery Communications)                                                                 |
| 11. Economist Group                   | • Joint venture (rollcall.com) with Pearson plc (production of Roll Call, a Capitol Hill newspaper)                                                                                                                                 |
| 12. Gannett Company Inc.              | • Joint venture (Metromix.com) with Tribune Company (entertainment content and online advertising)  
• Joint venture (CareerBuilder.com) with Tribune, McClatchy and Microsoft (online job search)  
• Joint venture with (4INFO.com) with US Venture Partners, Draper Fisher Jurvetson, NBC Universal and Gannett Company, Inc. (information and entertainment content)  
• Joint venture (Shoplocal.com & Topix.net) with Tribune Company and McClatchy Company (online information, advertising and shopping) |
| 13. General Electric (NBCU)           | • Joint venture (Hulu.com) with Yahoo Inc., Time Warner, Microsoft Inc., Comcast Corporation, and News Corporation (online distribution of video news and entertainment content)                                                                 |
| 14. Google Inc. | • Search and advertising on FOXNews.com |
| 15. Hearst Corporation | • Joint venture with News Corporation and International Data Group - China New Media Fund (media and entertainment distribution) |
| 16. HLTH Corporation | • Search & Advertising distribution agreement with Yahoo Inc! (WebMD.com, MedicineNet.com, eMedicineHealth.com, and RxList.com) |
| 17. Imaginova Corporation | • Supplies content to Time Warner (AOL.com & cnn.com), News Corporation (foxnews.com), General Electric & Microsoft Corporation (msnbc.com), Gannett Company captivate.com & usatoday.com), and technovelgy.com. Brands include: Space.com, LiveScience.com, aviation.com
• Investors include: Blue Chip Venture Company, Gannett Company, Inc., RedShift Ventures, Steelpoint Capital Partners, Venrock Associates |
| 18. International Data Group | • Joint venture (China New Media Fund) with News Corporation and Hearst (media and entertainment content distribution) |
| 19. K.I.T Digital (ROO Group Inc.) | • Supplies news content to Agence France-Presse
• News Corporation supplies content to K.I.T. Digital (online marketing services and Internet Protocol television technology) |
| 20. Mansueto Ventures LLC | • Business publishing company |
• Supplies content to Yahoo Inc. (news.yahoo.com)
• Joint venture ( Classified Ventures LLC) with Tribune Company and Gannett Company (online advertising)
• Joint venture (Scripps-McClatchy Western Service) with Scripps Howard News Service (news wire service) |
| 22. McGraw-Hill | • Joint venture (Internet Broadcasting) with Time Warner (cnn.com), Hearst Corporation (Hearst-Argyle Television), Meredith Corporation (Meredith Broadcasting), General Electric (NBC), and Washington Post Company (Post-NewswEEK Stations) for distribution of online news and advertising content
• Supplies content (BusinessWeek.com) to Time Warner (AOL.com) |
| 24. Microsoft Corporation | • Joint venture (Hulu.com) with Yahoo Inc., Time Warner, Comcast Corporation, General Electric, and News Corporation (online distribution of video news and entertainment content)
• Joint venture (MSNBC.com) with General Electric |
| 25. Mirkaei Tikshoret Ltd. | • Major media company in Israel (purchased Jerusalem Post from Hollinger Inc.) |
| 26. Mort Zuckerman (Boston Prop.) | |
| 27. National Amusements | • Joint ventures (the CW, AOL Radio, Truveo.com) with Time Warner
• Joint venture (SmithsonianNetworks.com) with the Smithsonian Institute
• Joint venture (syndigonetworks.com - CBS Local Ad Network) with the Seevast Corp
• Joint venture (Last.FM ) with Universal, EMI, TW, Sony, CD Baby, The Orchard, IODA (online music)
• Joint venture (Sundance Channel) with General Electric (NBCU) & Robert Redford
• Joint venture with Microsoft for content distribution
• Supplies news video from local CBS stations to Yahoo News |
| 28. News Corporation | • Joint venture (Hulu.com) with Yahoo Inc., Time Warner, Microsoft Inc. General Electric, and Comcast Corporation (online distribution of video news and entertainment content) |
| 29. New York Times Company | • Joint venture (Fancast.com and Comcast.net) with Comcast Corporation and General Electric (content distribution on News Corporation Web sites)  
  • Dow Jones supplies content (SmartMoney.com) to AOL.com  
  • Fox Business supplies news video content to Yahoo Inc. (Yahoo Finance on news.yahoo.com) |
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<tr>
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<tbody>
<tr>
<td>30. Nielsen Business Media</td>
<td>• Joint venture (“Fusion” products) with General Electric (online ratings and sales metrics)</td>
</tr>
<tr>
<td>31. Pearson Plc (UK)</td>
<td>• Supplies content (FT.com) to Time Warner (AOL.com)</td>
</tr>
<tr>
<td>32. Steven J. Milloy</td>
<td>• FOXNews columnist, CATO Institute fellow</td>
</tr>
</tbody>
</table>
| 33. Thomson Reuters Corporation | • Reuters supplied content to Time Warner (CNN) until Aug 2007  
  • Reuters supplies content to Time Warner (AOL.com) |
| 34. Time Warner | • Joint venture (Hulu.com) with Yahoo Inc., News Corporation, Microsoft Inc. General Electric, and Comcast Corporation (online distribution of video news and entertainment content)  
  • Joint venture (beliefnet.com) with News Corporation (content distribution)  
  • Content sharing with Internet Broadcasting Systems (privately held company whose investors include: Hearst-Argyle Television, McGraw-Hill Broadcasting, Post-Newsweek Stations, CNN, and Split Rock Partners.) |
| 35. Walt Disney Company | • Joint venture with Hearst Corporation - Lifetime Television (50%).  
  • Joint venture with News Corporation - ESPN Star Sports  
  • Joint venture with AOL (Time Warner) to distribute video on aol.com  
  • Supplies BBC news video via ABC News to Yahoo News |
| 36. Washington Post Company | • |
| 37. Yahoo Inc. | • Joint venture (Hulu.com) with Time Warner, News Corporation, Microsoft Inc. General Electric, and Comcast Corporation (online distribution of video news and entertainment content)  
  • Joint venture with General Electric (Yahoo! Telemundo) |
| 38. Yedioth Ahronoth Group (Israel) | • Major media company in Israel (distributes Ynet News) |
## APPENDIX F. CORPORATE RELATIONSHIPS ON WWW.NEWS.YAHOO.COM

