Globalization through Partnerships: Examining Cross-Border Acquisitions and International Joint Ventures in the World Media Markets

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Abstract

This study examines and compares the cross-border mergers/acquisitions and international joint ventures of newspaper, magazine, radio, broadcast television, and cable television firms in the last fifteen years. Specifically, it investigates these media firms' changing international acquisition and partnership preferences in nations and sectors. The issue of sector and geographic relatedness was reviewed using over 2,500 cases of international acquisitions and joint ventures. The results show that different media sectors have chosen different partnership strategies. Though there is a preference for geographic and product relatedness in the development of cross-border partnerships in these media industries, the degree of sector relatedness has decreased over time.

The media industry is going through a phase of transformation, moving from a national to an international marketplace. Several drivers have contributed to the growth of a globalized media market. Most evidently, the progress in communications technology is enabling the provision of entertainment and information in a faster, more efficient manner and actually making many media industries more attractive sectors for capital investment, which is necessary for a move toward global expansion. Also because of the technological changes, many countries are revamping their existing media policies. We are seeing more liberalization and privatization of media industries. This, of course, fosters the growth of an international media market. Furthermore, there has been a decreasing dominance of the U.S.-based media companies in the international marketplace during the last decade. Many high profile mergers and acquisitions brought about the development of non U.S.-based global media conglomerates such as News Corporation and Bertelsmann. The importance of the international market is further magnified by the fact that the demand for certain media products in the U.S., such as broadcasting and cable television, is saturating. Also because of the technological advances, the lifestyle differences between individual societies are now less pronounced. The traditional market segmentation approach by demographics like age and location is not as practical with the rise of information-based attitude groups that share similar consumption patterns. This is an important factor for a product like media content, which is associated with pop cultures. This lifestyle parallelism provides further incentives for the globalization of media companies. Finally, as a result of increasingly blurry industry boundaries and the growth of global multimedia conglomerates, there is a tendency to compete multilaterally in several media sectors and multiple countries at the same time. In other words, to compete successfully with a growing number of firms that have international holdings of multiple media products, a media company would have to do the same, which again leads to a trend toward globalization.

In addition to the aforementioned drivers that have established a favorable environment for the globalization of media markets, there are many traditional incentives for a firm to adopt the strategy of international diversification. Specifically, a firm might expand internationally to increase its market size, to have a higher probability and better speed of recouping heavy investment, to develop economies of scale and learning, and to lower the basic costs of the goods or services they provide from location advantages such as access to local talent, marketing system and customer. The trend toward a globalized media marketplace seems inevitable, but how do the media firms expand and diversify cross-borderly?

The present study examines the trends, preferences, and drivers of international acquisitions and joint ventures in selected media markets. We will first discuss the rationales for international acquisitions and joint ventures, review the method used to investigate these international partnerships, present the results of the analysis, and finally elaborate on the drivers of these partnerships.

Entry Modes for a Global Media Market

Like firms in other sectors, a media company may expand into a new country by establishing a new wholly owned subsidiary (i.e., a Greenfield venture). This approach is typically costly and complex, but allows for full control of the new unit. On the other hand, a company can adopt a lower risk route of licensing or exporting, which offers little control of the expansion. More frequently, a company might enter a cooperative relationship through cross-border mergers and acquisitions (M&As) that give quick access to a local market. This approach has become very popular, comprising over 40% of the worldwide acquisitions in 2001. A final foreign market entry mode is international joint ventures (IJV). Despite the risk of greater resource commitment than exporting/licensing, IJV provides the strategic value of maintaining more control over international business and enhancing experiential knowledge, essential for further overseas commitments (Berdrow & Beamish, 1999; Desai, Foley, & Hines, 2001). Nevertheless, there has been substantial empirical evidence suggesting that the average performance of IJV is generally less than satisfactory (Robson, Lionidou, & Katsikeas, 2002).

Rationales for Strategic Partnerships

M&A Partnerships

Many rationales have been suggested as the drivers for mergers and acquisitions. Assuming a rational managerial approach, thus excluding the motives of “empire building” and “risk reduction” to maximize a manager’s personal utility, a primary reason for M&A might be to achieve greater “market power” (Haspeslagh, 1999). Market power exists when a firm is able to sell its goods or services above competitive levels or when the costs of its primary or support activities are below those of the competitors (Hitt, Ireland, & Hoskisson, 2001). Many media companies may have attractive core competencies such as the ownership of valuable content/talents and distribution outlets, but lack the size to benefit from these unique resources and capabilities. M&As offer an opportunity for achieving greater market power through the increase of firm size.

An attempt to reduce barriers to entry might be another driver for the formation of M&As. For example, market barriers may arise when well established competitors are able to enjoy significant scale economies and/or brand loyalty. Facing these barriers, a new entrant may find the acquisition of an established company to be more effective than attempting to enter the market as a competitor offering a good or service that is unfamiliar to current buyers (Hitt, Ireland, & Hoskisson, 2001). In addition, as developing new products internally and successfully introducing them into the marketplace often requires significant investments of a firm's resources, making it difficult to earn a profitable return quickly (Shank & Govindarajan, 1992), M&As are another means through which a firm can gain access to new products and to current products that are new to the firm. Compared to internal development processes, M&As provide more predictable return and faster market entry (McCardle & Viswanathan, 1994; Rappaport & Sirower, 1999). Again, as it is harder for companies to develop products that differ from their current lines for new geographical markets in which they lack experience, a firm is more likely to use M&As rather than internal development as a strategy when engaging in international product diversification (Hitt, Hoskisson, Ireland, & Harrison, 1991; Hitt, Hoskisson, & Ireland, 1990). Finally, a firm may use M&A as a way to restrict its dependence on a single or a few products or markets, thus reducing its reliance on the financial performance of individual sectors.

IJV Partnerships

The principal theoretical approach to explaining IJV formation and development is based on transaction cost economics (Ramanathan, Seth, & Thomas, 1997), though various theories such as agency theory, resource-based view, organizational learning, and other strategic behavior perspectives have attempted to explain the factors influencing IJV strategies and their performance (Robson, Lionidou, & Katsikeas, 2002). Specifically, several drivers have been proposed to impact a firm's adoption of a joint venture strategy. These include competition reduction, access to resources or restricted markets, new business knowledge acquisition, market leadership maintenance, resource alliances for large projects, industry standards development, overcapacity reduction, and/or the increase of speed in product development or market entry (Bailey & Shan, 1995; Hitt, Ireland, & Hoskisson, 2001; Williams, 1998; Williams, 1992).

Despite the benefits of partnering with a local party, recent studies have found that American multinational firms increasingly organize their foreign business operations as wholly owned ventures rather than joint ventures, mainly due to difficulties in coordinating business operations (Desai, Foley, & Hines, 2001). Regarding the performance of IJV, it was proposed that business relatedness, inter-partner rivalry, previous joint venture experience, equity ownership, firm size, level of political risk, and similarity between partners' national cultures were important determinants. Nevertheless, researchers found no significant performance differences in the American firms' IJVs with partners from developed versus developing countries (Merchant, 2000).

International Strategic Partnerships in Media Industries

An examination of the aforementioned rationales of partnerships in the context of media industries reveals several underlying principles that would strongly motivate the development of an international cooperative relationship by media firms.

First, an international acquisition or joint venture might be formed to acquire complementary resources that are unavailable in the domestic media market. An example might be the earlier purchase of Universal Studio by Vivendi. This kind of alliances is especially important for media markets as the ownership of "content" is regarded as a key to success by many media firms and the content component is intangible and highly complementary to its tangible distribution medium. A partnership could be set up to gain access or speed up the process of gaining access to an overseas market. An example might be an equity joint venture that would allow a U.S.-based media firm to enter a new country/market that has ownership quota regulations. This could also include partnerships to reduce any trade barriers that would limit the role of a foreign media firm. This driver is especially crucial because media products are often subject to more regulatory control from the host market due to their pervasive impacts on individual societies. The access can also be looked at from the perspective of access to media outlets (and their consumers). Because many media "content" products are marketed under a windowing process, in which a "content" product such as a theatrical film is delivered to consumers via multiple outlets sequentially in different time periods, partnerships that allow for access to multiple outlets are very beneficial.

International alliances might also be formed to shared risks and reduce costs as in the cases of international co-production of motion pictures and alliances of multiple U.S. cable system operators for new cable ventures in South America. Furthermore, because most media "content" products are "public goods," partnerships are a good approach to increase the scale economies in production and, consequently, reduce costs. International acquisitions and joint ventures might also be formed to reduce competition. This could be accomplished through the increase of market power, reduction of competitors, and different means to maintain market leadership. For example, a joint venture between a Thai newspaper company and Dow Jones made the Thai company and its partner Dow Jones the leader in financial news in that country. News Corp., through its buyouts of many competitors in the Asia Pacific market, is also a good example for the competition reduction rationale. Finally, international partnerships might be formed to reduce uncertainty; including uncertainty in local knowledge, in technology, or in product standards. Some of AOL's investment in overseas wireless markets might be classified as an example of reducing uncertainty in emerging product markets. Because media products are highly subjective to the cultural preferences and existing communication infrastructure of each geographic market/country, international M&As and IJV are good strategies to reduce uncertainty due to the lack of knowledge or access.

