

# **The News Tenor of Internet Entrepreneurs in Taiwan's Business Magazines: Implications for Media Relations Management**

台灣商管雜誌網路創業家新聞報導傾向與媒體關係管理意涵

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## **Abstract**

Although the internet industry and internet entrepreneurs have attracted attention from society and mass media, the study of the news tenor of internet entrepreneurs is still underdeveloped. This study focuses on the news tenor of internet entrepreneurs as an important knowledge source for internet entrepreneurs and their start-ups' media relations management. By analyzing 201 news accounts of internet entrepreneurs from five major business magazines in Taiwan, the news tenor of internet entrepreneurs was revealed. The findings suggest that internet entrepreneurs could play a significant role in their start-ups' media relations. Advantages resulting from physical and psychological proximity to the media could be employed and appropriate response to the influence of mass media's orientation on the news tenor should be carried out. This study advances the study of knowledge dimension of media relations management. It is suggested that future researchers pay more attention to the internet company's practices of media relations management owing to the increasing proliferation and importance of the internet.

**Keywords: Media Relations Management, Internet Entrepreneur, Internet Industry, News Tenor**

## **1. Introduction**

Media relations management is a significant element of public relations (Adams, 1995; Lubbers, 2005; Wigley & Zhang, 2009; Wu & Taylor, 2003). Previous studies (Jo & Kim, 2004; Yoon, 2005) indicate that it is important for organizational media relations to understand what kind of information fits the mass media's needs. Therefore, analyzing the mass media's news tenor (Pollock & Rindova, 2003), which reveals information and evaluation highlighted by the mass media, can help organizations initiate more effective information subsidies.

From 1990s, internet entrepreneurs and their start-ups have attracted attention from society and mass media due to the increasing importance of the internet. How to maintain good media relations is an issue that cannot be ignored by internet companies. The importance of top managers to an organization's public relations function and organizational image is widely acknowledged (Gaines-Ross, 2000; Park & Berger, 2004). The mass media have a fascination with top managers and attribute a company's actions and outcomes to the volition of its top managers (Hayward, Rindova & Pollock, 2004). This study focuses on the news tenor of internet entrepreneurs as an important knowledge source for internet entrepreneurs and their start-ups' media relations management. By a content analysis of news accounts from Taiwan's business magazines, this study attempts to reveal the news tenor of internet entrepreneurs and provide suggestions about media relations management for internet entrepreneurs and their enterprises. Taiwan is famous for its information technology (IT) industries and the internet industry is prosperous. It is appropriate to choose news coverage of internet entrepreneurs from Taiwan's mass media as the study subject.

## **2. Research Questions**

For public relations practitioners, being fluent in all the major journalists' styles and interests could improve the relationship between journalists and themselves (Kuntzman, 1995). Jo and Kim (2004) and Yoon (2005) have studied core dimensions of media relations by factor analysis and highlighted the importance to understand what kind of information is fitted to journalists' news values and needs. Understanding the news tenor could help organizations interact with journalists and perform information subsidies more effectively, which would be advantageous for organizations to build reputations and acquire resources (Kioussis, Popescu & Mitrook, 2007; Sonnenfeld, 1994). Though several studies (Chen & Meindl, 1991; Miazhevich, 2007; Nicholson & Anderson, 2005; Radu & Redien-Collot, 2008) have analyzed the news tenor of entrepreneurs, the news tenor of internet entrepreneurs has not yet been examined. Thus, research question 1 is developed.

RQ1: What is the mass media's news tenor of internet entrepreneurs?

Previous studies also indicate some factors may influence the news tenor. According to Carroll and McCombs (2003), the proximity of an organization to the mass media would influence the media's news coverage. Organizations could receive more favorable coverage, particularly when they are located within the same region as the local news media's headquarters. Besides, the orientation of mass media could influence journalists' selection of information and reporting angle, which will result in different news tenors (Bland, Theaker & Wragg, 1996; Kioussis et al., 2007). Based on these studies, this study develops research question 2 and 3:

RQ2: What is the influence of the internet entrepreneurs' proximity to the mass media on the news tenor of internet entrepreneurs?

RQ3: What is the influence of the mass media's orientation on the news tenor of internet entrepreneurs?

