

Media Entrepreneurship: Missionaries and Merchants¹

Anne Hoag
Penn State University

Ben Compaine
Northeastern University

Submitted to Media Management and Economics AEJMC for 2007 AEJMC Conference

¹This research is supported by a grant from the Ewing Marion Kauffman Foundation of Kansas City. In addition, this work-in-progress draft cites a previous paper in which data from the Kauffman Financial and Business Research Database was analyzed. This database is assembled by the Ewing Marion Kauffman Foundation and is specifically conditioned to meet high research standards. The longitudinal database includes financial and demographic data for U.S. companies and is made available to researchers for academic purposes.

Media Entrepreneurship: Missionaries and Merchants

Abstract

Despite concerns over media concentration, recent scholarship suggests most media sectors enjoy a high degree of entrepreneurship. Entrepreneurship research assumes actors, no matter the industry, seek the same rewards. A grounded theory approach was used to discover attributes of the “individual-opportunity nexus” that may be unique to media entrepreneurs. Categories emerged from interview data suggesting uniqueness. Media entrepreneurs can be classified as either “missionaries” or “merchants.” Encouraging prospects for a healthy media sector are discussed.

Media Entrepreneurship: Missionaries and Merchants

The importance of a vibrant and innovative media sector in a democracy has been evident since Thomas Jefferson wrote to Edward Carrington in 1787 that “were it left to me to decide whether we should have a government without newspapers or newspapers without a government, I should not hesitate a moment to prefer the latter. But I should mean that every man should receive those papers and be capable of reading them.”

However it was Frenchman Alexis de Toqueville who first observed in the 1830s the role of media entrepreneurship in the United States. In his second volume of *Democracy in America* (2000, 1840), Toqueville identified the media entrepreneur (though not employing that term) as peculiar to American democracy in a passage titled, “On the Literature Industry (p. 450).” He may well have been the first to recognize the inherent interdependencies among media, capitalism and democracy, noting that democracy creates a mass market for “literature” (Newspapers, books and a few magazines were then the only mass media) because citizens seek to be informed in order to participate in their democracy.

Being rather precocious of entrepreneurship theory, Toqueville presaged a major theme in the current literature when he judged this new, ever-expanding media market an “opportunity” to those who could perceive it. The “individual-opportunity nexus” (Shane, 2003) views entrepreneurship as a discovery process where opportunity and the agency of the individual come together. To extrapolate, it is the notion that barriers-to-entry are a matter of perception and can be overcome by individuals with the entrepreneurial mindset. It runs in contrast to the view in economics research that barriers-to-entry are objective and equal to all new entrants.

In media, a simple illustration could be pioneers in peer-casting: because of their unique mindset, entrepreneurs were unencumbered by conventional barriers-to-entry in traditional publishing (e.g., access to capital or industry structure). They failed to perceive these boundaries others viewed as barriers. They saw no impediment to harnessing peer-to-peer networks, blogging and podcasting to distribute their media where most others could not have recognized the possibility.

To the extent that new entry in media markets is desirable from a public policy point of view, this research investigates the prospects for new entrants. The research draws on the insights of recent entrepreneurship scholarship and from original qualitative analysis of data collected from a group of media entrepreneurs. It seeks to discern unique attributes of media entrepreneurs, media opportunity and special barriers-to-entry as perceived by media entrepreneurs. Our purpose is to contribute to recent research on the phenomenon of media entrepreneurship and determine whether entrepreneurs building media enterprises face different opportunities and challenges than entrepreneurs in general. In turn, we hope, this line of research may suggest policies to promote – or not discourage – more entry.

This paper is organized as follows: First, the concepts and context of media entrepreneurship in the U.S. are given. Second, recent scholarship around the individual-opportunity nexus is reviewed and developed for the media context. We explain our grounded theory approach to seek patterns and meaning on opportunity recognition and exploitation. Results are reported, followed by a discussion of policy implications for new entry in media markets.

Media Entrepreneurship: Concept and Context

Media entrepreneurship is “the creation and ownership of a small enterprise or organization whose activity adds at least one voice or innovation to the media marketplace (Hoag, 2005).” The basic notion is that entrepreneurs entering media markets cause media innovation and ensure a diversity of viewpoints, a key element in the “marketplace of ideas.” In measuring the incidence of media entrepreneurship, Hoag concluded that in comparison to other U.S. industries, media on the whole were at least as entrepreneurial, and often enjoyed greater rates of entrepreneurship over time and as measured by turbulence and nascent entrepreneurship.