Method

Data Sources

This study utilized a secondary data source, the SDC Platinum database compiled by *Thompson Financial Securities Data*. The online database is the leading, standard industry database that provides detailed information on all financial transactions and agreements, including mergers and acquisitions, joint ventures, and other strategic alliances around the globe. The database is updated daily using over 200 English and foreign language news sources; SEC filings and their international counterparts; trade publications; and wires and proprietary surveys of investment banks, law firms, and other advisors. All corporate transactions, public and private, involving at least 5% of the ownership of a company where the transaction was valued at $1 million or more or where the value of the transaction was undisclosed were included.

This study focuses on five major media sectors of newspaper, periodical (magazine), radio, broadcast and cable TV, which were selected because of their traditionally and relatively more significant shares of media consumer's time. As the *Thompson Financial Securities* database utilizes the American Standard Industrial Classification system (4-digit code) to classify firms according to their economic activity, five different SIC codes (i.e., 2711-newspaper; 2721-periodical/magazine; 4832-radio; 4833-broadcast television; and 4841-cable television) were used to isolate the M&As and IJVs occurred during the specified time periods from hundreds of thousands of transactions. Only international M&As, which include cross-border transactions that combine two or more firms' assets, forming a more long-term relationship; and international joint ventures, which include partnerships formed either by equity sharing or other contractual agreements, were analyzed. A total of 1,816 M&A cases from 1988 to 2002 and 777 joint ventures from 1988 to 2001 were analyzed in this study.

Partner Sector/Geographic Relatedness and Preferences Analysis

For the purpose of analyzing the extent of sector and geographic relatedness of the M&As in these industries, this study divided all M&A cases into three categories based on the distance of the product markets between the acquiring and target firms as reflected by these firms' primary SIC codes. Note that we used a firm's SIC code, rather than its corporate SIC code, so to better assess product market similarities at the firm level. For example, category I (Identical Sectors) includes the cases in which the SIC code of an acquiring firm is exactly the same as that of the target firm. Category II (Related Sectors) includes the cases in which the first two digits of the SIC code of an acquiring firm is the same as those of the target firm. Category III (Different Sectors) includes the cases in which the SIC codes are different between the acquiring and target firms.

In terms of IJV, this study used venture partner firms' SIC codes to examine sector relatedness. Specifically, we divided all international joint ventures into five different categories: 1) Dual Identical Sectors, in which all partners have an identical SIC code and the SIC code is same as that of the formed joint venture; 2) Single Identical Sectors, in which only one of two partners has the same SIC code as that of the formed joint venture (i.e., a firm outside the target industry cooperates with a firm located in the target industry in order to enter the market); 3) Related Sectors, in which at least one partner has the same first two SIC digits as those of the formed joint venture (i.e., a firm outside the target industry cooperates with a firm related to the target industry in order to enter the market); and 4) Different Sectors, in which the SIC codes of the partners are different from that of the joint venture in either all four digits or the first two digits (i.e., a joint venture in a non-related industry). Note that while most joint ventures had only two partners, in cases that more than two partners were present in a venture, only the first and second partners were considered in the analysis.

To assess geographic relatedness of IJV, this study compared the countries of the venture partners and that of the venture location. Note that the venture location might be supranational (multinational) or in two or more countries. Three categories were used to assess the IJVs. Category I (Identical Target Nations) includes the cases in which the country where the joint venture would take place is the same as one of partners' country (e.g., a firm cooperates with another firm located in the target country in order to enter the market). Category II (Identical Multiple Nations) includes the cases in which the formed joint venture is supranational (multinational) or contains all nations of the partners. In this case, venture partners enter each other's geographic markets. Category III (Different Nations) includes the cases in which the country of the formed joint venture is different from those of the partners.' This study also recoded all involved countries into five regional categories, North America, Western Europe, Asia, South America, and Eastern Europe, to assess the regional differences in IJV trends. Additionally, countries were divided into OECD and non-OECD countries to examine the role of economic development in such international partnerships. Specifically, we reviewed the venture locations as in an OECD or non-OECD country and divided each IJV as: 1) both partners were from OECD countries, 2) one partner was from an OECD country, and 3) neither partner was from an OECD country.

Results

Trends of M&As

The numbers of international mergers and acquisitions in all five media sectors have increased steadily since 1988, but peaked in 2000 (see Table 1 and Figure 1). During this period, newspaper firms lead the others in acquiring cross-border properties, followed, at a distance, by magazine firms. Overall, radio was the least active sector. Nevertheless, the newspaper dominance over the other sectors had decreased over time, while the percentages of broadcast and cable acquirers had grown. In general, the activity levels of the newspaper acquirers fluctuated the most among all media groups. Additionally, while the two television industry acquirers had similar levels of M&As, the two print industry acquirers had relatively similar patterns of M&A ups and downs.

Because the U.S. is one of the world's most important media markets (Chan-Olmsted & Chang, 2003) and the home country to many leading media firms, it is fruitful to also investigate the international M&As that targeted at the U.S.-based firms (see Table 2 and Figure 2). The M&A activity levels here seem to divert somewhat from the previous overall pattern. For example, the activity levels fluctuated more over time when we looked at only this group of M&As. Also, there were significantly less broadcast acquirers eyeing the U.S. firms (about 10% of all M&As). The print acquirers, especially newspaper firms, were much more aggressive in acquiring the U.S.-based firms (about 78% of all M&As). A comparison of the international M&As targeted at the U.S. firms and those targeted at non-U.S. firms reveals that the acquisition strategy of U.S. targets fluctuated more than the non-U.S. targets over the time period, especially from 1988-1992.

To assess the differences between the US and non-U.S. targeted M&As by the acquirers' sectors more carefully, we performed a simple correlation analysis. The results show that the five media acquirer sectors involved in the non-U.S. M&As were significantly related to one another (r =.52-.86; p<.01), meaning that the media firms from these five sectors have exhibited similar trends during the period regarding non-U.S. M&A activities. On the other hand, no significant relationships were found between the five sectors in the U.S. targeted M&As, except for the newspaper and magazine M&As ($r = .67$; $p < .01$). There seems to be less a strategic consistency between the acquirer sectors when the targeted firms were located in the U.S with the exception of the print-targeted M&As. We also found that most sector activities with the U.S. and non-U.S. targets were not related to one another, except in the case of cable acquirers with the U.S. targets, which was significantly related to the non-U.S. targeted M&A activities initiated by the radio, broadcast television and cable television firms ($r = .57$-61, $p < .05$). There seems to be a relationship between foreign cable firms' U.S.-targeted IMA strategy and "electronic media" firms' non-U.S. IMA strategy.

Top Acquirers' Nations and Sectors

As discussed, the newspaper sector has had the most M&As in the last 15 years. An examination of the home countries of these acquirers reveals that over 50% of the acquirers were from the countries of Netherlands, UK, and Germany (see Table 3). The Western European trio was the most active in pursuing international M&As. The U.S. was a distant fifth behind Australia and comprised of less than one third of the newspaper acquirers than the Netherlands. For the other print sector, the acquirers from the U.K. and U.S. comprised of over 60% of all international magazine M&As (see Table 4). As for the acquirers from the radio sector, the United States led the way overall, followed by UK and Luxembourg (see Table 5). Again, the top nations such as the U.S. and U.K. comprised of almost half of all radio acquirers. As for the broadcast television sector, Luxembourg remained a strong leader in the number of broadcast television acquirers, followed by the U.S. and U.K. (see Table 6). Almost half of the broadcast television acquirers were from the top three countries. Finally, in terms of cable television acquirers, the U.S. was an overwhelming leader in this category, followed by France, Netherlands, and Canada (see Table 7).

This study also reviews the top sector acquirers by nations for those M&As targeted at the U.S. firms. While the top newspapers acquirers continued to come from the same countries, radio acquirers with the U.S. targets were more likely to be from neighboring countries of Canada and Mexico, broadcast television and magazine acquirers with the U.S. targets were more likely to be from English-speaking countries such as Canada and UK, and cable acquirers with the U.S. targets were mostly from Canada and France.

International M&A Target Preferences

To assess the target preferences of international M&As in the five media industries, this study first compared the top acquirers and top target nations (Table 8). It is evident that top acquirers were also the most attractive targets. While the U.S. and U.K. were the leaders as both the acquired and acquirers, Netherlands was more likely to be the acquirer than the acquired and France was more likely to be the acquired than the acquirer.

An examination of the top target nations of the top acquirer nations shows that the U.S.'s top targets included U.K., Canada, and France; U.K.'s top targets included the U.S. Australia, and France; Germany's top targets included the U.S., Switzerland, and Austria; and the Dutch acquirers preferred the U.S., U.K., and France (see Table 9). It seems that the leading acquirers have preferred countries with high language or geographic relatedness. In terms of nation preferences in each media sector, newspaper and magazine acquirers generally preferred the U.S. and U.K.; radio acquirers like France and the U.S.; broadcast television acquirers like Germany and the U.K.; and cable television acquirers preferred the U.K. and U.S. (see Table 10). In summary, the U.S. and U.K. were consistently top targets for all sector acquirers, followed by the second tier targets of Germany and France. The two print sectors had similar nation preferences. Interestingly, South American countries were more likely to be the targets of a newer media sector such as cable television.

