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Mediatization of companies as a factor of their communication power and the new role of public relations

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**Media  
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which he prefers to call the grammar, in five key sets, namely the merger of public and private communication, a variation of reach, differentiated communication with a huge repertoire of possible connections, constant availability, and the same platform for corporations, public institutions, civic groups and individuals.

The new media matrix therefore is not denoted merely by different new media but especially by the changed way of communication that is characterized by direct accessibility to stakeholders and bilateral communication. Castells (2009) analyses the shift of vertical communication into horizontal and develops the term self-mass communication, while stressing the segmentation and diversification of audiences in the changed network society. Production of owned content and media in companies should be understood as a part of those changes.

Although establishing media brands and producing owned digital or traditional media does not imply the abandonment of traditional media communication practices in companies, these changes have an impact on the manner and quality of traditional media communication practices such as advertising by expanding the native advertising practice or changes concerning press releases (Verc'ic & Tkalac Verc'ic, 2014b).

Thus, this new mediatization phase not only involves companies adapting to the characteristics of various media but also the development of a company's own content and its institutional and technical *modus operandi*, including various distribution methods, symbolic resources, and the application of formal and informal rules (Hjarvard, 2008).

In turn, this has a significant impact on the expansion of the role, activities, and expected competences of those who design and manage communication processes within the company—strategic public relations. The role of strategic public relations expands in the direction of understanding the new media matrix, creating and managing owned media, producing and distributing content, and extending traditional mass media relations.

The first important direction for future studies is analyzing the new dimension of public relations, especially media relations in the context of the new media matrix. The second direction refers to new characteristics of digital and changed characteristics of traditional media, which are important for the creation of communication power and influence. The third direction refers to analysis of the effects on the behavior and decision-making of stakeholders. Any new research of mediatization as a factor of communication power also should include an analysis of the impact and effects on stakeholders.

By harnessing three concepts, namely communication power (Castells, 2009), mediatization (Lundby, 2009), and strategic corporate communications (Hallahan et al., 2007), we can establish a more comprehensive conceptual framework for analyzing changes in the communication practices of companies. The analysis of communication practices through the prism of influencing the stakeholders and in the context of a changing media matrix opens up a new perspective for defining the role of strategic communication and public relations. Taking the next step in analyzing the characteristics and changes in corporate media communications and modern-day public relations thus is encouraged.

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tion efficiency is indicated indirectly through the increase of the company's reputation, as demonstrated in the results of a market survey of the position of the company and the market.<sup>1</sup>

The qualitative analysis, however, has revealed the characteristics of the process through which the company's greater impact is generated. First, the company attempts to affect the stakeholders' way of thinking and decision-making directly through the manner of choosing, presenting, and promoting specific topics in its owned media. Second, the owned media enables the selection and ranking of different content issues to affect stakeholders' thought agendas. Finally, the company attempts to generate an appropriate communication context within which specific topics are presented and which is important for the company's perceived reputation and legitimacy (Pallas & Fredriksson, 2013).

Following the results of the case study, a new mediatization phase can be defined as a process through which a company, via owned media and content, gains greater control over various communication factors that have a significant impact on stakeholders' thinking and decision-making. This includes the content, communication forms, and formats adequate for the current digital-dominated media matrix as well as distribution itself as an important part of media.

As part of this study, the crisis the company experienced is understood as an important specific circumstance that facilitated the new mediatization phase within the company, but the crisis itself was not a sufficient reason for the beginning of a new phase of mediatization.

The holders of strategic communication in the company are aware that the stakeholders' thinking and decision-making processes, due to the changes in the communication environment, must be followed by new and very diverse types of communication in a range of media, especially digital, and with a varied tempo. This, however, requires the existing communications competences to be expanded, especially those concerning the strategic management of communication in the company, editorial and technology, and content and media distribution.

## **6. Conclusion and future study**

The concept of media relations as an important part of public relations is changing and will have to include new processes, skills, and organizational competences linked to owned media and media network production and distribution, especially those of new digital media as a key tool for influencing stakeholders.