Different sectors were highly entrepreneurial during varying time periods. For example, the advertising agency sector surged in entrepreneurship in the 1960s and 1970s. The motion picture, wireless telecommunications and sound/music recording industries had higher rates of nascent entrepreneurship than U.S. industry overall in the 1990s. Broadcasting and cable had greater turbulence (entry and exit) compared to all industry in the late 1990s through 2001. There was one exception, publishing entrepreneurship, which has been in decline for nearly a half century and lagged U.S. industry overall in rates of entrepreneurship. This research relied entirely on the U.S. economic census through 2001 and therefore missed much of the new entry in media made possible by technological innovations in information and communication.

The question of whether and how media entrepreneurship might be different from entrepreneurship in general then presented itself. If the media sector might be more entrepreneurial than other industry sectors, what might account for it? By the same token, if media markets had consolidated to levels that threatened a truly innovative, independent marketplace of ideas, what might encourage even greater entry to act as a countervailing force to big media?

One commonly cited barrier to entry for new entrants is financing. Whether a nascent entrepreneur bootstraps or seeks outside financing, obtaining capital at critical points can be a challenge. Hoag (2005) sought to determine whether nascent media entrepreneurs face different challenges by benchmarking three common measures of financial performance: profitability, liquidity and capital structure (i.e., the relative dependence on debt versus equity financing). That study found that media entrepreneurs’ firms may indeed perform differently from other small and new firms. Both small and new media firms may be more profitable than their non-media counterparts, and nascent media firms may be less liquid, but not dangerously so. Analysis could not determine whether debt financing strategies were different.

Research that relies on U.S. census sources and large files of financial data remind us that statistics tell a rather limited story. If we wanted to know whether media entrepreneurship and media entrepreneurs are different, we needed to ask them—the in-the-trenches media entrepreneurs.

Entrepreneurship Theory and Research

The interdisciplinary theory building effort in entrepreneurship scholarship reminds us a bit of our own communication discipline’s ferment. Over the last two decades, its progress has been significant and its discourse ample (See Low and MacMillan, 1988; Bull and Willard, 1993; Bruyat and Julien, 2000; Shane and Venkataraman, 2000). A great deal of entrepreneurship theory begins with Schumpeter’s

early writing on entrepreneurship and innovation (e.g., Baumol, 1993). After that, it is categorized broadly as either focusing on determinants of entrepreneurship or its consequences (Carree and Thurik, 2003) or “Sometimes entrepreneurship means what the actor is like; sometimes it means what the actor does (Koppl and Minniti, 2003, p. 81).”

For our present purposes, however, we are attracted to a general theory of entrepreneurship that treats the actor *and* what she does -- at least what she does in the beginning. That is, how the media entrepreneur gets the idea for a media enterprise and then acts on it. To drive it home, how she comes to create and own “a small enterprise or organization whose activity adds at least one voice or innovation to the media marketplace.” This is the “individual-opportunity nexus” mentioned earlier (Shane, 2003; Shane and Eckhardt, 2003).

Shane defines entrepreneurship as “the interaction between individuals and those opportunities (2000).” The theory posits that a) entrepreneurial opportunities exist *ex ante*, b) there is a discovery process by which certain individuals perceive opportunity and c) under certain conditions, those individuals exploit the opportunity (Shane and Eckhardt, 2003). A host of factors determine whether and which individuals will perceive the opportunity: access to information, knowledge corridors, search and cognitive ability and social ties. Likewise, acting on the opportunity may depend on access to capital, contracting solutions, social capital and certain other characteristics of the opportunity and the individual. There may be industry differences as well – in some industries more or less capital is available, there are greater or lower economies of scale, great or little power goes to first movers, there is more or less reliance on complementary assets (meaning the innovation is the competitive advantage, not access to established business practices), the industry or market itself is nascent, immature or mature, and patents give newcomers protection. Applying this comprehensive model to entrepreneurship in media industries could reveal pathways for encouraging new entry.