To further investigate the sector preferences of international M&As in these media industries, this study also examines the top target sectors of the newspaper, radio, and broadcast/cable television acquirers (Table 11). Both newspaper and magazine acquirers seemed to prefer merging, internationally, with other print companies. Radio acquirers seem to prefer merging with other broadcast properties, followed by newspaper, cable television, and outdoor. Similarly, broadcast television acquirers preferred merging with other broadcast properties, followed by cable television, information services, and motion pictures firms. Finally, cable television acquirers preferred merging with cable companies from other countries, followed by broadcast television, telephone, radio, and motion pictures. It is evident that product relatedness plays a role in the choice of target firms in international M&A in these media industries.

To see if different countries actually have different sector preferences, this study also examined the top acquirer nations' favorite sectors (see Table 12). The three European countries seemed to seek aggressively for print properties, while the U.S. acquirers were more interested in television properties.

A more detailed analysis in the degree of sector relatedness over time reveals that the most preferred international M&A approach was indeed the pursuit of a target firm from the same product market as the group of "Identical Sectors" had the highest portion (37.7%) of the M&A cases (see Table 13). It is interesting that the "Related Sectors" was actually less popular than the “Different Sectors” approach (28.6 % versus 33.8%). An examination of the relative roles of the three M&A strategies shows that they have changed over time. In case of “Identical Sectors,” the group peaked in early to mid 1990s and went back to a level similar to that of 1988. The proportion of the “Related Sectors” M&As had decreased between 1988 and 2002. On the other hand, “Different Sectors” M&As had became more popular. In essence, while sector relatedness is still important, there seems to be a shift toward less relatedness over time.

To compare the differential preferences of relatedness across the five media industries, we also examined the M&A categories by industries (see Table 14). It seems that the M&A strategy of the print industries was different from that of the other media sectors. While the three M&A approaches were used relatively equally, the newspaper acquirers slightly preferred “Different Sectors” acquisitions. Though somewhat favored the “Identical Sectors” strategy, the magazine acquirers also liked the “Different Sectors” approach. Firms in the radio, television, and cable industries show similar patterns (this might be partially explained by the fact that the three sectors have the same first two SIC digits). The broadcasters preferred “Identical Sectors,” followed by “Different Sectors.” The cable acquirers strongly preferred “Identical Sectors,” but were indifferent toward the other two M&A approaches.

Trends of International Joint Ventures

Figure 4 shows the amount of international joint ventures from 1988 to 2001. The numbers of these alliances grew until mid 1990s when it started to decline. It then peaked again in year 2000. Different from the previous M&A patterns, most of the international joint ventures were in the broadcast and cable television sectors with a very limited number of cross-border newspaper and radio partnerships (see Table 15 and Figure 5).

There were relatively more international joint ventures formed in the magazine than the newspaper and radio sectors, especially during the mid 1990s. Comparatively, while newspaper was most active in international M&As, cable was most active in the IJV form of international alliances. Cable and broadcast television also have similar activity patterns for both kinds of partnerships.

Nation and Sector Preferences of International Joint Ventures

In terms of the locations of the IJVs, the top two nations where these ventures located were the U.S. (14.4%) and U.K. (10.3%), followed by Japan (6.3%), a new comer in international partnerships. Generally, Western European countries hosted the most IJVs (33.5%), followed by Asia (31.3%), and North America (22.7%), East Europe (7.9%) and South America (4.6%) (see Table 16). While the regions of Western Europe and North America have shown a relatively stable pattern over time in terms of their proportional shares of annual IJV venture locations, more and more ventures appeared to be located in Asia during this period. On the other hand, compared with other regions, South America seemed to exhibit a less stable pattern and the region of Eastern Europe declined significantly after the early 1990s.

An examination of the venture locations by sectors revealed that most international newspaper joint ventures were located in Germany, U.K. and France, while the top magazine IJVs were in the U.S. U.K., and Germany (tied with China). The U.S. and U.K., followed by Japan, were the top locations for all broadcast and cable sectors. Overall, the U.S. was the most preferred nation in all sectors except for newspaper as an IJV location.

Interestingly, all top three venture countries (U.S., U.K., and Japan) had the most cable IJVs, followed by broadcast TV and magazine IJVs. We also reviewed the top sectors where the IJV partners (top two firms) came from for each IJV sector. Most of the newspaper and magazine IJV comprised of firms from the newspaper, magazine, and book publishing industries, while the main outside sectors of the firms involved in the print IJV were investment (6799) and motion picture/video production (7812). Most of the radio IJV firms were from the radio and broadcast TV industries. The main outside sectors of the firms involved in the radio IJV were telephone (4813) and investment. As for broadcast TV, most of the firms were from the broadcast and cable TV industries with the leading outside sectors of motion picture/video production and newspaper. The same situation holds true for cable TV as most of the IJV firms were from the cable and broadcast TV industries with the main outside sectors of motion picture/video production and telephone.

Table 17 shows the degree of sector relatedness in international joint ventures over time. We found that the majority of the IJVs were in the category of “Single Identical Sectors” (40.7%), followed by “Related Sectors” (25.2%), “Different Sectors” (19.9%), and “Dual Identical Sectors” (14.2%). It seems that the media firms were not interested in duplicating what they already had by allying internationally with another firm from the same sector. Instead, they partnered with a firm that was experienced in the new sector that they were interested in. An examination of the IJV activities over time suggests that while there has been an increase in different, non-related IJVs after early to mid 1990s, the proportion of related international joint ventures (Related Sectors) has increased as well, especially after the mid 1990s. By comparison, though still the dominant approach; the percentage of “Single Identical Sectors” has declined slightly.

In terms of geographic relatedness, the dominant IJV approach was “Identical Target Nations” (77.4%) (i.e., cases where a firm establishes a joint venture located on one of the partner’s country), followed by “Identical Multiple Nations” (12.5%) and “Different Nations” (10.1%) (See Table 18). An analysis of the patterns over time again shows some interesting results. Though still the leading IJV approach, slightly less firms were entering IJVs just to expand into its partner's market (Identical Target Nations). On the other hand, relatively more firms were interested in setting up ventures in multiple nations or in new geographic markets.

Finally, to assess the importance of economic factor in IJV preferences, we examined the OECD membership of the IJV locations and partners' countries. Though there seems to be some fluctuations over time, the IJVs during this period were overwhelmingly located in the OECD countries (75%). In addition, most IJVs were formed by partners that both located in the OECD countries (71%). While about a quarter of the IJVs involved an OECD and a non-OECD member, only 5% of the IJVs comprised of all non-OECD firms. This is an interesting finding as previous empirical studies have found no significant IJV performance differences between the choice of venture partners from the developed or developing countries (Merchant, 2000)

Discussion and Conclusions

In summary, cross-border M&A levels have increased in the last 15 years but dipped significantly after 2000, the very year that commanded the highest level of reported world economic output and healthy capital market since 1982 (World Bank, 2003). While newspaper firms have been the most active acquirers in the time period, especially in cases of the U.S.-based targets, the international acquirers were concentrated in a few nations. Specifically, most active print acquirers were the Europeans; most active broadcast acquirers were from the U.K. and U.S.; and the most active cable acquirers were from the U.S. Overall, the U.S. and U.K. were the most active countries of acquirers. Interestingly, leading acquirer countries were often top target countries for international M&As. Nevertheless, cross-border M&As targeted at the U.S. firms seem to exhibit a somewhat different pattern. For example, geographic and language relatedness seems to matter more in these cases. Comparatively, international joint ventures peaked in the mid 1990s and 2000. Cable and broadcast TV were the most active sectors. While the U.S. and U.K. continue to lead the way in IJV strategies, the region of Asia has seen a significant growth in IJV activities.

Table 21 provides a comparison of IMA and IJV during the period of examination. It is evident that different media sectors have had different preferences in the partnership approaches. As the more traditional media (i.e., print) went for the structural, ownership partnerships, the relatively newer medium (i.e., cable) preferred joint ventures when entering a different country. While both international M&As and joint ventures were mostly initiated by the media firms from the U.S. and U.K., the activity levels and dominant sectors were different for the two partnership approaches over time.

The analysis of the sector and nation preferences also points to the fact that product relatedness is important to international partnerships as the top targeted sectors were all closely related to the acquirer or partner sectors. For example, magazine firms would choose to merge with other print firms from the magazine, newspaper, or book publishing industries. An examination of the main outside sectors shows the importance of content producers, financial communities, and alternative distribution systems. For example, while motion pictures firms were often the top outside partner choices for broadcast and cable TV firms, information services and investment firms were preferred by the print partners. The telephone sector was also important for cable TV firms.

Nevertheless, there has also been a trend toward the formation of unrelated sector and geographic partnerships, at least in the case of IMA. In fact, the percentage of unrelated international mergers and acquisitions in these media industries surpassed identical sector M&As since the late 1990s (see Figure 6). The increase in unrelated sector IJV is less evident and began declining in the mid 1990s along with the other types of IJV relatedness. It is possible that the global movement toward the liberalization of media ownership restrictions might have reduced the relative value of geographic or sector relatedness in the case of joint ventures. The levels of IJV, not the M&As, also seem to correspond the trends in world trading activities. The World Bank recorded two peak periods in terms of world trade volumes in the last twenty years. They were 1994/1995 and 2000, the exact two spikes for IJV partnerships in these media industries (see Figure 5) (World Bank, 2003).

