SOCIAL NETWORKS AND NICHE MEDIA COMPETITIVE ADVANTAGE

AN EXPLORATORY STUDY ON

ETHNIC MEDIA’S COMPETITION FOR ADVERTISING IN LOCAL MARKETS

by

JIRAN HOU

(Under the Direction of C. Ann Hollifield)

ABSTRACT

Based upon the Resource-Based View and social capital perspective, this research explored how ethnic media, primarily ethnic newspapers, in the United States effectively use and manage their social network resources to gain competitive advantages in local advertising markets. A comparative case study was conducted to examine ethnic media’s informal, formal social networks and ties with advertisers, and their values in approaching and maintaining ethnic and non-ethnic mainstream advertisers. The study found that formal social networks were more effective than informal networks in helping ethnic media to develop diverse advertising base of ethnic and non-ethnic advertisers, and ethnic media focused on building strong business ties with advertisers. The stage of company development, the complexity of market and ethnic group’s integration with the mainstream society influenced the types of social networks used by ethnic media to attract and maintain advertisers.

INDEX WORDS: Ethnic media, resource-based view, social networks, competitive advantage, local advertising
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# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>ACKNOWLEDGEMENTS</th>
<th>vii</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIST OF TABLES</td>
<td>vi</td>
</tr>
</tbody>
</table>

## CHAPTER

1. **INTRODUCTION** ................................................................. 1

2. **LITERATURE REVIEW** .......................................................... 5
   - Resource-Based View of Strategic Management .................. 5
   - Social Capital and Social Networks .................................. 7
   - Informal and Formal Networks ....................................... 11
   - Niche Media and Competition ....................................... 18
   - Ethnic Business and Ethnic Media ................................. 19
   - Research Question and Hypothesis ................................. 23

3. **METHOD** ........................................................................... 26

4. **FINDINGS** .......................................................................... 33
   - Background of Weekly Newspapers and Advertisers .......... 33
   - Social Networks and Advertising Business ...................... 43

5. **CONCLUSION AND LIMITATION** .................................. 67
   - CONCLUSIONS ................................................................. 67
   - LIMITATIONS ................................................................. 72

REFERENCES ............................................................................. 75
## LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 1</td>
<td>Profile of Newspapers</td>
<td>34</td>
</tr>
<tr>
<td>Table 2</td>
<td>General Business Information of Newspapers</td>
<td>35</td>
</tr>
<tr>
<td>Table 3</td>
<td>General Business Information of Newspapers</td>
<td>37</td>
</tr>
<tr>
<td>Table 4</td>
<td>Information of Newspapers’ Current Advertisers</td>
<td>39</td>
</tr>
<tr>
<td>Table 5</td>
<td>Newspapers’ Distribution Places and Office Locations</td>
<td>42</td>
</tr>
<tr>
<td>Table 6</td>
<td>Methods to Identify Major Ethnic Advertisers</td>
<td>45</td>
</tr>
<tr>
<td>Table 7</td>
<td>Methods to Identify Non-Ethnic Mainstream Advertisers</td>
<td>48</td>
</tr>
<tr>
<td>Table 8</td>
<td>Customer Relationships with Current Advertisers</td>
<td>52</td>
</tr>
<tr>
<td>Table 9</td>
<td>Hypothesis Test</td>
<td>63</td>
</tr>
<tr>
<td>Table 10</td>
<td>Summary of Findings</td>
<td>65</td>
</tr>
<tr>
<td>Table 11</td>
<td>Summary of Findings</td>
<td>66</td>
</tr>
</tbody>
</table>
CHAPTER 1
INTRODUCTION

In today’s media markets, the rapid growth of different media and changes in audience behaviors greatly increase media’s competition for audiences and advertising expenditures. With audience splintering across more media platforms, many media companies have given up catering to a wide audience and switched to niche markets.

For niche media, targeting specific audience groups and offering differentiated niche products help them avoid or reduce competition and achieve success (Dimmick, Patterson & Albarran, 1992). However, along with the advantages gained by becoming a niche player, niche media face the situation of limited market resources, because they usually have a relatively simple product line, smaller target audience groups, and therefore, have fewer potential advertisers than media serving broader audiences. These factors create potential limitations for the development of niche media organizations (“The State of the News Media”, 2007). Thus, niche media face the critical question of whether they can effectively possess and use resources to achieve competitive advantages; winning the competition is crucial to their success in this niche market.