In-house media production competences are becoming an important part of the expert competences of public relations practitioners and strategic communications managers. These, however, not only include editorial, technological, production, and publishing competences linked to content distribution but also include a shift in the perception of stakeholders as new audiences, defined by changes inside the media matrix, within which relations with them are established (Finnemann, 2011).

The new media matrix in which digital media plays the dominant role not only means bringing new media into consideration but, as argued by Finnemann (2011, 2014), it also means a qualitative shift that changes the function and role of other media inside the matrix. On this basis, a new phase of mediatization has been defined and owned media are an important indicator of these changes.

Digitalization and the Internet require a shift in the traditional understanding of media (Sriramesh & Verčič, 2009). The inherent logic of such new media has changed due to the potential for horizontal, direct, and two-way stakeholder communication. Finnemann (2011) defines the new media logic,

innovation or excellence. Currently, our matrix measures financial results. In the future, we will also need to measure communication results.” (Jan, male, 43 years of age, CEO, 3 years with the company)

A regular annual survey of the industry, conducted by an external organization, has revealed a positive shift in the company’s image. Unfortunately, though, the survey does not provide a deeper insight into the reasons for the shift in public opinion. The survey did, however, clearly show the decline in the importance of television ads and the increasing importance of web communication as a source of customer information.

Through the development of owned media, the functions, tasks, processes, and methods of work of both of the company’s communication departments also have changed. This is most easily seen in the way the editorial function in the marketing and public relations departments was established. As the head of corporate communications explains, the new editor position “does not only involve the task of carrying and disseminating information, but also the task of conceptually building a relationship with one’s audience.” (Jaka, male, 45 years of age, manager of the PR department, 2 years with the company)

He describes the editorial function as an autonomous professional function within the company. The creation of editor panels as organizational units that offer expert advice and bring together experts from various company departments is also an important aspect of the organizational shift.

Although the production of owned media has not facilitated an organizational change at the highest level, it has brought a new operational logic to both departments. Despite the fact that the publishing project came into being as a common concept, today each department more or less independently develops its own owned media.

## 5. Discussion

As this case study shows, the subject of reviewing the in-house production of media and media content is part of a more complex package of communication changes. It can be observed that the new mediatization phase has had an impact on the strategic level of communications management, work processes, and organizational structure of communications. The result is a new combination of communications activities in which the current activities, especially media relations and advertising, have changed and the production of owned content and media is gaining an important role.

The company understands that establishing its own media brands and producing its own media content is a necessary shift in its method of communicating with key stakeholders, which enables the company to manage stakeholder relations effectively and, through these efforts, to influence them. The reallocation of the financial budget for the production, distribution, and management of owned digital and traditional media is witness to the size and relevance of the shift. This budget is now the same as that earmarked by the company for traditional advertising.

These changes are motivated by the company’s intention to have a more effective impact on the thoughts and actions of its stakeholders, and they are fueled by the realization that some important aspects of this relationship can be managed more precisely and effectively through owned media. At the heart of successful media communication is a clear understanding of stakeholders’ interests, needs, and communication behavior, as well as the design of various types of content and distribution through different owned media. The issue of distribution of content as a key dimension of new digital media is gaining particular importance.

Based on the case study, it is impossible to determine precisely what impact this new mediatization has had on the company’s communication power as no direct analysis of the impact on the stakeholders was made. Communica-

in-house is analyzed, as well as the guidelines for communication activities. The analysis revealed that the company's advertising logic and existing media relations differ significantly from those used previously.

One of the new editors describes the method of work when she began working in her current department as follows:

"When I joined the marketing department, we worked on traditional advertising campaigns that were linked to individual products. Individuals 'covered' everything related to such advertising campaigns—from the creative design to media purchasing." (Dana, female, 33 years of age, editor, marketing department, 7 years with the company)

Today, the same person acts as an editor, and in this function edits the content of the media portal, takes care of regular e-mails and the printed magazine, and is responsible for other communication activities from advertising to organizing events for a certain stakeholder segment. The company has established three editor positions, two in the marketing department and one in the public relations department.