A comparison of the sector relatedness between the international M&As and IJV cases also reveals an interesting finding. When a media firm formed a cross-border partnership with another firm in its exact industry, it is more likely to use the M&A strategy. On the other hand, if the media firm is expanding into a different target sector, it is more likely to enter the cross-border partnership through IJV.

The trend and preferences analysis so far points to some drivers that seem to influence the choice of international entry strategy and the format of that strategy. For example, the regulatory changes governing the media industries seem to have altered the value of certain international partnerships (e.g., international joint ventures). Though it is likely for a media firm to seek out related product alliances so to facilitate content repurposing, marketing know-how, and sharing of production, the relatedness might work better in the case of IMA partnerships. Because of the importance of cultural sensitivity, a media firm would also be more inclined to ally with partners from related product/geographic markets to take advantage of the acquired local knowledge and relationships. By the same token, similar stages of economic development seem to provide a comfort level in the search of international partners. In addition, regions with higher economic growth rates or stability such as Asia and Western Europe were the host countries to more international ventures. The observations so far suggest a list drivers that might influence the partnership strategies of the media firms.

Many scholars have suggested models/theories in explaining the behavior of strategic alliances. They range from transaction cost economics (Hennart, 1988; Williamson, 1985); game theory (Parkhe, 1993); strategic behavior model (Hagedoorn, 1993; Porter, 1985); strategic decision making model (Das & Teng, 1996; Tyler & Steensma, 1995, 1998); social exchange theory (Axelrod, 1984; Blau, 1964); power-dependence theory (Chisholm, 1989; Pfeffer & Salancik, 1978; Schmidt & Kochan, 1977; Van de Ven & Walker, 1984); to resource-based alliance theory (Das & Teng, 2000: 34). Adopting the industrial organization and resource-based notions of alliances, we propose a framework for analyzing international partnerships in media-related sectors (see Figure 7).

As in the industrial perspective of diversification, the external environment shapes the strategic behavior of a firm. In this case, the general environment of a target country such as its regulatory, economic, technological, cultural, and social (e.g., education) environment influences not only the attractiveness and characteristics of the media industries in that country but also another set of important country specific external factors—the communications/media environment such as a country's communications /media infrastructure (e.g., Internet connectivity and broadcast facilities) and demand for multimedia products (e.g., cable programming and Internet usage). These external factors also directly impact the attractiveness of each media industry in that country. Continuing on the IO theory of diversification, a media firm's decision to enter a specific industry is likely to be determined by its target industry's basic characteristics such as market size, growth rate, profitability, and competition, as well as the factors of product/geographical relatedness and content-distribution complementary alignment as discussed previously.

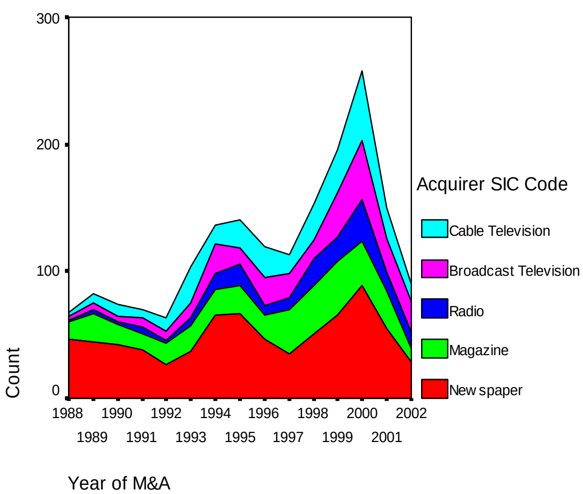
As in the resource-based perspective of diversification, the firm characteristics also shape the options of the international entry strategy available to a media firm. This includes a firm's business unit capability/resources in operations, marketing, and so forth; as well as its corporate structure. In cases of IJV, corporate business factors such as size, collaborative business experience, host country business experience, and international business involvement might come into play. A few other variables at the business levels, such as sociocultural distance between partner firms, interpartner rivalry, interpartner business overlap, interpartner business relatedness, interpartner relational history, and strategic scope similarity could also impact the format of partnerships.

As for future research in this area, examinations of failed alliances would be an interesting approach of investigation. In general, cross-border alliances are more complex and risky than domestic ones. Partly because of this complexity and risk, cross-border alliances have higher dissolution rates than do other modes that are used to enter international markets. Studies have shown that the higher rate of failure might be due to cultural, strategic, and management differences and objective/vision differences. It is also possible that the alliances were opportunistic instead of strategic. In other words, uncertainty prompted the players to take anything that was available in order to experiment, defend themselves, and keep their options open. As a result, there might be alliances that are poorly defined and accomplished little. An examination of dissolved international alliances in media industries might uncover interesting patterns of alliance behavior and factors that impede the successful integration of international alliances of media firms. It was proposed that, in addition to business relatedness, inter-partner rivalry, previous joint venture experience, balance of equity ownership, firm size, level of political risk, and similarity between IJV partners’ national cultures often define the levels of performance in IJV (Merchant, 2000). Studies focusing on the relationship between performance and one or more of these variables in media industries might be beneficial in assessing the relative importance of these factors in the context of media products.

Table 1: International M&As of Newspaper, Periodicals, Radio, Broadcast TV, and Cable TV Firms, 1988-2002

	International M&A Acquirers' Industry					
Year	*Newspaper*	*Periodicals*	*Radio*	*Broadcast TV*	*Cable TV*	*Total*
1988	47 (69.1%)	13 (19.1%)	1 (1.5%)	3 (4.4.%)	4 (5.9%)	68
1989	44 (53.7%)	23 (28.0%)	3 (3.7%)	5 (6.1%)	7 (8.5%)	82
1990	42 (56.8%)	16 (21.6%)	2 (2.7%)	4 (5.4%)	10 (13.5%)	74
1991	38 (54.3%)	13 (18.6%)	5 (7.1%)	7 (10.0%)	7 (10.0%)	70
1992	26 (41.3%)	17 (27.0%)	2 (3.2%)	8 (12.7%)	10 (15.9%)	63
1993	37 (35.6%)	20 (19.2%)	6 (5.8%)	12 (11.5%)	29 (27.9%)	104
1994	66 (48.5%)	20 (14.7%)	12 (8.8%)	23 (16.9%)	15 (11.0%)	136
1995	67 (47.5%)	22 (15.6%)	17 (12.1%)	12 (8.5%)	23 (16.3%)	141
1996	47 (39.5%)	19 (16.0%)	7 (5.9%)	22 (18.5%)	24 (20.2%)	119
1997	35 (31.0%)	35 (31.0%)	9 (8.0%)	19 (16.8%)	15 (13.3%)	113
1998	51 (33.3%)	38 (24.8%)	21 (13.7%)	15 (9.8%)	28 (18.3%)	153
1999	65 (33.3%)	43 (22.1%)	19 (9.7%)	35 (17.9%)	33 (16.9%)	195
2000	89 (34.5%)	35 (13.6%)	32 (12.4%)	47 (18.2%)	55 (21.3%)	258
2001	55 (36.7%)	30 (20.0%)	14 (9.3%)	27 (18.0%)	24 (16.0%)	150
2002	29 (32.2%)	10 (11.1%)	13 (14.45)	24 (26.7%)	14 (15.6%)	90
Total	738 (40.6%)	354 (19.5%)	163 (9.0%)	263 (14.5%)	298 (16.4%)	1816

Figure 1: International M&As of Newspaper, Periodicals, Radio, Broadcast TV, and Cable TV Firms, 1988-2002