Methods

Finding empirical evidence for such a comprehensive model could be daunting. However, the Panel Study on Entrepreneurial Dynamics (PSED) collected a wealth of data from a large sample of nascent entrepreneurs across all industries (<http://www.psed.isr.umich.edu/main.php>). The PSED research yield has been immensely rich (See Gartner et al, 2004). In particular, several of the constructs developed from the individual-opportunity nexus are operationalized and measured in the PSED. Though the PSED was a groundbreaking effort to capture knowledge about entrepreneurs and the entrepreneurship process, it was not designed with the media industry in mind. It may yet be possible to identify a subset of media entrepreneurs from the full sample of more than 800 PSED entrepreneurs, select variables relevant to the individual-opportunity nexus and then make comparisons with the general sample of nascent entrepreneurs. Before pursuing that path, however, we devised an empirical approach to avoid pre-suppositions about the nature of media entrepreneurship. Grounded theory (Glaser and Strauss, 1967, 1999; Strauss and Corbin, 1998) is a qualitative research technique often used to build or extend theory by collecting and analyzing interview data and observations. As such, this qualitative research approach is suited to our goals of learning more about media entrepreneurs and their process – from the entrepreneurs themselves.

The research design involved long interviews with media entrepreneurs and archival research, followed by qualitative analysis. The interview protocol was developed to draw out potentially unique characteristics of media entrepreneurs, media opportunities and by extension, prospects for new entrants. Questions were also included to provide matching responses to PSED survey items that measure characteristics of the entrepreneur (background, satisfaction, cognitive traits), opportunity recognition and exploitation and barriers. Above all, however, the questions were intended to provoke rich dialogue between the interviewers and the media entrepreneurs.

Subjects were selected based on several criteria. We focused on the content side because it is the independent voices that we believe have the greater impact. Of the fourteen in the final sample, six are in traditional content businesses (newspaper, book and periodical publishing, film production, cable television programming), six are online content providers and two were involved in both traditional and online media enterprises (see Table 1). The idea behind this dichotomy was to see whether there are differences in opportunity recognition and the types of barriers to entry between new and old media. We wanted to interview subjects across all life cycle stages, from those in the midst of business planning and the start-up phase to those whose enterprises are mature. The purpose there was to include both successful entrepreneurs and those whose success was far from assured. Some of our participants were high profile and have appeared in numerous press accounts, others are relative unknowns. In all cases, the organization is in the U.S, the original founder(s) is (are) still involved in the enterprise and there is a clear revenue model, if not always a profit motive.

Subjects were interviewed in March and April, 2006. Transcripts from audio recordings together with archival research on the subjects and their media enterprises were put to the grounded theory method. Data were coded for *a priori*-determined categories related to the individual-opportunity nexus but mostly, meaning was allowed to bubble up from the subjects' ideas, opinions and experiences.

Table 1: Media Entrepreneurs in the Study

Media Entrepreneur	Traditional or Online	Media Category
1 Male, New York City	Online	videoblog
2 Female, Philadelphia	Traditional	book publisher
3 Male, Connecticut	Traditional	newspapers
4 Male, Altoona, PA	Online	b2b newswire service
5 Male, Buffalo, NY	Both	magazine
6 Male, Boston	Online	technology news service
7 Male, Northeast U.S.	Online	music, radio
8 Female, New York City	Traditional	cable network, film production
9 Female, Wisconsin	Traditional	book publisher
10 Male, Buffalo, NY	Both	magazine
11 Male, Dallas, TX	Online	news service
12 Female, Cincinnati	Traditional	book publisher
13 Male, Florida	Online	free encyclopedia
14 Male, Connecticut	Traditional	newspapers

Results

Analysis revealed both new insights on established entrepreneurship concepts and relationships as well as heretofore unidentified insights possibly unique to media entrepreneurship. Although the entrepreneurs we interviewed have come to their media ventures by many different routes and are at different stages in life, there are some striking similarities in their motivations and attitudes toward entrepreneurship as well as their process for discovery and exploitation. In brief, they are hard pressed to recognize any particular barriers, regulatory, technological, structural or otherwise. And while they are working to make their ventures profitable, their first thought about being “successful” is often a reference to having an “impact” or having influence in some sphere.

That impact, however, appears in two distinct forms. Some view running a media enterprise as more than just an entrepreneurial venture – the media’s power to influence, for this group, is a prime motivator for becoming an entrepreneur. Others exploited their media ideas for reasons similar to those of entrepreneurs in general. We call the former group the “missionaries” and the latter the “merchants” -- a potentially significant organizing concept for media entrepreneurship. The balance of this section reports these and other results in detail.

