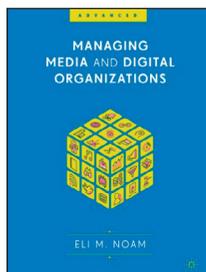


## Review



**Managing Media and Digital Organizations.** By Eli M. Noam. Cham, CH: Palgrave Macmillan, 2019. 687 pp. [E-book]. ISBN: 9783319712888.

Eli Noam is Professor of Economics and Finance at the Columbia Business School where he initiated the MBA concentration in the Management of Media, Communications, and Information. His work focuses on strategy, management, and policy issues in telecommunications, computing, and electronic mass media. As such, Professor Noam is well positioned to have authored *Managing Media and Digital Organizations*. It could serve as the textbook for the MBA concentration he developed, and that may well be its intention. Noam notes in his introduction that it intentionally follows the curriculum for an MBA, with subject matter and case studies adapted for the media and information sector (p. 6). It is written in accessible, engaging language, with no assumption of a deep understanding of economics.

Two audiences can benefit from the text: graduate students of media who require an education in management principles; and professionals in the media and information sector to whom no such course of study was available during their own postsecondary education. And professionals of this kind are not hard to find: a senior publisher at a major Canadian media company once claimed he could closely estimate the gross revenue of one of his publications by weighing it in his hand. This is the kind of gut feel, seat-of-our-pants management that *Managing Media and Digital Organizations* is attempting to make a thing of the past.

The text succeeds admirably, both as course material and as a reference work for the profession. Questions for discussion and quizzes added to each chapter provide thorough teaching materials. Case studies using well-known media companies assist both audiences in understanding and absorbing the theory in the text. A single case study is woven through each chapter, allowing readers to deepen their understanding of the concept and its application. The chapter on “Pricing of Media and Information” follows the media evolution and accompanying pricing management of the *Encyclopaedia Britannica*, tracing its history from a set of leatherbound volumes to a subscription-based online-only product, illustrating the related pricing theory through 14 separate case discussions of what the encyclopaedia’s publishers did or might have done.

Central to Noam's approach to the study of media and information management is the identification of twelve economic characteristics that shape it. Not all are unique to the sector, but organizations within the sector cannot be managed effectively without an understanding of them:

Characteristic #1: High Fixed Costs, Low Marginal Costs—Very High Economies of Scale

Characteristic #2: Network Effects

Characteristic #3: Radically Divergent Cost Trends in the Value Chain

Characteristic #4: Information as a Cumulative Asset

Characteristic #5: Excess Supply

Characteristic #6: Price Deflation

Characteristic #7: Convergence of Technology

Characteristic #8: Non-Normal Distribution of Success

Characteristic #9: Importance of Intangible Assets

Characteristic #10: The Presence of Non-Maximizers of Profit

Characteristic #11: Information as a Public Good

Characteristic #12: High Government Involvement

Once introduced, these twelve characteristics do not provide the outline for the text. Rather, Noam proceeds through the MBA curriculum studying media organizations through one or more of these twelve lenses. For readers well versed in economic theory, mathematical models are presented to illustrate characteristics, but it is not necessary to use the formulae to understand the concepts. The case studies may be the most valuable illustrations.

The text includes chapters for major organizational functions (production, marketing, human resources, finance, distribution, strategic planning) and some of particular importance to media and information (intellectual assets, technology). The work offers enough detail in each subject area to support a graduate survey course. Perhaps of greater value, each is an accessible introduction to other areas that the professional may be less familiar with: marketers can learn about technology management; human resource professionals about financial management. Use of footnotes within each chapter as opposed to an exhaustive bibliography make each chapter a self-contained textbook.

Examples and case studies are drawn from international markets including Brazil, France, Britain, and Japan but rely most heavily on the United States. Multinational, integrated firms (Sony, Time Warner, Condé Nast, Comcast) constitute almost all of the cases. Examples drawn from startups and boutique firms would be useful given how influential these organizations are in the sector, especially in introducing the disruption that is so characteristic of its evolution. Despite

the book's encyclopaedic coverage of management techniques, coverage of some parts of the sector seem thin or nonexistent. The chapter on research and development, in addition to summarizing industry structures common to the broader technology sectors, highlights models specific to the media industry: developer-based innovation through APIs and user-generated innovation (although examples given are both industrial companies, BMW and Electrolux), and open innovation by a community of users, like the Linux operating system. This chapter provided an excellent opportunity to explore business models unique to information companies, including crowdsourcing and wikis, but this form of product innovation is not considered.

Most textbooks, and especially books in the media and information sector, risk being out of date before they are distributed. Noam says, "Perhaps the main factor for strategy [in media and information organizations] is rapid technological change in this sector. The media and information sector is subject to radical disruption" (p. 631). This is the case at any time, of course, but even more so since the COVID-19 pandemic. A future edition of Noam's textbook, which even in this first edition should serve as an indispensable resource for both students and professionals, will benefit from revisions to reflect how human resource management, distribution systems, intellectual property, and information technology will adapt to a world of distributed workplaces and disruptive entertainment technologies. There are multiple references to Netflix apropos the legalities of intellectual assets and information pricing but no references at all to Zoom or Microsoft Teams, both of which have become standard tools for organizational management. The chapter on human resources recognizes that "companies cannot generate profit without the ideas, skills and talent of knowledge workers. An information-sector firm's productivity greatly depends on the success of managing its HR" (p. 133). A new part of that management is ensuring effective collaboration among work teams that are likely to remain distributed, and supporting their mental wellness. The disruption that was the year 2020 may well affect many of the management practices explored in this text. For now, *Managing Media and Digital Organizations* remains a very solid and reliable text.

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