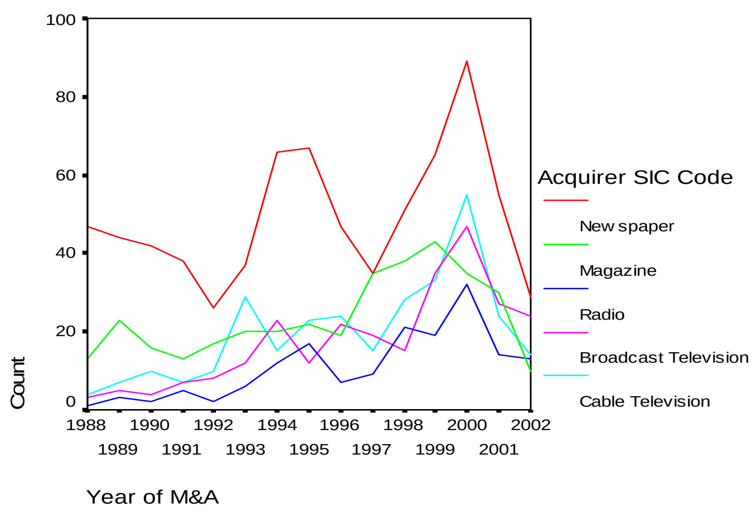


Table 2: International M&As Targeted at US-based Firms 1988-2002

	International M&A Acquirers' Industry					
Year	*Newspaper*	*Periodicals*	*Radio*	*Broadcast TV*	*Cable TV*	*Total*
1988	15 (68.2%)	5 (22.7%)	0 (0.0%)	1 (4.5%)	1 (4.5%)	22
1989	21 (65.6%)	8 (25.0%)	2 (6.3%)	0 (0.0%)	1 (3.1%)	32
1990	13 (56.5%)	6 (26.1%)	0 (0.0%)	0 (0.0%)	4 (17.4%)	23
1991	2 (25.0%)	4 (50.0%)	1 (12.5%)	1 (12.5%)	0 (0.0%)	8
1992	1 (12.5%)	4 (50.0%)	1 (12.5%)	2 (25.0%)	0 (0.0%)	8
1993	3 (42.9%)	1 (14.3%)	0 (0.0%)	0 (0.0%)	3 (42.9%)	7
1994	11 (61.1%)	2 (11.1%)	3 (16.7%)	1 (5.6%)	1 (5.6%)	18
1995	10 (71.4%)	1 (7.1%)	1 (7.1%)	0 (0.0%)	2 (14.3%)	14
1996	8 (44.4%)	5 (27.8%)	0 (0.0%)	2 (11.1%)	3 (16.7%)	18
1997	8 (42.1%)	7 (36.8%)	0 (0.0%)	2 (10.5%)	2 (10.5%)	19
1998	11 (52.4%)	4 (19.0%)	0 (0.0%)	3 (14.3%)	3 (14.3%)	21
1999	17 (44.7%)	13 (34.2%)	2 (5.3%)	3 (7.9%)	3 (7.9%)	38
2000	27 (61.4%)	9 (20.5%)	1 (2.3%)	1 (2.3%)	6 (13.6%)	44
2001	12 (46.2%)	5 (19.2%)	2 (7.7%)	0 (0.0%)	7 (26.9%)	26
2002	2 (33.3%)	1 (16.7%)	2 (33.3%)	0 (0.0%)	1 (16.7%)	6
Total	161 (53.0%)	75 (24.7%)	15 (4.9%)	16 (5.3%)	37 (12.2%)	304

Figure 2: International M&As Targeted at US-based Firms 1988-2002

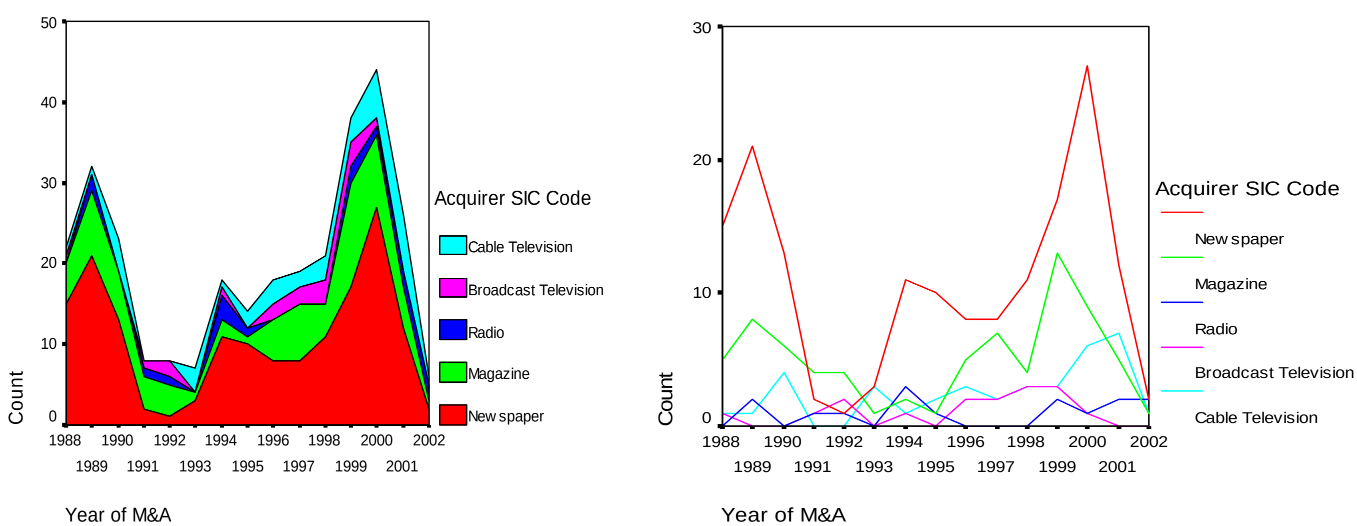


Table 3: Top Newspaper Acquirers by Nations

Acquiror's Nation by Acquirer SIC Code = 2711 (newspaper)

		Frequency	Percent
Country	Netherlands	148	20.1
	United Kingdom	119	16.1
	Germany	116	15.7
	Australia	54	7.3
	United States	39	5.3
	Switzerland	37	5.0
	Canada	37	5.0
	Ireland-Rep	24	3.3
	Sweden	21	2.8
	France	21	2.8
	Norway	20	2.7
	Finland	15	2.0
	Italy	13	1.8
	Spain	12	1.6
	Malaysia	10	1.4

Table 4: Top Periodical Acquirers by Nations

Acquirer's Nation by Acquirer SIC Code = 2721 (Periodicals)

		Frequency	Percent
Country	United Kingdom	113	31.9
	United States	108	30.5
	Canada	29	8.2
	France	21	5.9
	Germany	18	5.1
	Netherlands	10	2.8
	Japan	9	2.5
	Belgium	8	2.3
	Italy	8	2.3
	Sweden	6	1.7

Table 5: Top Radio Acquirers by Nations

Acquiror's Nation by Acquirer SIC Code = 4832 (radio)

		Frequency	Percent
Country	United States	44	27.0
	United Kingdom	33	20.2
	Luxembourg	22	13.5
	France	16	9.8
	Mexico	8	4.9
	Australia	7	4.3
	Canada	7	4.3
	Sweden	4	2.5
	Spain	3	1.8
	Norway	3	1.8
	Italy	2	1.2
	Singapore	2	1.2
	Denmark	1	.6
	South Africa	1	.6
	Netherlands	1	.6

Table 6: Top Broadcast TV Acquirers by Nations

Acquiror's Nation by Acquirer SIC Code = 4833 (Broadcast TV)

		Frequency	Percent
Country	Luxembourg	52	19.8
	United States	46	17.5
	United Kingdom	35	13.3
	Germany	16	6.1
	Canada	16	6.1
	Hong Kong	13	4.9
	Italy	10	3.8
	Greece	8	3.0
	Sweden	7	2.7
	Belgium	6	2.3
	Bermuda	5	1.9
	Australia	5	1.9
	Poland	5	1.9
	France	4	1.5
	Switzerland	4	1.5

Table 7: Top Cable TV Acquirers by Nations

Acquiror's Nation by Acquirer SIC Code = 4841 (cable TV)

		Frequency	Percent
Country	United States	131	44.0
	France	38	12.8
	Netherlands	33	11.1
	Canada	22	7.4
	United Kingdom	10	3.4
	Luxembourg	10	3.4
	Spain	7	2.3
	Argentina	7	2.3
	Sweden	6	2.0
	Hong Kong	6	2.0
	Australia	4	1.3
	Germany	4	1.3
	Portugal	4	1.3
	Venezuela	3	1.0
	Italy	1	.3

Table 8: Comparison of Top 10 Acquirer and Target Nations

Top 10 Acquirer Nations			***Top 10 Target Nations***		
Country	*Frequency*	*Percent*	*Country*	*Frequency*	*Percent*
United States	368	20.3	United States	304	16.7
United Kingdom	310	17.1	United Kingdom	214	11.8
Netherlands	195	10.7	France	134	7.4
Germany	154	8.5	Germany	98	5.4
Canada	111	6.1	Australia	73	4.0
France	100	5.5	Spain	62	3.4
Luxembourg	87	4.8	Canada	60	3.3
Australia	74	4.1	Netherlands	59	3.2
Sweden	44	2.4	Sweden	49	2.7
Switzerland	43	2.4	Italy	48	2.6

Table 9: Top Target Nations of the Top Acquirers

US Acquirers' Top 10 Target Nations			***UK Acquirers' Top 10 Target Nations***		
	Frequency	*Percent*		*Frequency*	*Percent*
United Kingdom	97	26.4	United States	86	27.7
Canada	38	10.3	Australia	35	11.3
France	20	5.4	France	29	9.4
Argentina	18	4.9	Netherlands	22	7.1
Australia	18	4.9	Island-Rep	20	6.5
Mexico	18	4.9	Germany	19	6.1
Germany	17	4.6	Canada	15	4.8
Israel	12	3.3	Spain	12	3.9
Netherlands	12	3.3	Italy	8	2.6
Brazil	11	3.0	Hungary	7	2.3
Dutch Acquirers' Top 10 Target Nations			***German Acquirers' Top 10 Target Nations***		
	Frequency	*Percent*		*Frequency*	*Percent*
United States	43	22.1	United States	27	17.5
United Kingdom	27	13.8	Switzerland	20	13.0
France	25	12.8	Austria	17	11.0
Germany	22	11.3	France	15	9.7
Hungary	13	6.7	United Kingdom	10	6.5
Spain	10	5.1	Spain	9	5.8
Sweden	9	4.6	Italy	8	5.2
Belgium	8	4.1	Hungary	8	5.2
Italy	7	3.6	Netherlands	5	3.2
Austria	5	2.6	Belgium	4	2.6

Table 10: Top Target Nations by Media Sectors

Newspaper Acquirers' Top 10 Target Nations

	Frequency	Percent
United States	161	21.8
United Kingdom	75	10.2
France	52	7.0
Australia	36	4.9
Germany	33	4.5
Spain	32	4.3
Hungary	28	3.8
Poland	25	3.4
Canada	25	3.4
Sweden	21	2.8

