Chapter 22

Corporate Strategies in Media Convergence:
A Comparative Study of Sony vs. Samsung as Transnational Cultural Industries

Dal Yong Jin
Korea Advanced Institute of Science and Technology, South Korea

ABSTRACT

This study is a historical documentation of the recent trends of Sony's and Samsung's engagement in the cultural industries mainly by examining convergence between their own hardware and software to ascertain whether this trend is confirmation that Sony and Samsung play pivotal roles in the cultural market. This chapter investigates the cause of the changes and growth of Sony and Samsung, and it discusses the similarities and differences between them, with a focus on corporate policies and business strategies in convergence. In particular, it articulates the ways in which changing corporate policies have played a critical role in the growth of local-based transnational cultural corporations, because what makes them different from other firms is their approach to corporate policies of convergence.

INTRODUCTION

Over the past ten years, media convergence has been a business mantra in the global cultural industries. The enthusiasm of these industries for converging their hardware with digitalized software has been popular due to synergy effects. The ubiquity of the term synergy during the 1990s and until recent years has resulted in it becoming a must-take-business model for the cultural industries with digitalization of signals, which make the

signals themselves equal, regardless of what kind of information or communication they represent (Fagerjord and Storsul, 2007). Due to synergy effects and economics of scale, those involved in the production and distribution of diverse cultural industries—both traditional media such as network broadcasting, newspaper, and computer corporations, and the new media sector, including the Internet, mobile, and cable industries—have vehemently sought convergence (Chambers & Howard, 2005; Chan-Olmsted, 1998).

Although several important factors have driven media convergence, two major causes for the

rapid growth in the process of convergence are technological advance in transmission techniques (Wolf, 2000) and the processes behind neoliberal media and telecommunication policies (Hesmond-halgh, 2008). In the context of communication technologies, one talks about the coming together of several discrete technologies to create a hybrid technology. Interrelated waves of convergence during the late 20th and the early 21st centuries around digital technology provided the inter-operable systems crucial for transferring content from one medium to another with relative ease and speed. Because digital technology recognizes text, visuals, and audio all as binary code, previously incompatible media formats could increasingly be thought of as variant embodiment of the same governing technology—just as different dialects of the language of computers (Wolf, 2000; Miller, 1996). Convergence is challenging for many traditional forms of media which attempt to step into the new media sector, including the Internet market, because current media convergence has been fuelled by increasingly pervasive digital technologies (Huang and Heider, 2008; Bar and Sandvig, 2008; Schiller, 2007). In other words, the digitization of information technology and media as well as the development of media technology have contributed to media convergence (Lawson-Borders, 2003).

Meanwhile, the liberalization of national communication markets leads to individual national markets becoming part of a global market in communications (Mckenna, 2000). Although convergence started several decades ago, the transactions have been expedited with the rapid employment of neoliberal communication policies, mainly during the 1990s. Privatization of public broadcasting and telecommunications and liberalization of domestic markets have blurred the distinction between the old media and the new media, and media companies have become multi-media firms through consolidations in the midst of neoliberal reform worldwide (McChesney, 2001; McPhail, 2006). The loosening of regulations in cross-ownership among cultural industries has come to play one of the most significant roles in expanding their business areas beyond the traditional core business areas in many media companies (Thussu, 2006). In the midst of pro-media and cultural policies and advanced digital technologies, media and cultural corporations have pursued the convergence process in order to acquire multi-media and multi-functional networks starting with Western-based cultural industries (D. Schiller, 2007).

The centrality of multi-platform content strategies to contemporary cultural conglomerates also resonates in the very architecture of non-Western based cultural industries. In particular, two Asian-based cultural conglomerates—Sony in Japan and Samsung in South Korea—have turned themselves into convergence cornucopia. While advancing digital technologies, they have developed software such as film and television programs and have pursued the integration of software with hardware, which would benefit from already established global corporate brands. Sony and Samsung's recent growth as participants of the cultural industries is largely a result of both convergence and globalization, which have been key to both firms' strategies through commercial and technological integrations (Chang, 2008).

Regardless of the rapid involvement of Sony and Samsung in the global cultural market, there is little consensus in views on their roles in the global cultural industries. Using the example of the Sony Walkman, Paul du Gay et al. (2001), which is almost only book, analyzed how and why cultural practices and institutions have come to play such a crucial part in our lives and indicated Sony as the global cultural firm. There is no single work dealing with Samsung as a cultural corporation. Indeed, as a reflection of the recent growth of Sony and Samsung as cultural industries, there is no significant literature on the story of Sony and Samsung, although several previous works mainly focus on them as electronics corporations only (Nathan, 1999; Lee, 2006; Chang 2006). This study is therefore a historical

Related Content

The Impact of Customer Churn on Social Value Dynamics
Przemyslaw Kazienkoand Dymitr Ruta (2009). *International Journal of Virtual Communities and Social Networking (pp. 62-74).*
www.irma-international.org/article/impact-customer-churn-social-value/34096

An Exploratory Study on Consumer Purchase Behavior From Live Webcasting E-Commerce: A Means-End Chain Analysis Using Facebook Live Webcasting
Carol Yirong Lu, Michael W. Marek, Brendan T. Chenand I. Cheng Pai (2022). *Research Anthology on Social Media Advertising and Building Consumer Relationships (pp. 1942-1963).*
www.irma-international.org/chapter/an-exploratory-study-on-consumer-purchase-behavior-from-live-webcasting-e-commerce/305432

Evolution of Trust and Formation of Preference Clusters in Distributed Networked Structure
Purnendu Karmakarand Rajarshi Roy (2011). *International Journal of Virtual Communities and Social Networking (pp. 17-50).*
www.irma-international.org/article/evolution-trust-formation-preference-clusters/61432

"Visit to a Small Planet": Achievements and Attitudes of High School Students Towards Learning on Facebook – A Case Study
Rikki Rimorand Perla Arie (2018). *Social Media in Education: Breakthroughs in Research and Practice (pp. 188-218).*
www.irma-international.org/chapter/visit-to-a-small-planet/205708

Using Social Media to Enhance Information Literacy: The VCU Libraries #VetYourSources Campaign
Sue Robinsonand Laura W. Gariepy (2019). *Social Media for Communication and Instruction in Academic Libraries (pp. 173-192).*
www.irma-international.org/chapter/using-social-media-to-enhance-information-literacy/224550