The company thus has begun developing its own complex and autonomous logic for managing its own media communications processes, which differs from the existing logic that mainly focused on being familiar with and considering the rules and mechanisms applicable to mass media.

#### **4.4. Impact of new media communication practices and organizational change**

As one of the editors put it, an important impact of new media communication practices and organizational change is that the company establishes and builds customer relations beginning with the process of drafting content. The editor highlighted the active bilateral communication and customer relationship that is built through producing content and that is built upon in subsequent communication phases. The customers thus become an important part of creating owned media, which is one of the key characteristics of digital media in general.

"Marketing now receives direct feedback once received only by the company's sales departments." (Dana, female, 33 years of age, editor, marketing department, 7 years with the company)

The content of one's owned media has an impact on the building of the relationship with stakeholders.

"The media and stories we cover show that we care for the customers we represent. And this leads customers to think that if they care about someone else, they also probably care about me." (Maja, female, 42 years of age, head of the marketing department, 12 years with the company)

The marketing director had the following to say about the impact of the owned media created by the marketing department:

"For example, the magazines are not sales-oriented, but are rather focused on growing the company's reputation. The magazine has grown customer trust and loyalty, which impacts sales in the long-term." (Iris, female, 55 years of age, manager of the marketing department, 20 years with the company)

The company's measurement of the impact of its owned media is poor, as it only measures the reach and likeability of individual pieces of content. The results of measurements of the reach of e-mails, for example, show that the company reaches between 24% and 40% of the addressed users. The basic scope of the magazines ranges between 13% and 78%. However, the company is aware of the need to establish a more precise measurement of these impacts. In the words of a senior manager:

"We will have to measure what contributes to enhancing our reputation, which is an important aspect of our broader competitive advantage. It is important for us to know whether we are able to effectively communicate our



The analysis points at three types of reasons why the company should produce owned media. The first reflects changes in the way the company's stakeholders think and communicate. As highlighted by the marketing director: "We have probably all given you the same answer: the world has turned upside-down. At least in the banking industry, the manner, the purchasing path customers embark on, and their demands along that path have shifted by 180 degrees." (Iris, female, 55 years of age, manager of the marketing department, 20 years with the company)

As the company found out, the way in which stakeholders establish contact and build a relationship with brands has changed, and existing communication methods such as advertising now are only a part of this function.

This thought is illustrated by the fact that the introduction of the publishing strategy and the building of owned media brands involved a conscious shift from the logic of communicating with stakeholders to the logic of communicating with the public. In its communication documents, the company defined three major media brands that are reflected in the titles and editorial concepts of the Internet portal, e-mails, and printed magazines. As highlighted by the head of corporate communications:

"This concerns the broader relationship and the role the company and its brand should have in people's lives—that the brand represents information, quality, trust, advice, and lifestyle, and that it lives together with the people. This is therefore another trade-off rather than purely consumption, and involves significantly more trust and responsibility. This means that one must view their stakeholders as audiences, who one mainly trades relevant information with." (Jaka, male, 45 years of age, manager of the public relations department, 2 years with the company)

The second group of reasons to change the company's media communication strategy includes those linked to the characteristics of the financial services offered by the company and the changes in its customers' attitudes toward such services. The company cannot continue marketing its services effectively unless it also offers them with financial products, useful and beneficial advice, and interpretations, underscored by the company's trustworthiness and professionalism, which is a function assumed by owned media.

The third group of reasons for the new mediatization phase includes those directly linked to the crisis communication situation within the organization. The company's reputation and trust crisis contributed to the speed of change as it rendered the company's traditional advertising and corporate communications ineffective. The company was faced with a situation in which it simply was unable to obtain more favorable reporting within edited media content in the myriad of media or positive responses to its advertising campaigns.