One of the fastest growing areas of niche media in the United States is the ethnic media. Media investors are rushing to tap the ethnic and foreign-language media markets. Indeed, in some cases, the number of media organizations moving into specific ethnic niches has significantly outpaced the growth in the number of potential audience members in those niches.
(Coffey, 2007). Thus, even in some small and very specific media niches, competition for audience and advertisers can be fierce.

While more media organizations are moving into narrow market niches, little exists in the extant literature that examines how niche media respond to the problem of competition in an environment of reduced resources. For this reason, understanding how niche media effectively possess and utilize resources to gain competitive advantages in a niche market becomes an important issue in the area of media management.

The Resource-Based View (RBV) is a strategic management theory that provides a valuable framework for examining issues of organizational resource utilization and management. As media companies by nature produce intangible information products, intangible resources are particularly important for them. Based on the framework of RBV, this study will examine how niche media manage their intangible resources, and more specifically, their social capital resources.

Social capital is defined as “the aggregate of resources that are associated to the possession of a durable network of institutionalized relations of mutual recognition” (Bourdieu, 1985, p.248). It is a construct that has been widely used to explain the conditions under which social resources developed in one period have impact on firms’ competitive advantage in subsequent periods (Smerek & Denison, 2007). Social network is the core concept of social capital (Elfring & Hulsink, 2003) and it can be categorized into informal and formal social networks. Using social capital, especially social networks, in this study will provide a new perspective to analyze niche company’s competitiveness and resource management.

On the other hand, this study will focus on one single type of niche media, the ethnic media in the United States. The ethnic media industry is a particularly appropriate context
because of the growing importance of ethnic media in the U.S. media market. The number of ethnic media organizations in the U.S. had greatly increased (“The State of the News Media”, 2007) and research has shown that the ethnic media provide their audiences with content that is rarely provided by mainstream media (Johnson, 2000).

Additionally, ethnic media organizations are usually small or medium-sized business serving specific local ethnic communities, and therefore, they have limited resources to draw from those communities. Many studies also note that ethnic businesses, in generally, tend to rely heavily on their social capital within their ethnic communities for revenues and development (Christy & Dassie, 2000; Portes, 1995). Therefore it is important to know whether ethnic media today still restrict their social capital resources within ethnic communities for revenue or whether they have extended those resources beyond their communities to explore revenue potential. To date, most research on ethnic media has only looked at the issues of cross-culture, ethnic media and ethnic identity construction, and minority audience viewing patterns. Little is known about the strategic management and competition among ethnic media.

In summary, this study will explore the issues of how ethnic media companies that operate in restricted niche markets can best utilize intangible social capital resources to maximize the likelihood of financial strength and success. This study draws upon the RBV View and social capital perspective to examine how media that target ethnic niche market use formal and informal social networks as a business development tool. Specifically, the study draws on previous research on social capital, ethnic business development, and the strategic management of media to test the expectation that formal social networks will be more valuable as a business development tool than will informal networks. The findings will contribute to the development
of media management theory and practice and will have implications beyond ethnic media, contributing to the understanding of the strategic management of niche media in general.
Resource-Based View of Strategic Management

For a company, a good strategy is a strategy that can help it to gain competitive advantages, and the strategic management process is a series of business decisions that increase the possibility that a firm will choose such a good strategy (Barney & Hesterly, 2006). Strategic management consists of the analysis, decisions, and actions that a company undertakes in order to create and sustain competitive advantages. It is directed toward overall organization goals and objectives, and it needs to integrate both an organization’s short-term and long-term goals (Dess, Lumpkin & Eisner, 2006).

The Resource-Based View (RBV) is a strategic management theory that provides a valuable framework for examining how an organization utilizes its internal and external resources, and it is also a model of firm performance that focuses on the resources and capabilities controlled by a firm as the source of competitive advantage (Barnet & Hesterly, 2006). Based on the Resource-Based View, firm resources include assets, capabilities, organizational processes, firm attributes, information and knowledge. It is necessary for the firm to well integrate and manage the resources to enable it to create and implement strategies that improve the firm’s efficiency and effectiveness (Barney, 1991, p.101; Daft, 2001, p. 67). For a firm, when it is implementing such a value-creating strategy, and no other competitors simultaneously launch similar strategies, this firm can be considered to have competitive advantages.
Several previous studies in the strategy field explored the importance of firm resources in enhancing firm’s competitive advantages. According to Wernerfelt (1984, p. 171) who first formalized the resource-based view of firm, “resources and products are two sides of the same coin…” because firm resources can have great influences on firm’s ability to gain competitive advantages in implementing products. On the other hand, the success of a firm may not contribute to its better corporate resources, but because its special capability and competence make better use of its firm resources (Penrose, 1980, p.25). In addition, for single businesses, properly leveraging and managing existing valuable resources is also important for enhancing a firm’s competitive advantages (Peteraf, 1993).