Traits of the entrepreneurs. There was no attempt to stratify the sample by demographic factors. Yet their backgrounds and cognitive traits were similar to PSED profiles. The sampling strategy yielded a group homogeneous in some respects, but widely divergent in other ways. The group is mostly white, mostly college-educated and mostly male. Most revealed an entrepreneurial streak that emerged in adolescence and/or a family tradition of entrepreneurship. However, they operate their businesses from both large urban markets and rural areas; they ranged in age from their early 20s to about 60. About two-thirds had been employed (mostly in a media industry) before becoming entrepreneurs, the balance had been lifelong entrepreneurs; one rather famously had been

a drug dealer before engaging in legitimate entrepreneurship. About half were serial entrepreneurs, their current venture being their second, third or fourth.

All of our subjects were remarkably forthcoming and enthusiastic about telling their stories. Survey researchers reading this paper will appreciate our response rate: 100 percent of those contacted agreed to participate in this study. Even those media entrepreneurs who have interviewed repeatedly for news stories were still eager to give us their attention despite tremendous time pressures. Without exception their personalities came through as optimistic, curious and energetic. For example, when 9 was asked, “What keeps you going on bad days?” She replied, “There’s never a bad day.” These are glass-half-full people. Most show signs of being dogged, persistent workaholics. One cited her OCD as a trait that helps her be focused and successful.

Opportunity recognition. Subjects are split about evenly between having a process where ideas just come to them and another style where they engage in systematic searches for ideas. Typical of most of our entrepreneurs, 13 offered that he always has plenty of ideas. In contrast, another entrepreneur, a former television news director, cited his training in developing story ideas for his success in recognizing entrepreneurial opportunities. Many revealed highly social styles that likely contributed to the development and exploitation of their media business ideas. Nine and 12 talked about networking with authors and publishers; 13 mentioned a large online network of contacts. They were about evenly split between being impulsive, action-oriented types and having more reflective, deliberate styles.

Missionaries and Merchants. This alliteration is a term coined by Theodore Peterson (1964); the pattern we may be seeing is strikingly similar to one he noted in his historical analysis of American magazine founders in the first half of the 20th century. Peterson saw that after 150 years of American magazine publishing, a new breed of leaders began to emerge around World War I. All were innovators, eschewing established editorial, commercial and technological formulas. The merchants, exemplified by Conde Nast of *Vogue* before WWI and Wells Drorbaugh of *Bride’s Magazine* in the 1930s, got into publishing as a business and were clearly motivated by profit as most entrepreneurs are. By contrast the missionaries, exemplified by DeWitt Wallace of *Reader’s Digest*, Harold Ross of *The New Yorker* and Henry R. Luce and Britton Hadden of *Time*, founded and published their magazines with an eye toward influencing readers, to promote a message or philosophy. They were intensely involved in writing and editing their magazines unlike the merchants.

Peterson points out that the missionaries had no previous publishing experience, though they had all worked as writers, were young when they acted on their ideas and had little access to capital. Peterson points out an amateurish quality, what today might be called low production values, that persisted in “missionary” magazines, even the very successful titles like *Reader’s Digest* and *Time*, almost as if these media entrepreneurs did not notice or did not care that their magazines differed from their competitors. While all merchants sought to own and grow their publishing empires, most missionaries did not expand into new titles or markets, preferring to remain involved on the editorial side. At least one missionary, Wallace, at first tried to interest established publishers, then only acted on his idea for *Reader’s Digest* as a last resort – he was intensely motivated to create and edit his magazine, but had little passion for running the business.

A similar dichotomy emerged in our set of media entrepreneurs. When asked whether they were more motivated by the idea of running a media business over a business in general, the overwhelming preponderance was on the side of the missionaries: those who wanted to run a media venture because they felt there was a need for some type of information or entertainment that was not being filled well, if at all. And filling this need had a social, cultural or political component at least as great as the financial motivation it presented. With three exceptions they responded that it was the *media* business rather than any business that had presented the opportunity. A few, such as 5 and 10, furthermore had experience both owning and running non media businesses, so they understood the difference.

The “missionaries” all cited a desire to influence, entertain or inform. The videoblogger has political goals and a deliberately designed visual aesthetic that is part of his philosophy. Two of the book publishers gave similar responses: both said they wanted to help people with the books they published. When asked to explain why they didn’t choose another helping profession (e.g., counseling, medicine, teaching), each volunteered that publishing, being a mass medium, allowed them to reach more people than they could in any helping profession.

