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The Rise of Analysts as Sources in Innovation Journalism

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1	INTRODUCTION.....	3
2	OBJECTIVITY AS A STRATEGIC RITUAL	4
3	RISE OF THE ANALYSTS	5
	REFERENCES.....	8
	DATABASES.....	8
	APPENDIX. THREE GENERATIONS OF MOBILE TELEPHONY.....	8

The Rise of Analysts as Sources in Innovation Journalism

Reporters increasingly use analysts as sources in Innovation Journalism. By using analysts, the reporters get access to knowledge, resources, insight and industry access. The reporters stay neutral on the surface of the article by quoting analysts instead of expressing personal beliefs. The potential confusion happens if readers and or journalists believe analysts to be neutral experts when they could be pursuing their own agenda.

1 Introduction

Innovation Journalism as coined by David Nordfors in 2003 is a new scientific field. It studies technical, business, legal and political aspects of innovations and innovation systems, which is not the same as “innovative journalism”¹. It is the understanding that good Innovation Journalism enhances the industrial climate through better common knowledge and understanding of innovation issues, which are drivers for economic growth. While innovation systems can be markets for innovation journalism, they may also become more competitive from innovation journalism, by strengthening the sense of group identity and community within the innovation systems².

Several contributors have explored the role of Innovation Journalism, its components and potentials and offered advices to practising journalists³. This paper is descriptive and its ambition is to contribute to the understanding of the role of analysts in articles on innovations.

Empirically it is based on Swedish press coverage of the rollout of three generations of mobile telephony (1G, 2G and 3G). 1G was rolled out in the late 1980s, 2G in the mid 1990s and 3G in the early 2000.⁴

¹ D. Nordfors. “The Concept of Innovation Journalism and a Programme for Developing it”, *VINNOVA Information VI* 2003:5, ISSN 1650-3120, Nov. 2003. Also published in *Innovation Journalism*, Vol. 1 No. 1, May 2004. <http://www.innovationjournalism.org/archive/INJO-1-1.pdf>

² D. Nordfors. “The Role of Journalism in Innovation Journalism”, published in *Innovation Journalism*, Vol. 1 No. 7, Nov 2004. <http://www.innovationjournalism.org/archive/INJO-1-7.pdf>

³ Innovation Journalism: <http://www.innovationjournalism.org>

⁴ See Appendix on 1G, 2G and 3G

2 Objectivity as a Strategic Ritual

In its original 19th century interpretation, free speech and good journalism was expected to create a flourishing market place of ideas. On this market place, different opinions and facts were to be presented and analysed in a process that was supposed to lead to the establishment of truths.

Today most mass media researchers agree that news is socially constructed. The “news” does not exist as objective facts, but is rather shaped by the journalists themselves and the organization for which they work⁵. Nevertheless, “objectivity” is the norm and the chief occupational value of journalism⁶. Ettema and Glasser write that

“we often speak of truth in the form of the one and only account that corresponds to the things and events of a determinate world, an account free of individual interest, social value, and even language itself”⁷.

Maybe we do this since we find it inspirational and that it sets a high standard of our affairs.

Tuchman has argued that objectivity in the press is a number of strategic rituals that journalists engage in to protect them from the risks of their trade. The journalists keep their distance to the issue, by verifying the facts, inviting other spokespersons to deliver conflicting truth claims, by attribution, by providing additional evidence, and so forth⁸. This argument reduces objectivity to a set of rituals that protect practicing journalists from criticism.

In accordance with Tuchman’s theory objectivity is used as a strategic ritual for instance when a newspaper reports on an issue by providing conflicting truth claims. Another example would be when stories are focused on a single episode, without providing a wider and perhaps a more complicated perspective.

A third example is when reporters who are speculating about the future of an innovation stay personally neutral on the surface of the articles by quoting analysts instead of expressing their own beliefs.