Broadcast TV Acquirers' Top 10 Target Nations

	Frequency	Percent
Germany	21	8.0
United Kingdom	17	6.5
United States	16	6.1
Sweden	15	5.7
Spain	13	4.9
France	13	4.9
Canada	12	4.6
Italy	10	3.8
Poland	10	3.8
Australia	10	3.8

Radio Acquirers' Top 10 Target Nations

	Frequency	Percent
France	19	11.7
United States	15	9.2
United Kingdom	11	6.7
Germany	10	6.1
Israel	10	6.1
Netherlands	10	6.1
Australia	8	4.9
Finland	8	4.9
Ireland-Rep	8	4.9
New Zealand	6	3.7

Cable TV Acquirers' Top 10 Nations

	Frequency	Percent
United Kingdom	57	19.1
United States	37	12.4
Argentina	18	6.0
Germany	15	5.0
Brazil	14	4.7
Canada	13	4.4
France	12	4.0
Netherlands	9	3.0
Sweden	9	3.0
Italy	8	2.7

Periodical Acquirers’ Top 10 Target Nations

	Frequency	Percent
United States	75	21.2
United Kingdom	54	15.3
France	38	10.7
Germany	19	5.4
Australia	15	4.2
Netherlands	15	4.2
Hong Kong	13	3.7
Italy	11	3.1
Spain	10	2.8
Canada	9	2.5

Table 11: Top Target Sectors of Newspaper, Periodical, Radio, Broadcast TV, and Cable TV Acquirers

Newspaper Acquirers' Target Industry Sectors

		Frequency	Percent
Top 10 sectors	2711	241	32.7
	2721	109	14.8
	2731	82	11.1
	4833	34	4.6
	7375	32	4.3
	2741	28	3.8
	7372	18	2.4
	6799	12	1.6
	2752	11	1.5
	7389	11	1.5

Radio Acquirers' Target Industry Sectors

		Frequency	Percent
Top 10 sectors	4832	72	44.2
	4833	20	12.3
	2711	7	4.3
	4841	7	4.3
	7312	7	4.3
	7372	6	3.7
	7812	6	3.7
	7311	5	3.1
	2721	4	2.5
	4812	3	1.8

Broadcast TV Acquirers' Target Industry Sectors

		Frequency	Percent
Top 10 sectors	4833	109	41.4
	4832	35	13.3
	4841	21	8.0
	7375	16	6.1
	7812	12	4.6
	5999	5	1.9
	7372	5	1.9
	3663	4	1.5
	4899	4	1.5
	2721	3	1.1

Cable TV Acquirers' Target Industry Sectors

		Frequency	Percent
Top 10 sectors	4841	134	45.0
	4833	36	12.1
	4813	15	5.0
	4832	14	4.7
	7812	12	4.0
	4899	9	3.0
	7372	9	3.0
	7375	9	3.0
	4812	7	2.3
	3663	6	2.0

Periodical Acquirer's Target Industry Sectors

		Frequency	Percent
Top 10 sectors	2721	127	35.9
	2711	41	11.6
	2731	38	10.7
	7389	24	6.8
	2741	17	4.8
	7375	14	4.0
	7372	13	3.7
	7323	7	2.0
	2752	3	.8
	2754	3	.8

Table 12: Top Target Sectors of Top Acquirers' Nations

US Acquirers' Top Target Sectors			
		Frequency	Percent
Top 10 sectors	4841	80	21.7
	4833	41	11.1
	2721	40	10.9
	2711	23	6.3
	4832	21	5.7
	7389	15	4.1
	7372	14	3.8
	2731	13	3.5
	7375	13	3.5
	4813	9	2.4

UK Acquirers' Top Target Sectors			
		Frequency	Percent
Top 10 sectors	2711	56	18.1
	2721	53	17.1
	2731	30	9.7
	4832	28	9.0
	4833	19	6.1
	7375	14	4.5
	7389	14	4.5
	7812	13	4.2
	2741	11	3.5
	7999	10	3.2

Dutch Acquirers' Top Target Sectors			
		Frequency	Percent
Top 10 sectors	2721	44	22.6
	2731	35	17.9
	4841	21	10.8
	2711	13	6.7
	2741	13	6.7
	7372	12	6.2
	7375	7	3.6
	8742	6	3.1
	4833	4	2.1
	7389	4	2.1

German Acquirers' Top Target Sectors			
		Frequency	Percent
Top 10 sectors	2721	35	22.7
	2711	31	20.1
	2731	19	12.3
	4833	10	6.5
	7375	9	5.8
	2741	7	4.5
	7372	7	4.5
	4841	3	1.9
	5961	3	1.9
	7812	3	1.9

Table 13: Sector Relatedness in International M&As 1988-2002

Year	***Identical Sectors***	***Related Sectors***	***Different Sectors***	***Total***
1988	24 (35.3%)	31 (45.6%)	13 (19.1%)	68
1989	31 (37.8%)	29 (35.4%)	22 (26.8%)	82
1990	33 (44.6%)	15 (20.3%)	26 (35.1%)	74
1991	30 (42.9%)	18 (25.7%)	22 (31.4%)	70
1992	38 (60.3%)	14 (22.2%)	11 (17.5%)	63
1993	45 (43.3%)	25 (24.0%)	34 (32.7%)	104
1994	61 (44.9%)	39 (28.7%)	36 (26.5%)	136
1995	54 (38.3%)	51 (36.2%)	36 (25.5%)	141
1996	46 (38.7%)	36 (30.3%)	37 (31.1%)	119
1997	38 (33.6%)	37 (32.7%)	38 (33.6%)	113
1998	58 (37.9%)	47 (30.7%)	48 (31.4%)	153
1999	75 (38.5%)	54 (27.7%)	66 (33.8%)	195
2000	75 (29.2%)	70 (27.2%)	112 (43.6%)	257
2001	45 (30.2%)	28 (18.8%)	76 (51.0%)	149
2002	30 (33.3%)	24 (26.7%)	36 (40.0%)	90
Total	683 (37.7%)	518 (28.6%)	613 (33.8%)	1814

Table 14: Sector Relatedness in International M&As by Acquirers' Industries

Acquirers' SIC	*Identical Sectors*	*Related Sectors*	*Different Sectors*	*Total*
Newspaper - 2711	241 (32.7%)	235 (31.8%)	262 (35.5%)	738
Periodicals - 2721	127 (35.9%)	106 (29.9%)	121 (34.2%)	354
Radio - 4832	72 (44.4%)	33 (20.4%)	57 (35.2%)	162
Broadcast TV - 4833	109 (41.4%)	63 (24.0%)	91 (34.6%)	263
Cable TV - 4841	134 (45.1%)	81 (27.3%)	82 (27.6%)	297

Figure 4: Total International Joint Ventures in the Newspaper, Periodical, Radio, Broadcast TV, and Cable TV industries 1988-2001

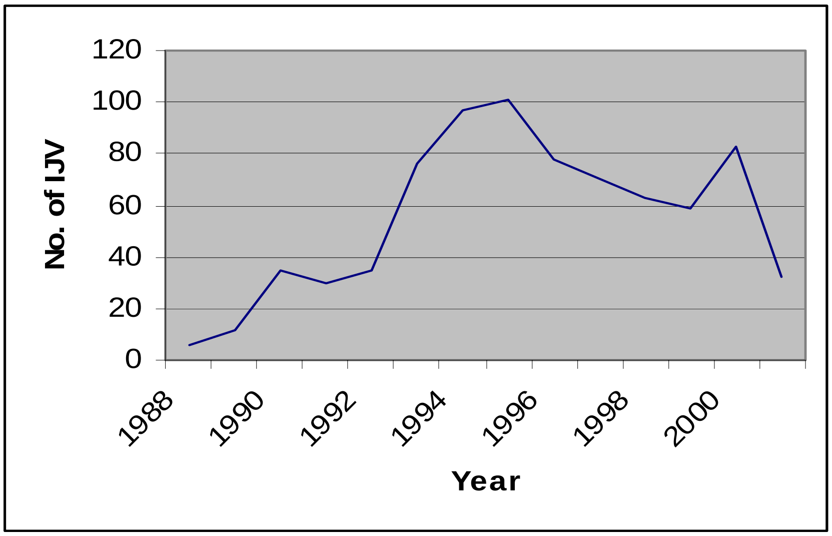


Table 15: International JVs of Newspaper, Magazine, Radio, Broadcast TV, and Cable TV Firms, 1988-2001