Typically, there are three types of firm resources: tangible resources, intangible resources and organizational capabilities. Four properties of firm resources have been presented by Barney (1991) as the key features of resources to help firm achieve sustainable competitive advantage: valuable, rare, inimitable and non-substitutable. In this study, social capital is an important intangible resource for ethnic businesses as it provides different forms of supports to help ethnic firms grow and develop (Fadahunsi, Smallbone & Supri, 2000; Janjuha-Jivraj, 2003; Yoo, 1998). When applying the perspective of RBV to ethnic business’s network management, such as ethnic media’s social networks, the major approach used is to identify and analyze the properties and functions of the social networks as well as their positive effects on the performance and competitiveness of ethnic company.

There are several studies that further analyzed the four properties of firm resources (Barney, 1991; Dierickx & Cool, 1989; Reed & DeFillippi, 1990). It is necessary to have valuable resources as they create value for a firm through exploiting new opportunities and neutralizing competition in its external environment, while at the same time, create value and
benefits for customers. Resources should be rare, otherwise they will be obtained by other competitors. There were many factors that can lead to the inimitability of firm resources, such as company’s unique history conditions, resource causal ambiguity and social complexity. Firms developing through a path that is hard to replicate have the advantages of unique history conditions. Causal ambiguity exists when the link between a firm’s resources and its sustainable competitive advantage are hard to understood by other companies (Barney, 1991; Wills-Johnson, 2008). On the other hand, firms are all social organizations and each firm has its own complex social structure. Sometimes, its informal social interactions that occur between resources are hard to repeat without specific knowledge (Barney, 1991; Barney & Clark, 2007; Wills-Johnson, 2008).

Intangible resources generally include factors that are non-physical or non-financial in nature, and they are usually categorized into three main groups: organizational, human, and relational (Gunther, Beyer & Menninger, 2005; Pike, Roos & Marr, 2005). A company’s social networks can be considered as relational asset, which usually refers to the external resources which the company needs or which affects the company such as customers, strategic alliances, influencers, and local community (Pike, Roos & Marr, 2005). Based on the view of social capital, Wills-Johnson (2008) defined intangible assets of a firm are “created through the repeated interaction of its tangible assets along the network pathways which comprise the formal and/or informal hierarchy of the firm” (p.218). Due to their highly inimitable properties, intangible resources, such as business reputation and social networks, are strong contributors to firm’s success (Gunther et al., 2005; Hall, 1992).

Social Capital and Social Networks
In general, social capital is regarded as the resources that are available to individuals due to their participation in social networks (Bourdieu, 1985; Coleman, 1990; Herreros, 2004). The concept of social capital reflects the importance of networking and relationship building in developing resources growth and development. Coleman (1990, p.32) defined social capital as:

Not a single entity but a variety of different entities, with two elements in common: They all consist of some aspects of a social structure, and they facilitate certain actions of individual who are within the structure. Like other forms of capital, social capital is productive, making possible achievement of certain ends that would not be attainable in its absence.

Previous researchers emphasized that social capital can effectively build connections and trust, as well as facilitate certain actions for individuals and help participants to achieve their objectives. Through exchanges, social capital can be formed, maintained and reinforced, and these exchanges help to maintain the relationships existing among individuals and therefore, generate more social capital (Adler & Kwon, 2002, p.23; Boudieu, 1985, p.249; Putman, 1994; Putman, 1995).

As a set of resources deeply rooted in networks, social capital has many different attributes. There are three dimensions of social capital: the structural, the relational and the cognitive (Nahapiet & Ghoshal, 1998). The structural dimension of social capital, which is the focus of this study, reflects the contacts, ties and connections, the group attachment etc. within social capital, and it concerns the entire social system and network of relations as a whole (Granovetter, 1992).