As one of the company's managers described the situation:

"Until the company's position changed, it was a loss of energy to communicate in general—the only sensible thing was to deal with our customers, which of course also includes owned media aimed at those customers." (Jan, male, 43 years of age, CEO, 3 years with the company)

The structure of the communication budget is also an important indicator of the scope and breadth of the change. The marketing director's estimates the company in 2015 is spending about 30% of its entire communication budget on the production and distribution of its own content and media. In 2014, this share grew to equal the funds invested by the company in all types of advertising. The rest of the marketing budget is intended for direct communications, public relations, and other communication activities such as sponsorships or events.

#### **4.3. The production of content and media**

In the second part of the case study, the manner and logic of producing media

agement. The average length of the interviews was 90 min. A protocol and an open questionnaire were prepared for the interviews. The answers were coded according to key sets: conceptual, media production, effects of media-tization, and organizational. In the presentation of results, the interviewees have been anonymized, while information about age, gender, and function has been maintained. In relation to their educational level, all interviewees have completed a bachelor's degree.

The second source of analysis was corporate-owned media and media-associated strategic conceptual and operational implementing documents, instructions, presentations, guidelines, and surveys on the effects of media carried out by the company itself. Included in this section are the results of a market survey of the position of the company in the market, which was conducted independently as a sectoral study by a specialized agency.<sup>1</sup>

The third source was the direct observation of changes in the period between 2013 and 2015 and the analysis of the observations.

#### **4- Case study**

##### **4.1. Case study description**

The company chosen as the subject of the case study operates in the financial services industry, is well established in Slovenia, and has a network of related companies in southeastern Europe. The company is large for the Slovenian market, with 3000 employees, and it faced an operational crisis when the global economic crisis emerged in 2008. It is important to note that as a result of its majority ownership, the state often helped the company by injecting public funds into the business, which negatively impacted the company's reputation and catalyzed a legitimacy crisis. The company was the target of constant negative publicity in the mass media, which highlighted the question of the legitimacy of the organization as a whole or certain parts thereof, especially its management.

The company had two departments in charge of communications: the marketing department (12 employees) and the public relations department (nine employees). Before the crisis, as well as during its first years, the company used traditional communication tools and approaches in communicating with its customers and other stakeholders. The media relations function predominated in the public relations department, while advertising campaigns were the main responsibility of the marketing department. In the context of the company's crisis, these communication activities failed to achieve the desired results.

After a new management team took over in 2013, the company underwent an extensive restructuring program. This program consisted of 20 special restructuring projects, one of which was aimed at the company's communications and had the interesting official title of "Publishing." The program constituted a new communication strategy, which justified the need to develop the company's own media brands. The program encouraged the redefinition of the key company stakeholders

and defined the content and media produced in-house as the framework for stakeholder communications. The publishing project encouraged the rapid process of communication changes in the company.

Beginning in 2013, the company established new owned media and redefined and linked together the fragments of other owned media that had been established before. Three owned magazines for various customer segments and two groups of regular e-newsletters were developed. Also, the company significantly overhauled its main website, establishing within the then-dominant product and corporate logic a part of the portal with articles, videos, infographics, and other types of content as a new medium.

##### **4.2. Establishing the in-house production of media**



ables the phenomenon of mediatization to be covered and analyzed both in its historical dimension, which responds to the question of why mediatization is changing, and in its structural dimension, which responds to the question as to how mediatization is changing.

Corporate communication power is a relational category which, in a mediatizing society, creates and realizes itself through media communicated relations. Companies generate communication power as the capacity to influence the decisions of stakeholders such that these decisions match the will, interests, values, or objectives of the companies. As Castells (2009) states in his definition of communication power, this proceeds primarily through the construction and mediation of meanings, based on a discourse through which activities are directed, while stakeholders internalize this and realize it in relations of accepting or rejecting loyalty, authority, reputation, or legitimacy. Public relations are precisely one of these discursive communication practices through which companies generate communication power (Berger & Reber, 2013). Soft power is none other than public relations (Nye, 2004; Vercic, 2008). The issue of influence and communication power as a central issue for strategic communication (Hallahan, Holtzhausen, Ruler, Vercic, & Sriamesh, 2007), through the viewpoint of mediatization, gains a new dimension that needs to be explored and clarified, but the analysis of mediatization through the viewpoint of power and influence of the social actor also opens up a new perspective.