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</tr>
<tr>
<td></td>
<td>• Supplies content to General Electric (portfolio.com to msnbc.com)</td>
</tr>
<tr>
<td></td>
<td>• Supplies content to Washington Post Company (portfolio.com to washingtonpost.com)</td>
</tr>
<tr>
<td></td>
<td>• Supplies content to News Corporation (wire.com to FOXnews.com)</td>
</tr>
<tr>
<td>3. Agence France-Presse</td>
<td>• Supplies content to Yahoo Inc. (news.yahoo.com)</td>
</tr>
<tr>
<td></td>
<td>• Supplies content to News Corporation (Dow Jones Company)</td>
</tr>
<tr>
<td>4. American Chemical Society</td>
<td>ACS News Today</td>
</tr>
<tr>
<td>5. Associated Press</td>
<td>• Supplies content to News Corporation (FOXNews.com)</td>
</tr>
<tr>
<td></td>
<td>• Joint venture with News Corporation - Stats.com (sports statistics and information)</td>
</tr>
<tr>
<td></td>
<td>• Supplies content to Time Warner (CNN and AOL.com - as stats.com)</td>
</tr>
<tr>
<td>6. Bloomberg Finance LLP</td>
<td>Bloomberg</td>
</tr>
<tr>
<td>7. Church of Christ Scientist</td>
<td>CSM.com</td>
</tr>
<tr>
<td>8. Comcast</td>
<td>• Supplies content to Yahoo Inc. (eonline.com to news.yahoo.com)</td>
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<td>• Joint venture (Hulu.com) with Yahoo Inc., Time Warner, Microsoft Inc. General Electric, and News Corporation (online distribution of video news and entertainment content)</td>
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<td></td>
<td>• Joint venture (Shoplocal.com &amp; Topix.net) with Tribune Company and McClatchy Company (online information, advertising and shopping)</td>
</tr>
<tr>
<td>11. Gawker Media</td>
<td>Gizmodo, Life Hacker (private company owned by Nick Denton)</td>
</tr>
<tr>
<td></td>
<td>• Investors include: Blue Chip Venture Company, Gannett Company, Inc., RedShift Ventures, Steeple Capital Partners, Venrock Associates</td>
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<tr>
<td>13. International Data Group</td>
<td>Joint venture with News Corporation and International Data Group - China New Media Fund (media and entertainment distribution)</td>
</tr>
<tr>
<td>14. Macrovision/News Corp.</td>
<td>TV Guide</td>
</tr>
<tr>
<td></td>
<td>• Supplies content to Yahoo Inc. (news.yahoo.com)</td>
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<td>• Joint venture (Classified Ventures LLC) with Tribune Company and Gannett</td>
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<tr>
<td>Company (online advertising)</td>
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<td>-------------------------------</td>
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<td>• Joint venture (Scripps-McClatchy Western Service) with Scripps Howard News Service (news wire service)</td>
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<th>17. Microsoft Corp</th>
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<tr>
<td>• Joint venture (Hulu.com) with Yahoo Inc., Time Warner, Comcast Corporation, General Electric, and News Corporation (online distribution of video news and entertainment content)</td>
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<tr>
<td>• Joint venture (MSNBC.com) with General Electric</td>
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<tr>
<th>18. Motley Fool Inc.</th>
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<tr>
<td>• Motley Fool</td>
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<tr>
<th>19. Nation Magazine</th>
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<tbody>
<tr>
<td>• The Nation</td>
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<tr>
<td>• Joint venture with Donohue Malbaie Inc. -49%</td>
</tr>
<tr>
<td>• Joint venture with Madison Paper Industries -40%</td>
</tr>
<tr>
<td>• Joint venture with Metro Boston LLC - 49%</td>
</tr>
<tr>
<td>• Joint venture with quadrantONE LLC - 25%</td>
</tr>
<tr>
<td>• Joint venture with New England Sports Ventures, LLC - 17.5%</td>
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<tr>
<td>• NYT News Service has 600 clients in 50 countries</td>
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<tr>
<th>22. News Corporation</th>
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<tr>
<td>• With GE (NBCU)</td>
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<thead>
<tr>
<th>25. Public/non-profit broadcaster (US)</th>
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<tbody>
<tr>
<td>• Private not-for-profit 501(3)c 5. NPR.org</td>
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</table>