Adler and Kwon (2002) identified several important characteristics and benefits of social capital: social capital is a long-lived asset which usually has potential benefits to individuals and organizations. It can be used for many purposes and be converted to economic advantages, and it can act as a substitute for or a complement to other resources. With regards to its benefits, the
most important direct benefit is information because social capital “facilitates access to a broader
source of information and improves information’s quality, relevance and timeliness” (p.29).
Another benefit of social capital is constituted by influence, control and power. In some
situations, this power can help to prompt the completion of tasks.

Given that firms can be considered as social actors, many researchers have extended the
logic and theories of social capital to firm level (Burt, 1992; Elfring & Hulsink, 2003; Koka &
Prescott, 2002; Nahapiet & Ghoshal, 1998; Tsai & Ghoshal, 1998). It provides a way to explain
performance differences among firms through analyzing their set of social networks and the
access of information, knowledge and other capitals through their networks (Koka & Prescott,
2002).

Smerek and Denison (2007) emphasized the potential benefits of social capital for firms,
as social resources developed or acquired in one period can have future influences on the
strategic advantages of firms in subsequent periods. As with the concept of social capital, the
theory of corporate social capital also focuses on the importance of networks and relationships
for a company. Leenders and Gabbay (1999) concluded that corporate social capital refers to
“the set of resources, tangible or virtual, that accrue to a corporate player through the player’s
social relationships, facilitating the attainment of goals.”

Social network, the core concept of social capital and a powerful asset that anybody can
possess (Elfring & Hulsink, 2003), is defined as the “set of personal contacts through which an
individual maintains his social identity and receives emotional supports, materials aid and
service, information and new social contacts” (Walker, MacBride & Vachon, 1977, p. 35).

Applying the perspective of social networks in organization study is based on the notion
that economic actions are influenced by the social context in which they are embedded and the
actions can be influenced by the position of actors in social networks (Gulati, 1999). The actor in a social network can be individuals, small groups, formal organizations and coalitions. For individuals, they mobilize their direct or indirect social connections to accomplish personal objectives, the range and diversity of their contacts will have influence on their chance to succeed (Granovetter, 1973; Knoke, 1999). For firms, they establish various inter-organizational networks and relationships with other firms to achieve their business goals. Using social networks provides companies important channels to obtain reliable business information, discover new opportunities, test new ideas and approach resources and even leverage their contact resources (Adler & Kwon, 2002; Birley, 1985; Burt, 1992, 1997; Powell, 1990). Therefore, social networks might help firms, organizations and even customers to reduce their search costs in seeking potential business opportunities or new services provided in markets (Deri, 2005; Wong & Ellis, 2002).

There are several important dimensions that influence how much social capital a network provides. The size or range of social networks is defined as the number of individuals participating in the network (Tichy et al., 1979). The composition of a social network refers to the degree to which the network is made up of different types of members (Allen, 2000). The concept of frequency refers to the regularity of contacts between the individuals or members of the network. The effectiveness of support provided by a social network is influenced by the size, the frequency and also the composition of a social network, for example, the effectiveness of a social network increases when the network is larger and contact is more frequent (Allen, 2000). Generally, having larger social networks would provide more channels to individuals or groups to get information. A diverse network will provide individuals access to complementary and non-redundant information (Hutt & Walker, 2006). The empirical studies testing the relationships
between network size and performance also showed that managers with many non-redundant contacts contribute more to sales performance than counterparts (Moran, 2005).

One important characteristic of network structure is the **density** of a network. Density is a measure of how many connections there are between actors compared to the maximum possible number of connections that could exist: the higher the proportion, the denser the network (Kilduff & Tsai, 2003). The second important element of network structure is the **reachability** of a network, which reflects the average number of links between any two individuals in the network (Tichy et al., 1979, p.508). High-reachability networks are more efficient than low-reachability networks in the sense that messages and information can reach more of the people through the same number of intermediaries (Kilduff & Tsai, 2003).

**Informal and Formal Networks**

A niche market can be considered as a small market consisting of an individual customer or a small group of customers with similar characteristics or needs (Dalgic & Leeuw, 1994). Ethnic businesses are usually small or medium-sized enterprises that develop in a local niche market where a specific ethnic group locates. Many previous studies of ethnic business have identified the importance of social networks in helping ethnic enterprises mobilizing resources, raising capital, generating businesses and supporting their short-term and long-term development (Curran, Jarvis, Blackburn & Black, 1993; Fadahunsi et al., 2000; Marger, 2001; Ram, 1994; Yoo, 1998). Ram (1994) concluded that for ethnic minority business, their corporate social networks provide them potential benefits to help overcome ethnic market structure disadvantages and limited internal resource constraints.