Nine, one of the missionaries, offered that merely running a business, “holds absolutely no appeal to me...When you say that, I think of payroll taxes, balancing a cash register. When you say media, I think creative, influence, reach.” She added that a media business was appealing because “you can help people in the masses. There are very few other ways to do that. I could start a counseling business in our town and I could help people within a 60 mile radius, yet I can help somebody in grief today and be in 400 other locations at one time.”

Eight said, “I really believe in the power of media and it can be good and it can be bad. We’ve seen many examples of the abuse of the power media you know in recent years. But I think there is great potential and what really excites me about being a part of something like that...is that it really can be unifying, comforting, empowering, enlightening...”

Six was brief: “It is the ability to have an impact on the conversation or the debate. And that feels more substantive to me personally than making widgets or making coffee.”

Five, who had made coffee when he owned a restaurant before getting into the advertising business, was asked why he felt running a media business was different than other businesses he had been involved with:

“Well in restaurants there are still tremendous levels of satisfaction... It is a lot easier to bring a smile to a customer’s face. It’s a lot more personal. But I think [in the media] is having a voice.... In media endeavors you can go as far as your imagination and your ability to work can go. At least I feel there is more potential there than there is in a other businesses.”

Ten founded and operated a profitable clothing store for 10 years, selling that to start his publication, first as a magazine, then adding the Web site. He compares selling clothes to selling information:

“Now [that I have a media business] I can reach 12,000 people a day just by creating something that I find is kind of artistic. You are marrying words with photos. It gives me great pleasure to be able know that people not only are reading

it but they are actually liking it. And that to me is what I really like about the media which I never ever been involved....”

Eleven talked about the special attraction of a media business, like 6, agreeing it was better than widget-making:

“There’s something inherently different about a media business. I think there are a lot of things that are different but the one thing that stands out in my mind is media is sexy. People get excited about it and jazzed about it in a way that they don’t about other businesses. I’ve got 15 people working up here for no pay. They wouldn’t be doing that if I was operating a widget or a hot dog stand. People want to be involved in the media business. And they want to have a voice and be part of that.”

Seven agrees that it is a media business that excites him, not being an entrepreneur *per se*. “I can focus solely on unique content that has staying power for my listeners.”

Two, who publishes a series of books for girls said, “I really decided that I wanted to be able to give something back and really work toward my passions and so I launched a book series for young girls.”

A minority of our entrepreneurs self-classified as “merchants,” responding that running a business, not necessarily a media business, was more motivating. Fourteen said, “I think we were always into some sort of business so I think we are entrepreneurs at heart...I thought there was an opportunity for a newspaper product...and I was thinking more in terms of it was a marketing company...”

The others reported similar attitudes toward running a business. Four had been a journalism major in college and had been employed in television news for 25 years. Yet when he looked for business opportunities they tended to be outside the media business: a restaurant franchise, an early Web site that would sell merchandise based on television show brands. His current venture was an opportunity that occurred to him from his long years in the television news business and his particular personal interest in the technology: “I do know how everything operated, what the latest pieces of equipment were. I would go to the conventions and things. So I would keep up with the latest in technology-- helps a lot of news gathering so I’d always stay pretty much up on it.” Unlike the missionaries, this merchant talked about success and rewards in terms that could apply generically to any enterprise:

“It’s rewarding from a self fulfillment stand point that, hey, here’s a concept that I took. We took. We developed. We brought it to the marketplace and made it successful. That’s, you know, part of it. There’s a real sense of fulfillment now the fact that we have people working for us. People depend on us for their livings. We’re supporting other families, paying taxes and being good citizens. ... There’s a satisfaction that comes from that.”

However, 4 also said he “enjoy[s] knowing [he has] changed the face of television news.”

Twelve, another “merchant” said, “[A]nything where you create something that grows and sustains and turns a profit is very exciting for me.”

Three, also self-classified as a “merchant,” however, he repeatedly referred the personal reward and duty he feels as a newspaper publisher,

“It’s extremely gratifying. I mean to see someone’s picture in the paper and for them to call you and say, you know you can’t believe how many phone calls I’ve gotten. Or when you run a story, I mean this month is colon cancer month and [I] work with a doctor very closely who writes a piece for the month about getting screened and he was saying you know you don’t realize how many lives we’ve probably saved by doing this. It’s an amazing business, and that’s something that the media business is so different from any other business...you do have the opportunity to touch hundreds of thousands of lives.”