<table>
<thead>
<tr>
<th>26. Public Broadcaster (UK)</th>
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<tbody>
<tr>
<td>• BBC.co.uk</td>
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<tr>
<th>29. Mort Zuckerman (Boston Prop.)</th>
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<tbody>
<tr>
<td>• US News &amp; World Report</td>
</tr>
<tr>
<td>• Executive Committee Chairman and Editor-in-Chief</td>
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<table>
<thead>
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<th>30. Walt Disney Company</th>
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| 31. Washington Post Company | • Joint venture with AOL (Time Warner) to distribute video on aol.com  
• Supplies BBC news video via ABC News to Yahoo News  
|   | washingtonpost.com |
| 32. Yahoo Inc. | • Joint venture (Hulu.com) with Time Warner, News Corporation, Microsoft Inc. General Electric, and Comcast Corporation (online distribution of video news and entertainment content)  
• Joint venture with General Electric (Yahoo! Telemundo) |
| 33. Ziff Davis Enterprise Inc. | • PC Magazine |
APPENDIX G. CODING SHEET FOR RQ4A AND RQ4B

Organization of homepages of www.foxnews.com and www.news.yahoo.com

1. Customization includes
   1.1. Homepage customization (allows user to tailor page)
   1.2. Search options (simple or advanced search)
   1.3. RSS feeds—options and prominence
   1.4. Podcasts—options and prominence
   1.5. Mobile phone delivery options
   1.6. Sharing options

2. Participation includes
   2.1. Users’ contribution to content
   2.2. Scheduled, live discussions
   2.3. Ability to:
      2.3.1. e-mail author
      2.3.2. post comments
      2.3.3. rate the article/post
      2.3.4. take a poll
      2.3.5. List of: most-viewed stories, most-e-mailed stories, most-linked-to stories

3. Multimedia includes
   3.1. Percent of homepage content devoted to:
      3.1.1. Narrative
      3.1.2. Photos/non-interactive graphics
      3.1.3. Video & Audio
      3.1.4. Live stream
      3.1.5. User blog
   3.2. Live Q & A
   3.3. Slide show
   3.4. Poll
   3.5. Interactive graphic

4. Editorial Branding includes
   4.1. Story source
   4.2. Byline
   4.3. Direction of story links
      4.3.1. Internal
      4.3.2. External

5. Story Depth includes
   5.1. Use of related story links
   5.2. Use of archive links

6. Revenue Streams includes
   6.1. Registration requirements
   6.2. Fee-based content
   6.3. Archive fees
   6.4. Homepage advertising (self-promotional and external)
VITA

Shenid Bhayroo is a native of South Africa. After graduating from high school, he worked as a librarian for the Johannesburg Public Library system. During this time, he was active in the independent trade union movement, and became an organizer and a librarian for The Worker’s Library.

In 1990, he was awarded an international scholarship through the Educational Opportunities Council and the South African Higher Education Program. The scholarship allowed him to attend Lehigh University in Bethlehem, Pennsylvania, to study for a bachelor’s degree in journalism, which he completed in 1993. He went on to study for a master’s degree in mass communication at Louisiana State University. After graduating in 1995, Shenid returned to his homeland to work for the South African Broadcasting Corporation (SABC), South Africa’s public broadcaster. At the SABC, Shenid worked as a researcher in the news and current affairs division, as a producer covering South Africa’s Truth and Reconciliation Commission hearings, as an investigative journalist for the SABC’s flagship investigative program *Special Assignment* and, for a short time, as a news cameraperson.

In 2000, Shenid began working as a freelance journalist/producer and cameraman/video editor for local and foreign media in South Africa, primarily for CNN’s Johannesburg bureau. During this time, he joined the Department of Communication at the University of Johannesburg, as a lecturer and the course coordinator of the audiovisual degree program.

In 2004, Shenid returned to United States to study for a doctorate in mass communications and public affairs at Louisiana State University’s Manship School of Mass Communication. In August 2008, he accepted a position as an assistant professor in the Department of Journalism at the School of Communication and Theater, Temple University.