Generally, there are two main types of networks, which are formal and informal networks. According to Ibarra (1993, p.58), a formal network is made up of a set of “formally
specified relationships between superiors and subordinates and among representatives of functionally differentiated groups who must interact to accomplish an organizationally defined task”. In contrast, informal networks include more discretionary patterns of interaction, such as personal or family connections (Ibarra, 1993, p. 58; Sequeira & Rasheed, 2006).

For ethnic businesses, formal social networks include connections built through their work-based relationships, ethnic membership business associations and other organizations that particularly emphasize ethnic links to their mission and development. Informal social networks often refer to the networks that are primarily developed from personal, family and community-based connections (Fadahunsi et al., 2000).

Networks are made up of strong and weak ties. The connection between two individuals within a network is described as a tie, and the strength of a tie refers to the combination of the amount of time, emotional intensity and intimacy and reciprocity that characterize the tie (Granovetter, 1973; Ibarra, 1993). Weak ties are usually superficial and casual, and people have less emotional investment in them (Dublin & Aldrich, 1991). Generally, weak ties act as the bridge that link socially distant individuals. For individuals, they are an important resource in creating possible mobility opportunities. Information and ideas flow more easily and often through weak ties (Granovetter, 1973; Ibarra, 1993; Sequeira & Rasheed, 2006).

Structural holes appear in social networks when groups of actors are linked only by weak ties and with open and sparse social networks, there exist many possible opportunities of high economic return, as weak ties provide actors opportunities to leverage investment in social relations by establishing relationships with various different groups (Burt, 1992; Kilduff & Tsai, 2003; McCarthy, Pitt, Campbell, Van de Merwe & Salehi-Sangeri, 2007; Rodan & Galunic,
When the number of networks with structural holes that an individual or organization belongs to increase, there might be more potential profits.

On the other hand, strong ties exist among similar people, and similar people are usually interconnected with each other. Strong ties convey in-depth knowledge and trust, but may not provide a great diversity of knowledge. The information transferred through these close and stable ties might be more redundant than those through weak ties (Granovetter, 1973; Ibarra, 1993; Sequeira & Rasheed, 2006).

There are several other researches that analyzed the different functions and features of weak ties and strong ties. Strong ties tend to be more widely used by entrepreneurs in business. For example, during the process of word-of-mouth referral communication, at the macro level, weak ties display an important bridging function that allows information to transfer from one distinct group to another. At the micro level, strong ties are viewed as more influential than weak ties, as they are more likely to be used as the source of information (Brown & Reingen, 1987). Jack (2005, p.1251) conducted a relatively comprehensive empirical study on entrepreneurs and network ties. The results showed that strong ties were substantially used and actually act as a mechanism to generate firms’ weak ties. The strength of these ties was mainly reflected in the type of information provided and usefulness of relationships to entrepreneurs. Although having strong business tie might limit the ability to extend business and reduce business efficiency, it is still widely used to instrument business activity and maintain customer, as well as enhance company and personal reputation.

Moreover, for firm or entrepreneurs in different business stages, strong ties and weak ties might play different roles in firms’ performances. Many studies supported the importance of weak ties for firm business expansion in development stage (Burt, 1992; Granovetter, 1973;
Sequeira & Rasheed, 2006). Evald, Klyver and Svendsen (2006) further developed a developmental framework which explains that strong ties are more important in the emergence phase of the entrepreneurial process, and as the firm gradually matures, a mix of strong and weak ties will play the most important role for company development.

As Perry (1999) pointed out, small firms can develop different levels of external networks with personal or family contacts embedded in close-knit communities, businesses with geographical proximity, buyers or suppliers, as well as investment and ownership ties and memberships in industry associations. Their networks can be both compulsory and voluntary. For example, certain compulsory participation in external networks is necessary as, in order to survive, businesses must have some networks with the wider business environment so as to gather resources and sell out their products. However, after a period of time of growth, the participation in external networks becomes relatively voluntary (Curran et al., 1993).

For small and medium-sized businesses, entrepreneurs usually play a very critical role in the entire business development. They must establish links to business resources and at some points, they might have been affected by certain social networks in which they are involved (Aldrich & Zimmer, 1986).