### **3- Method**

#### **3.1. Principles for empirical qualitative analysis and limitations**

The current study starts from the position that mediatization is not only a meta-process (Hepp, 2009) but a process can be researched empirically through the concept of mediatized worlds as defined by Krotz and Hepp (2011): "They are the level where mediatization gets concrete and by this can be analyzed empirically" (p. 146).

The selected qualitative case study method allows an insight into the communication processes of companies that are not yet clearly structured; this method also allows an analysis of the understanding of changes on the part of stakeholders. This is especially important in our case, for we wish to know how these processes alter the function of public relations such as the management of strategic communication in companies. Qualitative case studies also have limitations, especially concerning generalization (Yin, 2009). For this reason it is especially important to analyze and take into account specific circumstances that affect decisions regarding the introduction of new communication practices into companies. The method therefore requires caution in analyzing and interpreting the findings.

#### **3.2. Selection of the company and sources for the analysis**

The key criterion for the selection of the company for study was that it be in a pronounced phase of changing its communication practices and introducing the production of its own content and media. Changes in the company are distinct and have come about in a short time. In the company chosen, a large amount of owned media emerged or was transformed in the period between 2012 and 2014 while the process of change continued during the period of research.

The case study is based on three sources and types of information. The key source was in-depth semi-structured interviews with the main stakeholders of communication activities. The interviews were carried out from March 2015 to May 2015. Seven interviews were conducted, four of which were with people from the marketing department (two managerial and two operative persons), two with people from the public relations department (a managerial and an operative person), and one with a person from top company man-

changing and which is summarized superbly by Ihlen and Pallas (2014). On the other hand, companies simultaneously are transitioning to a new phase of mediatization characterized by the incorporation of media production and, consequently, media logics into companies themselves in line with the shifting media matrix within which companies operate. Companies therefore are becoming producers of content and publishing houses for their own mostly digital, but also traditional, media, networks, and channels.

### **2.1. Communication power**

A key point of the analysis is the question of why companies are mediatized at all. Deacon and Stayner (2014), in their critical analysis of the concept of mediatization, highlight the question of power and emphasize that agents of mediatization tend to be seen in most of the discussions of the concept as “in-nately powerful.” This is suggested through language because terms such as pressure, influence, effect, and the like commonly are used to describe how media “have the power to bring about change on their own” (Deacon & Stan-ner, 2014, p. 1035).

But the explanation that mediatization inside companies occurs because they are operating in a mediatized environment, and that the dominant media influence corporate communication practices, allows an analysis of some current forms in which mediatization appears in companies. It does not establish, however, an appropriate conceptual space for analysis of the internal grounds, mechanisms, and development of mediatization from the actor’s viewpoint. The analysis of company mediatization therefore should be framed in a context of generating corporate communication power. This paper proceeds from an understanding of companies as goal-oriented social entities that realize their objectives by deliberately influencing the thoughts and actions of stakeholders.

The fact that the will or intent to achieve effects is a key component of understanding power already has been defined by Weber (1986), who fleshes this out with a definition of power as the capacity to achieve effects despite resistance and irrespective of the foundations on which that capacity is based. Dahl (1986) defines his intuitive idea of power through the concept that A has power over B to the extent that it can get B to do something it would not otherwise do. Such a behaviorist approach, as defined by Lukes (2005), sheds clear light on one of the dimensions of power, and this was reflected in those concepts of public relations based on a thematization of the function of persuasion in decision-making processes (Pfau & Wan, 2006).