Even the “merchants,” then, appear to identify with the unique attributes and power of media.

Barriers to Entry. A.J. Liebling, the press critic of more than half a century ago, famously said that “Freedom of the press is guaranteed only to those who own one (Liebling, 1961).” This summed up the difficulty of having one’s voice heard beyond its vocal range, except for those who had the capital to literally buy the presses. By extension it suggested that the cost of printing a publication or owning a piece of the strictly allocated broadcast spectrum were major barriers to entry to the media world. Even a modest weekly newspaper or monthly magazine had substantial up front costs that required access to financing that strictly limited who could have their content distributed.²

However, access to substantial capital was not high on the barriers for those entrepreneurs who were using the Internet as the basis for their venture. Significantly, the regulatory barriers that had been formidable for anyone who wanted to start a radio or even a television “channel” had disappeared as far these entrepreneurs were concerned. Even those involved in traditional media did not dwell on barriers-to-entry. If barriers to entry seemed insignificant to this group, technological innovation in media certainly has played a role in recent years.

For the group of entrepreneurs interviewed for this research, the question of barriers was viewed, if at all, as simply the hurdles that most new ventures and new products are often likely to face. Four, selling a news service to traditional television broadcasters, answered the question this way, “The biggest barrier is just in that the product was so new and nobody had a track record at it.”

Some, however, could not think of significant deterrents at all. Eight simply replied, “So far no. So far it’s been nothing but positive” with regard to a cable network she is shopping with venture capitalists.

One, whose videoblog was seen by 200,000 viewers daily in March 2005, about as many as watch cable’s MSNBC (Mitchell, 2006), when asked about barriers to entry, One was succinct, “Nope, not a one.” Likewise, 13, founder of the 22nd most popular web site in the U.S. (ranking.com, 2006), could not cite any significant barriers to launching it.

² In 1970 one of the authors started a weekly newspaper in Philadelphia. He and a partner raised \$10,000, the equivalent to \$51,000 in 2006 (see <http://www.aier.org/cgi-aier/colcalculator.cgi>). This turned out to be far less than what was needed to sustain the publication to the point where it could be self sufficient. Of course, many others have dedicated far greater sums to new media ventures.

Ten was similarly blunt, “I can’t think of any major barrier right off the top of my head.” Eleven responded to this question not only by noting a lack of barriers but adding serendipity placed a role in actually accelerating his planned launch.

Most media enterprise ideas in our study were exploited with low capital requirements or bootstrapping – even the chain of newspapers launched from scratch. The distribution bottlenecks we expected to be cited were only minor concern – not even by three book publishers or the cable network start-up. Technology was never cited as a barrier – not even by the entrepreneur who pioneered videoblogging and had to improvise the technology. Likewise, the popular website co-founder could not recall any barriers despite the wiki concept and software being unproven at that time. The existence of a dominant firm in a marketspace was never cited as a barrier – not even by the former journalist who has launched a successful competitor to the Associated Press.

In many cases, the response suggested that their media ventures may have had challenges, but not barriers. Six said simply: “No, not barriers so much,” going on to admit only that he could have used some more legal representation if he were better funded.

Two said, “Yes, but not much.” She later admitted to incidental barriers like obtaining ISBN numbers and getting an “account” with major retailers Borders and Barnes & Noble. Twelve and 9, also in book publishing, also cited distribution challenges, but none of the three book publishers viewed them as barriers.

Seven, whose streaming audio venture for indigenous peoples, morphed from streaming audio to a Podcast, did refer to the cost of bandwidth as a barrier. But despite the “broadcast”-like nature of his venture, there was no mention of a regulatory component.

Definition of Success. These media entrepreneurs have a considerable range of criteria when it comes to their personal characterization of what it means to be a success. However, there are clearly developed themes. One that is consistent with the preponderance of “missionaries” in the group, is having some impact, some influence, some observable or measurable outcomes as the result of their media efforts. Nine finds rewards in reader feedback. “We get 10 to 20 emails a day from people that have bought our books that are so moved by the content or found them so helpful they write to us...It would be worth living in a teepee. You know there’s nothing for me personally there’s no greater exhilaration than seeing you’ve affected someone for the better.”