On the other hand, managers within companies also play a critical role in promoting the entire development of their companies as they are important in collecting and managing information. The structures and content of manager’s social networks have influence on their business’s performances. The empirical research from Keegan (1974) showed that managers rely much more on external sources for information about their business environment. When a manager is embedded in a dense network, he or she might exhibits lower performance than their counterparts who embedded in a sparse network (Rodan & Galunic, 2004) because a manager
with access to non-redundant contacts can reach a broader range of people who might have access to more diverse information and knowledge, and this wide exposure to information might help the manager to learn more opportunities, and thus, boost their performances (Moran, 2005).

Personal and family or community networks are social networks that are most commonly associated with ethnic minority companies, and their basic interpersonal relationships or personal-to-organization relationships are usually formed by entrepreneurs, managers or employees (Ram, 1994). According to Dubini and Aldrich (1991), entrepreneur’s personal networks consist of “all those persons with whom an entrepreneur has direct relations or indirect relations via direct relations.” Entrepreneurs might gain different types of benefits, such as trust and predictability, from frequent interacting with people within these networks. Through interactions, trust is enhanced, and predictability is increased when long-term relations are built up because the uncertainty about the other party is decreased (Dubini & Aldrich, 1991). Entrepreneurs’ personal networks reflect their personality, while at the same time, their networks also guide the entrepreneur as a businessperson and as a private person (Johannisson, 2000).

For small and medium-sized businesses, the strength of personal networks is considered to derive primarily from the depth of trust and commitment among family and close personal associates, both as entrepreneurs and employees within the business and as suppliers and customers (Werbner, 1984). Perry (1999) noted that within ethnic communities of socially and personally connected-businesses mutual support and resource sharing may be achieved.

Several early researches (Birley, 1985; Johannisson, 2000; Starr & Macmillan, 1990) all emphasized that for local small businesses, especially in early stage, entrepreneurs’ personal networks can provide them with a universal resources kit and these networks help them in assembling the resources of materials, supplies and employees. However, Staber and Aldrich
(1995) also pointed out that if business owners only limit themselves to well-known others, their business world will be too narrowly circumscribed. Thus, owners need to go beyond their personal business networks and interact with more strangers or acquaintances.

Professional business-focused networks begin to develop when a business is established. Flexible networking allows small firms to compete, innovate and survive (Bryson, Wood & Keeble, 1993). Business-focused networks can be considered as a way to extend and supplement company’s pre-existing personal networks (Dubini & Aldrich, 1991; Krackhardt & Stern, 1988). On the other hand, entrepreneurs or managers or the company can join various business-focused or professional organizations, such as associations of companies, associations of owner-managers, mixed associations, and chambers of Commerce. Joining these groups, people or companies might obtain information through formal or informal social encounters within these formal organizations (O’Donnell, Gilmore, Cummins & Carson, 2001). Lechner and Dowling (2003)’s case study research found that the developing of marketing networks depends on the firm’s culture and management style, and the growth of firm depends not only on the building of entrepreneur’s egocentric networks, but also on the existence and development of healthy socio-centric networks.

Community entrepreneurs consider the development of the community as their personal goals, and their networking is critical to bridge different entrepreneurial roles. Personal networks help the community entrepreneur to communicate identity and pride to community members, which in turn build emotional resources for their future business (Johannisson & Nilsson, 1989).

Previous studies (Butler & Hansen, 1991; Hite & Hesterly, 2001; Morris, 2001) concluded that small companies’ social networks develop at different stages as organizations progress. In the start-up stage, entrepreneurs rely on personal exchanges with individual
resources providers, and with the help of social networks, entrepreneurs can notice business opportunities and take action. As a company gradually grows up, a more complex and business-focused multi-layered networks begin to emerge, and this hybrid of networks includes both individuals from the preexisting social networks and new individuals or organizations with direct business connections. In the final stage of social network evolution, entrepreneurs develop their strategic networks for their companies. The networks might help the company reduce the risk of business failure and provide advantages which are hard to be obtained without networking. Empirical study from Baines and Wheelock (1998) confirmed the finding that growth-seeking business owners were the most likely to enter into non-family business partnership and to network widely with other businesses and organizations.

In summary, previous research shows that networking is a useful tool for entrepreneurs, and it helps them to enlarge their business span and save time, and what is more important, informal and formal networks are both important assets for firm growth, development and even long-term (Dubini & Aldrich, 1991; Fadahunsi et al., 2000; Jarillo, 1989; Johannisson & Nilsson, 1989).