As Bachrach and Baratz (2002) note, however, power has “two faces” for A does not exercise power over B merely by influencing the decision-making process but also by framing the area of discourse or defining the issues over which the decision-making is being conducted, or else A succeeds in blocking the process of actually deciding on a given issue. The function of defining the agenda is an important part of the analysis of power, especially an analysis of the power of the media through the framing theory and determination of the agenda (Curran, 2002; Entman, 1993; Littlejohn & Foss, 2008; Malmelin, 2007; Sriramesh & Verc’ic’, 2009).

Lukes (2005) supplements the work of the aforementioned authors and defines power as a multidimensional category for which both the decision-making process (the Dahl approach) and the process of non-decision-making (as in the approach of Bachrach and Baratz) are important. Lukes also adds a third dimension to the concept. This emerges from the behaviorist angle and conceptualizes the third dimension of power, which is founded in the structural effects on the activity.

An analytical position defined in this way – which places company mediatiza-tion in the area of power and influence in relations with stakeholders – en-

nological *modus operandi*, including the method of distribution, the symbolic resources, and the use of formal and informal rules (Hjarvard, 2008), while Couldry and Hepp (2013) point out that different media have different logics, which must be taken into account in the analysis.

In their analysis of the development of corporate mediatization, Ihlen and Pallas (2014) proceed from the definition of mediatization as an adaptation of corporations to the logic, working practices, and preferences of the media, and that the different media thereby crucially shape the environment and operating conditions. In their analysis, however, they remain within the framework of corporate relations with the mass media, as is the case in a study by Pallas and Fredriksson (2013).

When speaking about mass media, it is important to bear in mind the warning by Krotz and Hepp (2011) that media should not be equated with mass media, as the latter is only one type of communication media. They say a definition of media should refer to the characteristics of all relevant types of media. At the same time, such a definition should be independent of the specific way that people individually use certain forms of media (p. 142).

When we speak of owned media, we therefore need to expand our understanding of what the media are, a task that was performed in the mediatization analysis by Krotz and Hepp (2011), who define media very broadly as something that modifies and transforms communication.

A definition of media that is too narrow or unclear leads to confusion. For example, a single phenomenon such as a corporate Facebook channel could be designated as a medium, a network, or a communication channel.

Yet specific forms of mediatization derive, in Finnemann's definition (2011), from specific media circumstances in the current media matrix. This means that the mediatization in the 21st century is different from the mediatization in the 20th century, which was defined by a media matrix in which mass media was predominant. For this reason the establishment of media relations and marketing departments in companies, with the primary responsibility of advertising in the media and thereby influencing various stakeholders through mass media, can be understood as a historically defined form of company mediatization (Verc'ic' & Tkalac Verc'ic', 2014b).

Current media circumstances are characterized by the shifting role, operating method, and influence of the digital media. Under the influence of technological, informational, and associated social change, which we label digitalization, individual media and the entire media matrix within which companies operate are changing (Gillin, 2007; Hiebert, 2004; Zeffass, 2010). The new media environments emerging in the digital environment, especially on the Internet, are taking on an increasingly important role in communication (Finnemann, 2014).

The issue of the media has always been one of the central issues of public relations (Sriramesh & Verc'ic', 2009), and for this reason media relations commonly are understood as the most important media communication practice of companies to influence stakeholders and audiences via the media (Verc'ic' & Tkalac Verc'ic', 2014b). In line with the predominant role of the mass media, analyses that deal with the processes of mediatization of companies to a large extent have been aimed chiefly at the characteristics and forms in which mediatization appears. This is because mediatization emerged in the previously predominant context of the mass media, which still plays a major role in corporate communication with various stakeholders (Ihlen & Pallas, 2014; Kantola, 2014; Pallas & Fredriksson, 2013).

Therefore, on the one hand, we can observe in companies a continuation, diversification, and development of that part of mediatization that is evident through adaptation of the developing logic of the mass media, which also is

Modern companies are developing individual owned media, along with increasingly complex systems of owned media, as an important component of integrated communication strategies. These new corporate media practices bring up a range of questions: Does the changing of companies into media producers signal a new phenomenon (Scott, 2007)? What are the effects and why is this happening now? And what relationship does this have to the existing media communication practices conducted as a part of media relations or corporate advertising practices?