	International JVs' Industry					
Year	*2711 (Newspaper)*	*2722 (Periodical)*	*4832 (Radio)*	*4833 (Broadcast TV)*	*4841 (Cable TV)*	*Total*
1988	1 (16.7%)	4 (66.7%)	0	0	1 (16.7%)	6
1989	1 (8.3%)	7 (58.3%)	0	0	4 (33.3%)	12
1990	11 (31.4%)	5 (14.3%)	1 (2.9%)	6 (17.1%)	12 (34.3%)	35
1991	2 (6.7%)	11 (36.7%)	1 (3.3%)	0	16 (53.3%)	30
1992	5 (14.3%)	6 (17.1%)	2 (5.7%)	6 (17.1%)	16 (45.7%)	35
1993	7 (9.2%)	10 (13.2%)	5 (6.6%)	23 (30.3%)	31 (40.8%)	76
1994	7 (7.2%)	15 (15.5%)	3 (3.1%)	20 (20.6%)	52 (53.6%)	97
1995	5 (5.0%)	23 (22.8%)	5 (5.0%)	25 (24.8%)	43 (42.6%)	101
1996	1 (1.3%)	4 (5.1%)	4 (5.1%)	42 (53.8%)	27 (34.6%)	78
1997	1 (1.4%)	9 (12.9%)	2 (2.9%)	34 (48.6%)	24 (34.3%)	70
1998	7 (11.1%)	10 (15.9%)	4 (6.3%)	24 (38.1%)	18 (28.6%)	63
1999	3 (5.1%)	9 (15.3%)	6 (10.2%)	19 (32.2%)	22 (37.3%)	59
2000	2 (2.4%)	8 (9.6%)	14(16.9%)	31 (37.3%)	28 (33.7%)	83
2001	4 (12.5%)	1 (3.1%)	4 (12.5%)	10 (31.3%)	13 (40.6%)	32
Total	57 (7.3%)	122 (15.7%)	51 (6.6%)	240 (30.9%)	307 (39.5%)	777

Figure 5: International Joint Ventures by Media Sectors 1988-2001

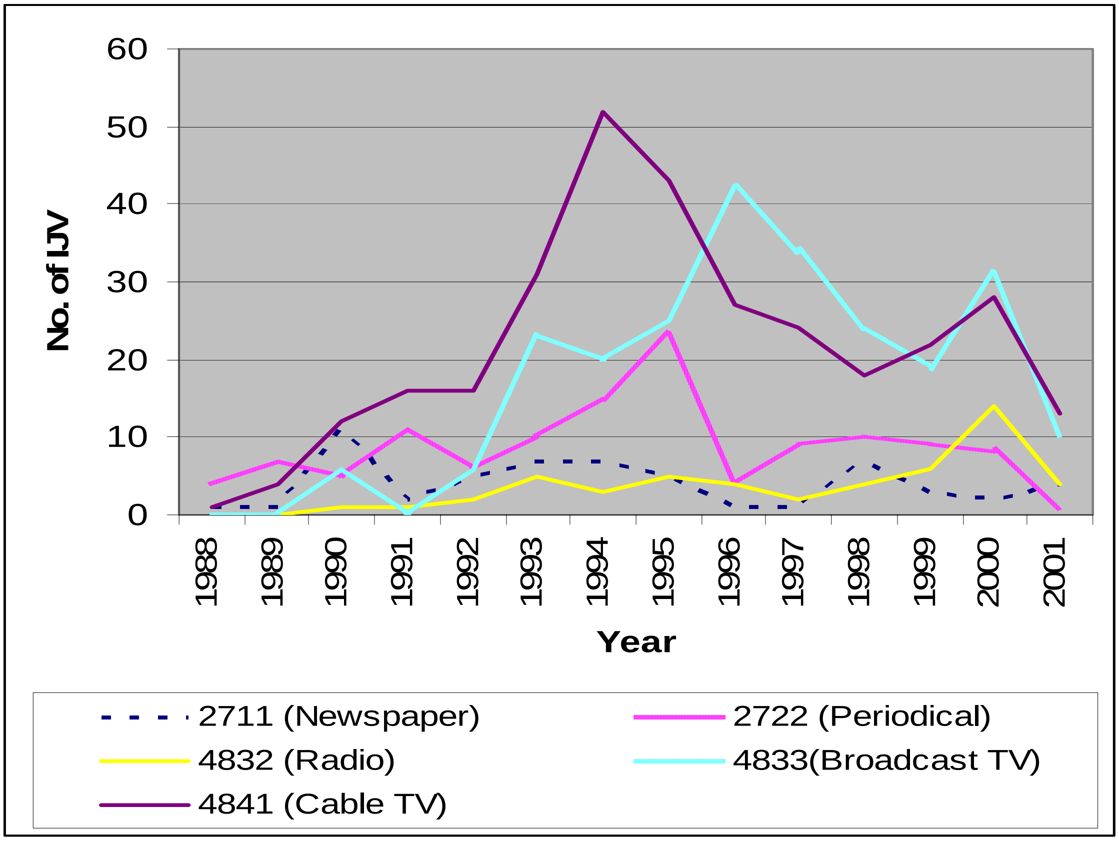


Table 16: International Joint Ventures by Locations of the Formed Ventures 1988-2001

Year	**North America**	**Western Europe**	**Asia**	**South America**	**Eastern Europe**	**Total**
1988	0	1 (16.7%)	3 (50.0%)	1 (16.7%)	1 (16.7%)	6
1989	7 (58.3%)	2 (16.7%)	1 (8.3%)	0	2 (16.7%)	12
1990	7 (23.3%)	15 (50.0%)	5 (16.7%)	0	3 (10.0%)	30
1991	5 (18.5%)	8 (29.6%)	3 (11.1%)	2 (7.4%)	9 (33.3%)	27
1992	7 (20.6%)	14 (41.2%)	7 (20.6%)	0	6 (17.6%)	34
1993	15 (22.1%)	25 (36.8%)	18 (26.5%)	3 (4.4%)	7 (10.3%)	68
1994	24 (25.3%)	19 (20.0%)	39 (41.1%)	6 (6.3%)	7 (7.4%)	95
1995	21 (21.2%)	35 (35.4%)	30 (30.3%)	8 (8.1%)	5 (5.1%)	99
1996	13 (18.6%)	31 (44.3%)	23 (32.9%)	1 (1.4%)	2 (2.9%)	70
1997	22 (35.5%)	20 (32.3%)	15 (24.2%)	1 (1.6%)	4 (6.5%)	62
1998	12 (21.8%)	18 (32.7%)	19 (34.5%)	3 (5.5%)	3 (5.5%)	55
1999	7 (12.5%)	24 (42.9%)	20 (35.7%)	2 (3.6%)	3 (5.4%)	56
2000	16 (21.9%)	21 (28.8%)	30 (41.1%)	4 (5.5%)	2 (2.7%)	73
2001	6 (23.1%)	6 (23.1%)	10 (38.5%)	2 (7.7%)	2 (7.7%)	26
Total	162 (22.7%)	239 (33.5%)	223 (31.3%)	33 (4.6%)	56 (7.9%)	713*

*Excluding cases with multiple venture locations.

Table 17: Sector Relatedness in International Joint Ventures 1988-2001

Year	*Dual Identical Sectors*	*Single Identical Sectors*	*Related Sectors*	*Different Sectors*	*Total*
1988	0	2 (33.3%)	2 (33.3%)	2(33.3%)	6
1989	2 (16.7%)	6 (50.0%)	2 (16.7%)	2 (16.7%)	12
1990	9 (25.7%)	14 (40.0%)	7 (20.0%)	5 (14.3%)	35
1991	7 (23.3%)	16 (53.3%)	5 (16.7%)	2 (6.7%)	30
1992	7 (20.0%)	19 (54.3%)	6 (17.1%)	3 (8.6%)	35
1993	10 (13.2%)	29 (38.2%)	18 (23.7%)	19 (25.0%)	76
1994	17 (17.5%)	43 (44.3%)	19 (19.6%)	18 (18.6%)	97
1995	15 (14.9%)	38 (37.6%)	26 (25.7%)	22 (21.8%)	101
1996	4 (5.1%)	28 (35.9%)	26 (33.3%)	20 (25.6%)	78
1997	5 (7.1%)	31 (44.3%)	18 (25.7%)	16 (22.9%)	70
1998	15 (23.8%)	23 (36.5%)	14 (22.2%)	11 (17.5%)	63
1999	8 (13.6%)	21 (35.6%)	17 (28.8%)	13 (22.0%)	59
2000	7 (8.4%)	35 (42.2%)	26 (31.3%)	15 (18.1%)	83
2001	4 (12.5%)	11 (34.4%)	10 (31.3%)	7 (21.9%)	32
Total	*110(14.2%)*	*316 (40.7%)*	*196 (25.2%)*	*155 (19.9%)*	*777*

Table 18: Geographic Relatedness of International Joint Ventures 1988-2001

Year	*Identical Target Nations*	*Identical Multiple Nations*	*Different Nations*	*Total*
1988	4 (66.7%)	1 (16.7%)	1 (16.7%)	6
1989	9 (81.8%)	0 (0.0%)	2 (18.2%)	11
1990	27 (87.1%)	1 (3.2%)	3 (9.7%)	31
1991	23 (88.5%)	2 (7.7%)	1 (3.8%)	26
1992	27 (79.4%)	6 (17.6%)	1 (2.9%)	34
1993	57 (78.1%)	13 (17.8%)	3 (4.1%)	73
1994	79 (82.3%)	7 (7.3%)	10 (10.4%)	96
1995	85 (85.9%)	2 (2.0%)	12 (12.1%)	99
1996	53 (73.6%)	11 (15.3%)	8 (11.1%)	72
1997	45 (68.2%)	13 (19.7%)	8 (12.1%)	66
1998	42 (71.2%)	12 (20.3%)	5 (8.5%)	59
1999	43 (75.4%)	6 (10.5%)	8 (14.0%)	57
2000	60 (74.1%)	12 (14.8%)	9 (11.1%)	81
2001	21 (65.6%)	7 (21.9%)	4 (12.5%)	32
Total	*575 (77.4%)*	*93 (12.5%)*	*75 (10.1%)*	*743*

Table 19: International Joint Ventures' Location Preferences by OECD Membership

Year	*OECD*	*Non-OECD*	*Total*
1988	3 (50.0%)	3 (50.%)	6
1989	12 (100.0%)	0	12
1990	27 (90.0%)	3 (10.0%)	30
1991	20 (74.1%)	7 (25.9%)	27
1992	29 (87.9%)	4 (12.1%)	33
1993	46 (70.8%)	19 (29.2%)	65
1994	61 (64.9%)	33 (35.1%)	94
1995	71 (71.0%)	29 (29.0%)	100
1996	50 (76.9%)	15 (23.1%)	65
1997	54 (85.7%)	9 (14.3%)	63
1998	36 (67.9%)	17 (32.1%)	53
1999	45 (80.4%)	11 (19.6%)	56
2000	59 (80.8%)	14 (19.2%)	73
2001	16 (64.0%)	9 (36.0%)	25
Total	*529 (75.4%)*	*173 (24.6%)*	*702**

*If there were two or more than two IJV locations and the countries were not in the same category (for example, one nation is OECD while the other nation is non-OECD), then the case was not included in the analysis.

