

How media organisations innovate via data analytics: a non-orthodox view

Background and relevance

The fast-evolving media landscape, shaped by the digital revolution and the dominance of powerful platform companies, has triggered a crucial debate on how media organizations can adapt and thrive while upholding their public service mission in the digital age. In the context of media, the ascendancy of platform companies, particularly Facebook and Google, which prioritize data analytics and profit maximization, challenges the traditional public service mission of editorial media organizations. These platforms emphasize data collection and profit-driven motives, creating inherent tensions between profit motives and the commitment to serve the public.



A central challenge in this debate lies in the role of economics in comprehending and guiding these transformations. Traditional neoclassical economics, long the cornerstone of economic thought, has proven inadequate in grasping the intricate dynamics of media innovation, especially within editorial media organizations such as newspapers, magazines, and broadcasting institutions.

Heterodox approaches and public value

In response to these limitations, an alternative approach emerges: heterodox economics. It challenges the dominant profit maximization paradigm and provides a new lens for understanding media economics, recognizing the broader societal role of media organizations. Heterodox economics takes into account the interplay of complex collaboration networks, cultural norms, and market dynamism in shaping media innovation.

Heterodox economics encompasses various paradigms, including evolutionary economics, institutional economics, and complexity economics. These paradigms offer a more holistic view of the economic landscape, acknowledging that economic behavior is influenced by factors beyond rational profit-seeking. They underscore the dynamic nature of economic systems and prioritize innovation as a driver of long-term growth.

Public value, fundamental to the media landscape, encompasses diverse content delivery, social responsibility, and serving as a check on power. Both public and private media organizations contribute to creating public value. Public broadcasters, in particular, can be catalysts and innovators with the potential to positively impact broader economies, cultures, and societies. Heterodox economics can accommodate public value as an element.

At the forefront of this transformation is data analytics, a note-worthy dynamic capability also in the media landscape. Data analytics can drive innovations in media organizations, enabling personalization, taste broadening, and efficiency improvements. These innovations leverage various data types, including archive data, metadata, personal data, and open data, to meet evolving audience and organisational needs.

The interplay between public value, dynamic capabilities, and data-driven innovation is evident in how media organizations can approach personalization, taste broadening, and efficiency. This holistic perspective, combining heterodox economics, dynamic capabilities, and public value, offers a comprehensive framework for navigating the evolving media landscape and assessing editorial media's role within it.