Cases of corporate owned media can be found throughout the history of companies, including in the period before the development of the public relations function. Yet the widespread nature of the phenomenon and the diversity of owned

media and content production, as well as the reflection of this phenomenon among communication practices and analyses (Lieb, 2012; Pulizzi, 2014) as new communication paradigms labeled content marketing, establish a context for the research questions: What do owned media and content production in companies look like? What does it mean in terms of the generation of communication power and corporate influence over stakeholders? And what will this mean for public relations, especially for the function of strategic communication management in companies?

The current study also addresses broader issues of the communication dimension of companies: Does the production of owned digital and traditional media and media content, as an increasingly important part of the communication practice of companies, point to a new phase in the process of company mediatization, which is developing because the media matrix (Finnemann, 2011) within which companies operate and which define the basic characteristic of media-related communication has changed? Can the existing form and method of mediatization of companies – tied principally to the mass media (Ihlen & Pallas, 2014) – still ensure adequate production of communication power for companies as an ability to influence stakeholders?

To answer these questions, a qualitative study with public relations and marketing professionals from a selected company was conducted.

## **2- Literature review**

The conceptual framework that enables analysis of the development and changes in planning and implementing media communication with key corporate stakeholders is mediatization (Lundby, 2014). Mediatization is the concept that helps one see the traditional issues of communication studies and the media in a new, relevant way, and in so doing helps in understanding the influence of mediatization on communication in modern society (Lundby, 2009, 2014).

The concept of mediatization, as Lundby (2009) says, can be defined within a matrix among communication, culture, and hegemony, and it is also defined as a process of social change that brings media logic into the social and cultural fields while its roots lie in the development of modern media technologies (Silverstone, 2005). Krotz (2009, 2014) also has stressed the importance of meditation to understand the societal and media changes.

Lilleker (2008) defines mediatization as a theory explaining how the media formulate and frame the process and discourse of communication. Mazzoleni and Schulz (1999) point out the consequences of these processes because institutions and society as a whole are shaped under the influence of, and with dependence on, the mass media. Hjarvard (2009) emphasizes the institutional aspect and defines mediatization as a process in which society becomes subordinated and dependent on the media and their logic. Lundby (2009) draws attention to media logic, which is a key mechanism within the mediatization process. Media logic relates to both the institutional and tech-

# Mediatization of companies as a factor of their communication power and the new role of public relations

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## abstract

The paper seeks to explore and analyze the mediatization of companies, and argues that companies are entering a new phase of mediatization that is no longer evident as an adaptation to the logic of mass media but now involves the incorporation of media logic into the company's own media practices and communication structure. Companies are (i) transforming into producers of owned media and media content, and (ii) through their owned media, managing communication with stakeholders, which is (iii) significantly altering the role of corporate public relations. In the context of a case study of a company from the financial sector, the paper brings together three concepts – communication power, mediatization, and strategic communication – toward a new conceptual framework for assessing the characteristics of the communication dimension of modern companies. Such an analytical position enables the phenomenon of mediatization to be analyzed both in its historical dimension and structural dimension.

## Keywords

Mediatization. Communication power. Companies. Public relations . Media logic. Owned media.

## 1- Introduction

Corporate communication activities are nowadays to a large extent conducted via the media (Ihlen & Pallas, 2014; Krotz

& Hepp, 2011; Sriramesh & Verc'ic', 2009; Verc'ic' & Tkalac Verc'ic', 2014a). These activities are planned and implemented to establish and develop relations with stakeholders, and through these relations, to influence the views and actions of key stakeholders.

Corporate media communication practices, including media relations, are changing and evolving (Ihlen & Pallas, 2014), and some practices that were viewed as quite marginal until recently now are gaining in importance. One such practice is owned media and media content production (Baetzgen & Tropp, 2013; Pulizzi & Barret, 2009). Owned content and media – mostly digital, but also electronic and print – are being produced to a greater extent by an increasing number of companies (Pulizzi, 2014).

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