Ten is very upfront about his vision of success:

“Actually I measure success with all the stories I just told you. And I could tell you a thousand more. Just seeing how it affects the lives of people. I mean, sometimes I get tingles down my back because people will say. ‘I always thought the city was... nothing was happening here. I can’t believe that I was so naïve. I didn’t know. I didn’t know. I didn’t bite into the hype that this city was not a great city because other people think that way. You totally opened my eyes to the fact that Buffalo is a great place to live.’ And that to me, when you hear stories like that.... In the year that we’ve been around online the lives that we have changed. It’s incredible. I hear it every single day.”

Six is less specific but gets to the same point about what success means:

“It’s...having an impact...”

Eleven puts it slightly differently: “That would be the level of engagement of readership of the products that we produced or co-produce with the community.... This would sound ego maniacal but we’ve changed the model of local advertising for media.”

Seven also has his own spin, but it is again related to impact or influence: Success is “based on innovation, to be able to think and present ideas that are outside the box. Like Howard Hughes.”

Eight said, “I measure it by gauging how content I feel...I feel that all these areas in my personality are being engaged.”

Success had other measures as well, often mentioned by those whose first thought was about impact. Five, 1, 4, 2 and 12 shared the notion of enjoying what they were doing and feeling good about the accomplishment.

Five: “Personal success is being able to make a living doing what I really love doing. And I think that success of the business is proving a model and getting a chance to strut a little bit and showing you can do it as well if not better than anyone else.”

Four: “If I’m happy with what I’m doing. And at the moment yeah I’m real happy with what I’m doing so I consider that I really consider that successful. Just again being to enjoy getting up and going to work in the morning and doing something every day, especially if it benefits you in the long run.”

One: “Personal fulfillment.”

Two finds reward in the responses she gets from children and parents who buy her books. “[Y]ou have these parents writing you. You have teachers asking you out of the blue, would you please come speak to my classroom. [Y]ou have kids writing you letters and telling you that you are inspired.” She measures success as “being able to pay my bills, being able to spend time with my girls, and being able to feel that I am pursuing something that makes a difference...”

Twelve: “I measure success by the amount of choices you have. I think success represents freedom and choices.”

Entrepreneurs are often characterized as risk-takers. So it was interesting that several of our media entrepreneurs’ notions of success involved the responsibility of providing a livelihood for their employees or their clients.

Six: “It’s ... creating a successful business that sustains the people who work for it and free lance for it.”

Four: “Every ounce of energy I put into this benefits me and the folks that work for me so I really find that as being worthwhile.”

Twelve: “Allowing dreams to come true [for authors]” and later, “You know when I call an author who submitted a manuscript and I say you know this is [name] from [firm name]. I’d like to offer you a book deal and they are screaming and crying. That’s so fulfilling...so when I am able to do that for others and take a manuscript and it becomes a book.”

In sum, several themes emerged from the data. The traits of our media entrepreneurs appear similar to those of entrepreneurs in general – optimistic, driven and energetic and demographically similar to PSED profiles. In terms of opportunity recognition, the group does not seem to differ significantly from other entrepreneurs. However, the organizing concept of “missionaries” and “merchants” as well as the

apparent lack of concern for barriers-to-entry seems to suggest media entrepreneurs may be different, and the media industry itself may have unique features.

Discussion & Conclusions

With this small sampling from a deep reservoir of media entrepreneurs in the United States alone we are not in a position to make sweeping generalizations. However, in its limited way these in-depth interviews give voice to two key observations:

- It supports the notion that prospects for new media players—and hence voices—is strong. Or at least there are many entrepreneurs who *perceive* great opportunity. Combined with our data that shows rapid growth in the number of media businesses overall, it bodes well for diversity of formats and sources of media-supplied content. Perhaps most encouraging is that these entrepreneurs barely recognize the existence of barriers to entry to the media business. Granted, most of these are players have actually started their ventures. We did not interview those who gave up out of frustration and for whom some barriers may have been too high to overcome. But the nearly unanimous absence of mention of any serious impediment to undertaking from the mixed bag of enterprises represented by this group cannot be lightly discounted.
- These interviews also point in a direction that is consistent with Peterson's observation of magazine publishers from as long as 100 years ago. Many, if not most, media entrepreneurs are motivated at least as much by a social, political or cultural mission as by the profit motive. This is congruent with the history of older media, particularly book and magazine publishing. Both book publishing and book selling have been replete with owners who have been at least as taken with the nobility of their mission as a need to sustain a healthy business (Compaine 1978).