Social capital, which is a key intangible resource for firms, is developed through social networks, of which there are two primary types: formal networks and informal networks. Formal networks tend to be a source of weak ties, while informal networks generally are formed among those with strong ties to one another. Research shows that weak ties are more likely than strong ties to be a more valuable source of new knowledge and information because weak ties link one to dissimilar people or firms. Research also shows, however, that firms and individuals usually develop connections to formal networks and, therefore, networks of weak ties, through contacts on their personal informal networks. Additionally, stages of a firm’s development on the
company life cycle have been found to be associated with the likelihood that a firm will be well connected to formal networks and have a broad network of weak ties.

**Niche Media and Competition**

The niche theory is a set of constructs and measures that explain competition among populations based on their resource utilization (Dimmick & Rothenbuhler, 1984). The resource dimensions form one of the defining features of the niche. In media organizations and industries, their relevant niche dimensions are the resources that allow them to survive and develop in time and space (Dimmick, 2003). According to Dimmick (2003), there are six macro-dimensions that are used to denote the resources dimensions, and they are gratifications obtained, gratification opportunities, consumer spending, time spent by consumers on the media, advertising spending and media content. Among the six dimensions, gratifications and gratification opportunities are the basic resources because the demand for media products and services greatly depends on them. Niche breadth measures the area of a niche, and it explains the number and quantity of resources used by a population. In the media market, a specialist medium with a few types of resources is more efficient in using resources (Dimmick & Rothenbuhler, 1984).

Research (Dimmick & Rothenbuhler, 1984) noted that media that can differentiate themselves from one another can coexist well in the same environment. Therefore, in the competitive media markets, many media adopted product-and-service specialization and segmentation as an effective way to survive and develop in both audience and advertising markets (Dimmick, 1997; Dimmick, Chen & Li, 2004; McDowell, 2004). Currently, it is quite prevalent for media to switch to niche markets. For example, today many daily newspapers begin to focus on local reports so as to survive when facing the competition of television, radio, cable and Internet (Blackledge, 2007). As the purpose of local reporting is to cover what other media
can’t, won’t, or haven’t covered, the local stories and the local media matter more to the local readers (Blackledge, 2007).

Ethnic media are niche media, and they gain competitiveness through focusing their content and services on a specific ethnic community, providing the most detailed and useful information for their ethnic communities (Niles, 2008).

**Ethnic Business and Ethnic Media**

Ethnic minority business is valuable for the US economy. Promoting both new ethnic minority business and the growth of existing ethnic minority business is an important component for US economy (Sonfield, 2005).

Aldrich and Waldinger (1990) defined the ethnic of ethnic business as a set of associations and regular patterns of interaction among people sharing national background or migratory experiences (p. 33). They pointed out that market disadvantages, such as exclusion from mainstream job opportunities and the host country’s language skills and ethnic resources, are main characters of the development of ethnic business. Immigrants groups react to these market disadvantages through greater group cohesion (Aldrich & Waldinger, 1990) and ethnic solidarity (Light, 1984). This ethnic solidarity encourages immigrant entrepreneurs to seek resources that already exist within the immigrant community (Sequeira & Rasheed, 2006). On the other hand, the special market conditions of ethnic communities also create initial business opportunities for ethnic entrepreneurs because the ethnic community usually has special needs and preferences that can be best served or can only be served by the members of this specific community. Therefore, through serving culture-related products, ethnic businesses can quickly find a niche in their specific communities (Waldinger, Aldrich & Ward, 1990). However, Waldinger et al. (1990) have noted that when ethnic businesses stay limited to their ethnic
markets, potential opportunities are also limited. The ethnic market can only support a restricted number of businesses due to the limitation of buying power and the size of the ethnic population, and only for ethnic enclaves that are large enough to support the growth of ethnic firms can develop businesses within the community (Sequeira & Rasheed, 2006). Competitive intensity among similar ethnic businesses within an ethnic community may force or drive some business owners to seek growth outside this community (Sequeira & Rasheed, 2006).

Ethnic minority groups in the United States usually have highly close-knit communities, which are considered as ethnic enclaves. An ethnic enclave is an economic formation, which is made up of a variety of geographically concentrated ethnic enterprises that serve their ethnic customers and the general market (Portes & Bach, 1985, p.203). However, from Zhou (1998)’s study of Chinese enterprises in Los Angeles, today’s ethnic enterprises’ location patterns are becoming increasingly complex and interwoven as the location of ethnic companies is not only restricted to their ethnic enclaves. Their location patterns are determined or largely influenced by both their ethnic groups and industry characteristics of the businesses.