### 3. Method

This study applied content analysis to reveal the news tenor and chose news accounts of internet entrepreneurs from five major business magazines in Taiwan as the news sample. Business Weekly, Common Wealth, and Global View, belonging to the 'general business magazine' category, are the top three of generated advertising income in Taiwan's business magazine industry and all have high circulation. Business Next and TechVantage, focusing on news of high-tech and dot com companies, belong to the 'IT industries-oriented business magazine' category.

This study searched news of internet entrepreneurs from electronic databases of target business magazines and found the first news article appeared in 1998. From 1998 through 2009, there were 161 related news articles and they were finally drawn for content analysis. Referring to Lamertz and Baum (1998), the study used 'account' but not 'article' as the unit of analysis. In this study, an account is a text which attempts to describe and explain activities of an individual internet entrepreneur. Because some news articles included multiple accounts of different internet entrepreneurs, there were a total of 201 accounts from 161 news articles. 118 accounts (58.7%) were from the 'IT industries-oriented business magazine' and 83 accounts (41.3%) were from the 'general business magazine'.

Ten categories were analyzed, including gender of entrepreneur, race of entrepreneur, status of entrepreneur, entrepreneurial country, major news source, topic of account, valence of account (Park & Berger, 2004), business event (Mazza & Alvarez, 2000), attribution of business event (Hayward et al., 2004), and entrepreneur image (Park & Berger, 2004). Two independent coders coded 13% of the total accounts. The intercoder reliability was assessed by using Holsti's (1969) method, resulting in .96 with averages ranging from .89 to 1.0 for all categories, which is an acceptable level (Krippendorff, 1980).

### 4. Results

#### 4.1 The news tenor of internet entrepreneurs

Accounts of male entrepreneurs (86.1%) outnumbered female entrepreneurs (13.4%). An account describing the entrepreneurial story of a couple was coded as mixed (0.5%). Accounts concerning Chinese entrepreneurs were 83.1% and accounts related to entrepreneurs from other races were 16.9%. For entrepreneurial country, the data revealed Taiwan (62.2%) in the majority, followed by the United States (16.9%), China (10.0%), Japan (5.0%), European countries (3.0%), other Asian countries (2.5%), and other American countries (0.5%). For the 'status of entrepreneur' category, accounts of non-student entrepreneurs (67.2%) outnumbered accounts of student entrepreneurs (31.3%). Two accounts (1.0%) were student entrepreneur mixed with non-student entrepreneur and one account (0.5%) couldn't be judged.

In the 'major news source' category, entrepreneurs themselves were cited most frequently (81.1%), followed by academics/experts (10.0%), employees of entrepreneur's start-ups (1.5%), sources from other companies (1.0%), and others (1.0%). No news source was found for 5.5% of accounts. In the 'valence of account' category, 92.5% of accounts were positive to entrepreneurs. Only 4.5% of accounts were negative and 3.0% of accounts showed neutral valence. Besides, accounts of success events (93.0%) far outnumbered accounts of failure events (7.0%). Most business events were attributed to entrepreneurs (73.6%), followed by organizational factors of entrepreneurs' start-ups (14.9%), environmental factors (10.9%), and others (0.5%).

In the 'topic of account' category, the entrepreneurial process was highlighted more frequently (43.8%) than other topics, including personal characteristics of entrepreneur (14.4%), capability of entrepreneur (11.4%), strategy of entrepreneur (10.9%), environment/market (10.4%), performance of entrepreneur (8.0%), and entrepreneurial team (1.0%). In the 'entrepreneur's image' category, the personal dimension (description of the entrepreneur's age, education, previous

occupation, family, etc.) appeared more frequently (26.4%) than competence (22.9%), charisma (21.4%), reliability (16.9%), and integrity (12.4%).

This study did crosstab analyses to answer RQ2 and RQ3. Items of some categories were eliminated or combined to avoid the decrease of chi-square value if more than 25% expectations of cells were less than five, which would influence the result of analysis (George & Mallery, 2003).