Table 20: International Joint Ventures' Partner Preferences by OECD Membership

Year	*Both OECD*	*One OECD*	*Both Non-OECD*	*Total*
1988	4 (66.7%)	2 (33.3%)	0	6
1989	6 (100.0%)	0	0	6
1990	20 (74.1%)	7 (25.9%)	0	27
1991	21 (80.8%)	5 (19.2%)	0	26
1992	26 (83.9%)	5 (16.1%)	0	31
1993	48 (64.9%)	20 (27.0%)	6 (8.1%)	74
1994	64 (67.4%)	27 (28.4%)	4 (4.2%)	95
1995	61 (61.6%)	30 (30.3%)	8 (8.1%)	99
1996	57 (76.0%)	16 (21.3%)	2 (2.7%)	75
1997	54 (79.4%)	12 (17.6%)	2 (2.9%)	68
1998	42 (66.7%)	16 (25.4%)	5 (7.9%)	63
1999	41 (73.2%)	12 (21.4%)	3 (5.4%)	56
2000	61 (77.2%)	14 (17.7%)	4 (5.1%)	79
2001	18 (60.0%)	9 (30.0%)	3 (10.0%)	30
Total	*523 (71.2%)*	*175 (23.8%)*	*37 (5.0%)*	*735*

Table 21: Comparison of International M&A and Joint Venture Nation and Sector Preferences

	Cross-Border M&As	***International Joint Ventures***
Top Sectors	Newspaper & Magazine	Cable TV & Broadcast TV
Top Countries	U.S. & U.K.	U.S. & U.K.
Top Target or Partner Sectors / outside sectors	Newspaper – newspaper & magazine/book & information services Magazine – magazine & Newspaper/ business services & motion pictures Radio – radio & broadcast TV /outdoor ad & motion pictures Broadcast TV – broadcast TV & radio/information services & motion pictures Cable TV – cable TV & broadcast TV/telephone & motion pictures	Newspaper – newspaper & magazine/investment & motion pictures Magazine – magazine & Newspaper/ investment & motion pictures Radio – radio & broadcast TV/radio & motion pictures Broadcast TV – broadcast TV & cable TV /motion pictures & Cable TV – cable TV & broadcast TV/motion pictures & telephone
Top Types of Relatedness	1-Identical. 2-Different. 3-Related	1-Single Identical. 2-Related. 3-Different. 4-Dual Identical

Figure 6: Comparison of IMA and IJV Partnership Types 1990-2001

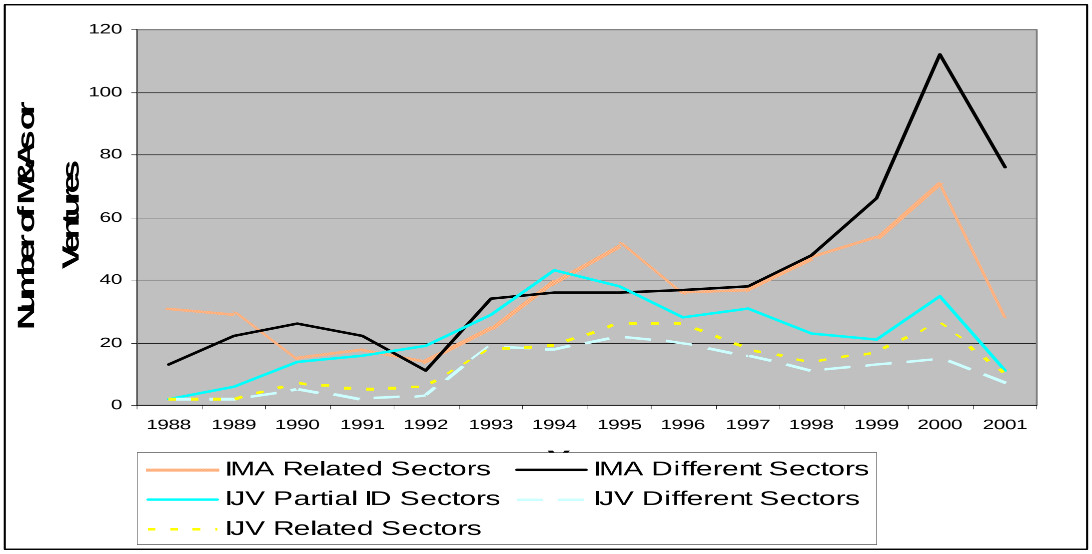
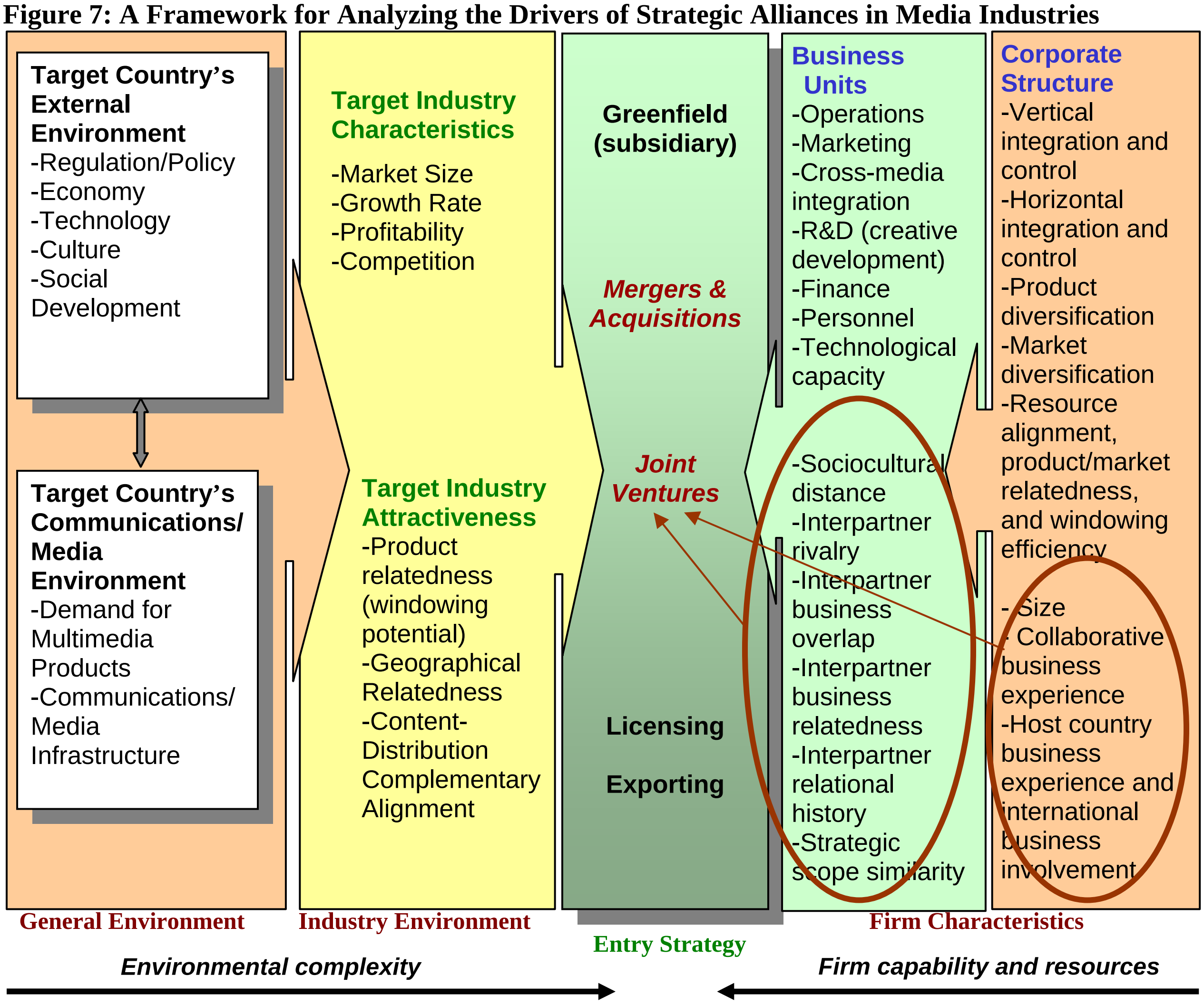


Figure 7: A Framework for Analyzing the Drivers of Strategic Alliances in Media Industries



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