⁵ Dewerth-Pallmeyer, D., AEJMC Conference Paper, March 27, 1995

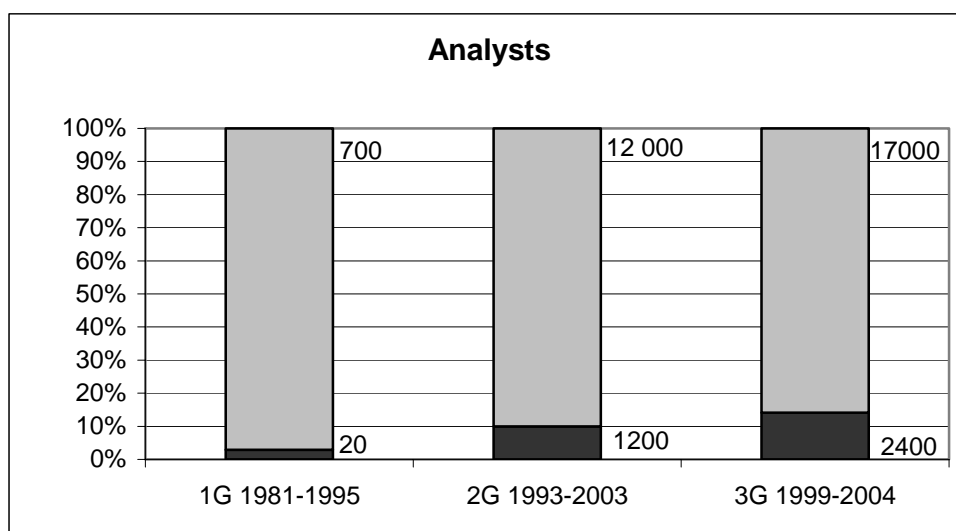
⁶ Shudson, M., “Discovering the News A Social History of American Newspapers”, Basic Books, Inc. USA, 1978

⁷ Ettema, J.S. and Theodore L. Glasser, “Custodians of Conscience Investigative Journalism and Public Virtue”, Columbia University Press, New York, 1998

⁸ Tuchman, G. “Objectivity as Strategic Ritual: An Examination of Newsmen's Notions of Objectivity”, American Journal of Sociology 77(4): 660-679, 1972

3 Rise of the Analysts

The graph below shows how many times an analyst was mentioned in an article as a percentage of all articles on 1G, 2G and 3G respectively. The search was made in Affärsdata's archive⁹.



NMT is one of the technical terms for 1G. Dated between 1981 and 1995, there are around 20 articles that include the terms “NMT” and “analyst” out of the over 700 articles on NMT. The search misses several articles on 1G since other terms than NMT were also in use. However, that does not affect the ratio of articles that mention analysts. The vast majority of them were financial analysts commenting Ericsson or Kinnevik (owner of the 1G operator Comvik). One example is Veckans Affärer's article in January 1990 on Ericsson's position in deregulated national markets. The article was primarily based on interviews with several Ericsson spokespeople including the CEO Björn Svedberg, but as a secondary source the reporter also included a positive quote from Bill Coleman, James Chapel and a warning from Angela Dean, Morgan Stanley. Industrial analysts were more or less unheard of.

GSM is the technical term for 2G. Dated between 1993 and 2003, there are 12 000 articles mentioning GSM and 1 200 of them include the term “analyst”. That corresponds to roughly eighteen times as many articles than on NMT, but sixty times as many include the term analyst. It is both industrial and financial analysts that are becoming more visible in the press.

Dated between 1999 and 2004, there are 17 000 articles on 3G, whereof 2 400 include the term analyst. That corresponds to nearly 50 percent more articles than

⁹ Affärsdata is Sweden's leading company in news analysis and business intelligence, www.ad.se

on GSM, but twice as many include the term analyst. The role of the analysts in 3G debate is illustrated by Dagens Industri's front-page article in June 2003 with the headline "3 has failed". The article was completely based on a report about 3 in the UK written by the analyst firm Gartner. The reporter did add an interview with 3s spokesperson, but no personal comments.