#### **4.2 The influence of the internet entrepreneurs' proximity to the mass media on the news tenor of internet entrepreneurs**

Carroll and McCombs (2003) indicate that physical proximity could influence the news tenor. This study extends the concept 'proximity' and tests whether entrepreneurial country (physical proximity) and race of entrepreneur (psychological proximity) will influence the news tenor. The crosstab analysis showed several significant differences in the relationship between entrepreneurial country and other categories, including gender of entrepreneur (chi-square (2) = 9.752,  $p < 0.01$ ), race of entrepreneur (chi-square (2) = 67.73,  $p < 0.001$ ), status of entrepreneur (chi-square (2) = 8.5,  $p < 0.05$ ), topic of account (chi-square (4) = 10.567,  $p < 0.05$ ), and major news source (chi-square (2) = 8.691,  $p < 0.05$ ). Business magazines obviously gave more coverage to male entrepreneurs, Chinese entrepreneurs, non-student entrepreneurs, and the entrepreneurial process and performance of entrepreneurs, and relied heavily on internal sources (entrepreneurs and employees of entrepreneur's start-ups) as the information source no matter whether entrepreneurs commenced their start-ups in Taiwan or other countries. However, they significantly gave more percentage of accounts to female entrepreneurs (19.4%), Chinese entrepreneurs (99.2%), student entrepreneurs (39.3%), topic of environment/market (15.2%), and used a higher percentage of external sources (16.0%) while reporting entrepreneurs who had commenced their start-ups in Taiwan than entrepreneurs who did so in other countries (3.9%, 56.6%, 19.7%, 2.6%, 2.6% respectively). The crosstab analysis also showed a significant difference in the relationship between race of entrepreneur and business event (chi-square (1) = 7.206,  $p < 0.01$ ). Business magazines tended to report success events no matter what the race of the entrepreneur was. However, they significantly reported a smaller percentage of failure events (4.8%) while reporting Chinese entrepreneurs than reporting entrepreneurs from other races (17.6%).

#### **4.3 The influence of the mass media's orientation on the news tenor of internet entrepreneurs**

The crosstab analysis showed significant differences in the relationship between orientation of business magazine and two categories: gender of entrepreneur (chi-square (1) = 11.873,  $p < 0.001$ ) and entrepreneurial country (chi-square (2) = 7.761,  $p < 0.05$ ). Both 'general business magazine' and 'IT industries-oriented business magazine' obviously preferred to report news of male entrepreneurs. However, the latter significantly gave a higher percentage of accounts to female entrepreneurs (20.5%) than the former (3.6%). The 'IT industries-oriented business magazine' also gave a higher percentage of accounts to entrepreneurs who had started their enterprises in Taiwan (69.5%) than did that of the 'general business magazine' (51.8%). Meanwhile, the 'general business magazine' gave a higher percentage of accounts to entrepreneurs who had started their enterprises in European countries (28.9%) than did that of the 'IT industries-oriented business magazine' (14.4%).

### **5. Discussion and Conclusion**

This study reveals the news tenor of internet entrepreneurs and advances the study of knowledge dimension of media relations management. Desiere and Sha (2007) found the support and involvement of senior executives is important for organizations to build organization-media relationships. Results from this study correspond with Desiere and Sha's finding and indicate that internet entrepreneurs could play a key role in their start-ups' media relations because the mass media showed a positive valence to them, tended to report their success events, and attributed most business events to them.

Therefore, internet entrepreneurs need to cultivate their capabilities of media interaction. While interacting with the mass media, they should provide more information about their entrepreneurial processes, successful events and personal background, because these kinds of information are highlighted by the mass media.

The results of this study also suggest that internet entrepreneurs could employ the advantages resulting from proximity. Internet entrepreneurs who are physically or psychologically proxy to the mass media would get more news coverage, and the latter would also get less news coverage of failure events. Besides, it is easier for the local media to obtain information about local entrepreneurs including the minority of entrepreneurs such as female and student entrepreneurs, which causes the local media to give more coverage to local female and student entrepreneurs. Female and student entrepreneurs could consider the local media as the primary target of media relations management. Moreover, internet entrepreneurs should be aware of the orientation of mass media's possible influence on the news tenor and react appropriately. For instance, this study indicates that the 'IT industries-oriented business magazine' reported more female and local entrepreneurs than did that of the 'general business magazine'. Therefore, female and local entrepreneurs could devote more effort to media relations with 'IT industries-oriented business magazine'.

Public relations practitioners used to construct their knowledge of news tenor by personal observations; however, systematic content analysis can provide more objective and reliable knowledge. Public relations practitioners should integrate the knowledge of news tenor from personal observations and systematic content analysis if they wish to perform information subsidies and interact with journalists more effectively. Finally, as the internet industry has become more and more important, future researchers need to pay more attention to the internet company's practices of media relations management.

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