These findings suggest that the current state of government policies that apply to business in general and media enterprises in particular are not inhibiting vigorous entry into the media business. This bodes well for general policies that are geared toward promoting access and diversity for a wide range of readers, viewers and listeners.

Future research should focus in two directions. First, if the PSED allows identifying an adequate sized sub-sample of media entrepreneurs, there is opportunity to investigate a range of research questions pertaining to media entrepreneurship both within the framework of the individual-opportunity nexus and beyond. Second, we plan more interviews with media entrepreneurs to assure that the findings of our qualitative analysis are stable and robust. In addition, development of full-scale case studies of each media entrepreneur in the present study will shed further light on the nature of media entrepreneurship.

References

- Baumol, W. J. (1993). *Entrepreneurship, management and the structure of payoffs*. Cambridge, MA: The MIT Press.
- Bruyat, C. and Julien, P-A. (2000). Defining the Field of Research in Entrepreneurship. *Journal of Business Venturing*, 16, 165-180.
- Bull, I. and Willard, G. E. (1993). Toward a theory of entrepreneurship. *Journal of Business Venturing* 8, 183-195.
- Carree, M. A. and Thurik, A. R. (2003). The Impact of Entrepreneurship on Economic Growth, in Acs Z.J. and Audretsch, D.B, eds., *Handbook of Entrepreneurial Research*. London: Kluwer, 437-472.
- Compaine, B. (1980). *The Book Industry in Transition*. White Plains, NY: Knowledge Industry Publications, Inc. 48.
- Gartner, W. B., Shaver, K. G., Carter, N. M. and Reynolds, P. D. (2004). *Handbook of Entrepreneurial Dynamics*. Thousand Oaks: Sage.
- Glaser, B. G. and Strauss, A. L. (1967, 1999). *The Discovery of Grounded Theory*. Hawthorne, NY: Aldine de Gruyter.
- Hoag, A. (2005). Media, Democracy and Entrepreneurship: Evidence and Theory for Public Policy, refereed paper, Babson-Kauffman Entrepreneurship Research Conference, Wellesley, MA, June 9.
- Jefferson, T. (1787). Letter to Carrington.
<http://etext.virginia.edu/jefferson/quotations/jeff1600.htm>, downloaded March 23, 2006.
- Koppl, R. and Minniti, M. (2003). Market Processes and Entrepreneurial Studies, in Acs, Z.J. and Audretsch, D.B, eds., *Handbook of Entrepreneurial Research*. London: Kluwer, 81-102.
- Liebling, A. J. (1961) *The Press*. New York: Ballentine Books. 30.
- Low, M.B. and MacMillan, I.C. (1988). Entrepreneurship: Past Research and Future Challenges. *Journal of Management*, 14(2), 139-161.
- Mitchell, Dan. (2006) "What's Online; A Blog Writes the Obituary of TV, *The New York Times*, March 11. Accessed at
<http://select.nytimes.com/search/restricted/article?res=F10917FB38550C728DDDA0894DE404482>

Peterson, T. (1964). *Magazines in the Twentieth Century*, 2nd edition. Urbana, IL: University of Illinois Press.

Ranking.com (2006). http://scripts.ranking.com/data/report_country.aspx, downloaded April 25.

Reynolds, P.D. and Curtin, R.T. (2004). "Examples of Analysis: Work File Preparation, Comparisons, and Adjustment of Weights," in Gartner, W.B. , K.G. Shaver, N.M. Carter & P.D. Reynolds (eds), *Handbook of Entrepreneurial Dynamics*, Thousand Oaks, CA: Sage.

Shane (2000). Prior knowledge and the discovery of entrepreneurial opportunities. *Organization Science* 11(4), 448-469.

Shane, S. (2003). *A General Theory of Entrepreneurship*. Cheltenham, UK: Edward Elgar.

Shane, S. and Eckhardt, J. (2003). The Individual-Opportunity Nexus, in Acs Z.J. and Audretsch, D.B, eds., *Handbook of Entrepreneurial Research*. London: Kluwer, 161-194.

Shane, S. and Venkataraman S. (2000). The Promise of Entrepreneurship as a Field of Research. *Academy of Management Review* 25(1), 217-226.

Strauss, A. and Corbin, J. (1998). *Basics of Qualitative Research*. Thousand Oaks, CA: Sage.

Toqueville, A. de (1840, 2000). *Democracy in America*, Mansfield, H. C. and Winthrop, D., trans. and eds. Chicago: The University of Chicago Press.