The increasing visibility of financial analysts in the press is higher than what can be explained by the industry's increasing exposure to the stock exchange. If a journalist wanted a quote from a financial analyst in the late 1980s or early 1990s there were of course analysts available to interview. But they didn't want to.

Nowadays, both financial and industrial analysts are eager to be seen in the press to build brands name and authority as well as managing the message. Banks are reluctant to invite reporters to their investor conferences so they make other arrangements. No reporters were invited to the Morgan Stanley Dean Witter conference in Stockholm in August 2001, but as a service they organized a press conference afterwards where they presented their view on 3G. The reporters wrote for instance that Morgan Stanley estimated the mass market to pick up speed in 2005.

Industrial analysts include spokespeople from companies like Forrester, Gartner, Stelacon, Northstream, and etcetera. These people are nowadays releasing extracts from their report and timing those releases to make sure that they are found newsworthy and picked up by the press. The long-term goal is to increase brand recognition and the short-term goal is to trigger readers of the article to buy the whole report. As a response, larger corporations such as Ericsson have designated spokespeople that set up communication programs to get their message out to the industrial analysts. Often that function is a subset of the company's Investor Relations function, that normally report to the CEO, CFO or Communication Director.

Analysts are mostly used in situations with high uncertainty and a large perceived distance to the implications of the issue. Within sociology, these issues are characterized by a low "Here and Now" factor (Berger and Luckman 1967). In these cases the analysts contribute with expertise and reduce risks for the reporter. Where the uncertainty is lower and the "Here and Now" factor is high there is no need for analysts. For instance in a story around the construction of a telecom masts or a test of a certain mobile.

By using analysts, the reporter gets access to knowledge, resources, insight and industry access. This is often beneficiary for the quality of the article. Quotes from analysts complement the reporter's own work that might be restricted by insufficient information or time constraints.

Using analysts also enables reporters to appear neutral on the surface of the article, a tool similar objectivity as a strategic ritual. Maybe reporters were burned in the dotcom crash and that they therefore are more cautious when expressing beliefs.

In the process of writing the article the selections of analysts are a prerogative of the reporters. The reporter needs to be cautious and aware of possible biases. That

uncertainty is passed on to the readers, who unfortunately are likely to pay little attention to it.

Niclas Lilja is Visiting Scholar at Stanford Center for Innovations in Learning, SCIL, during the year 2004-2005. He has worked five years in marketing and communication of technology, especially digital and mobile services. As Director Communication of the mobile operator 3 he was part of launching Scandinavia's first 3G-operator. Prior to that he worked with external communication at Framfab, which at that point was one of Europe's leading internet consultancies. In 2003, Niclas was nominated by Affärsvärlden as one of the most influential young professionals in business communication in Sweden. Niclas holds a MBA from Stockholm School of Economics.

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Databases

Affärsdata, www.ad.se; Observer, www.observer.se; Infopaq, www.infopaq.se; Press clippings

Appendix.

Three Generations of Mobile Telephony

The first generation of mobile telephony (1G) was based on analog standards such as NMT and rolled out in Sweden in the late 1980s. The former state monopoly Telia and the start-up Comviq were building separate networks and competing for customers. The term 1G is of course of later origin.

The analog standard was in the 1990s replaced by the digital GSM standard (2G). A third competitor Europolitan, later acquired by Vodafone entered the market. The 2G standard enabled digital services including voice mail, SMS etcetera.

In 2003, the first 3G-phones were sold in Sweden. 3G enables mobile broadband and a wide spectrum of mobile media services, such as mobile video, mobile email, mobile media etc. It also decreases the cost for voice calls. "3" owned by Hutchison Whampoa and Investor AB entered the market as the first 3G-operator, soon followed by the other three players with 2G presence.

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