The growth and cooperation of ethnic business are greatly facilitated by different aspects of social networks (Yoo, 1998). A combination of diverse networks well reflects a mixed embeddedness of resources from both ethnic community and the wider community (Kloosterman, Van der Leun & Rath, 1999).

For example, in an ethnic community, entrepreneurs not only rely on their direct personal networks, they also receive valuable information through various indirect ties with their ethnic communities and are able to generate sufficient capital and resources at short notice through informal ethnic associations (Birley, Cromie & Myers, 1991; Fadahunsi et al., 2000; Light, 1972). Ethnic entrepreneurs use a number of ritualized occasions, specialized associations
and media to exchange information and service their networks (Boissevain et al., 1990).

Boissevain et al. (1990) concluded that much of the information that is important to entrepreneurs is obtained through ethnic channels, and the size of the ethnic community and the length of time it has been established are all critical in the process of searching information.

On the contrary, although ethnic resources played an important role in transferring information and generating business, many empirical studies found that ethnic business’ reliance on ethnic resources might diminished and become less important. Yoon (1991)’s case study among Korean businesses found that the ethnic resources were less important at the advance stage of business development and class resources, such as business skills and professional experience, are becoming important at this stage. Yoon also noted that the decreasing reliance on the ethnic resources might due to the reasons that ethnic owners might realize that the resources obtained through their informal networks are insufficient.

In addition, Modood (1992) pointed out that as members in an ethnic community gradually achieving integration with the main society, their reliance on the ethnic communities will diminish. In Janjuha-Jivraj’s empirical study (2003, p. 40), the result emphasized the importance of information social networks to ethnic business, but it also indicated that the older generation of immigrants show very strong reliance on the support from their own ethnic communities, and their younger generation have developed wider networks and show great comforts with multicultural groups. The young generation has achieved better integration to the main society through having better education and working experiences, and their wider networks will benefit both their life and businesses. Bagwell (2008, p. 9) suggested that over-reliance on strong family networks might inhibit the development of the ethnic business, and among the cases in the study, the more innovative businesses usually have a more diverse range of family
ties or better educated and more integrated into the mainstream society. Having been exposed to a wider network of weak ties encourages the young generation to enter into a world of diverse businesses.

Ethnic media are an important component of ethnic business. They are “usually established as a profit-making enterprise that advertises the goods and services of ethnic entrepreneurs” and they play a major role in “the creation of communal solidarity, offer valuable information, and shape group members opinions” (Light, 2000). Ethnic media are different media, such as television, radio and newspaper, which serve specific ethnic audiences. According to “Current Population Report” issued by The U.S. Census Bureau in 2004, the foreign-born population in the United States is 33.5 million, which represents nearly 11.7 percent of the U.S. population (Larsen, 2004). The U.S. Census American Community Survey in 2006 showed that 13 out of 50 states had more than 20% of their populations 5 years old and over speaking a language other than English at home, compared with nine states in 2002 (U.S Census Bureau, 2002, 2006).

New America Media is the country’s first and largest national collaboration and advocate of ethnic news organizations. According to New America Media’s 2005 survey, there are 29 million people in the United States who consider ethnic media to be their primary media source. Audience members were considered to use ethnic media as their “primary media source” if they responded that they access ethnic media frequently and prefer ethnic media to mainstream media. In all, ethnic media reaches a total of 51 million Americans on a regular basis.

For ethnic audiences, the functions of ethnic media are not only restricted to entertainment and information. Ethnic media also has functions in assimilation, pluralism (an internal view one’s group membership but not a required cultural identity), symbolic
empowerment and unification of subgroups (Johnson, 2000; Riggins, 1992). Ethnic media is important in maintaining an ethnic community (Husband, 1994), and it will link a variety of subgroups within one ethnic group and promote members from these subgroups to build one ethnic identity (Fox, 1996, p.63-65).

As with other media, ethnic media are driven by the dual-revenue source mechanism to attract both audiences and advertisers. Media competition for advertising exists when advertisers are willing and able to substitute one medium for another (Lacy & Martin, 2004). Ethnic media are important as an advertising medium for businesses that want to target certain ethnic groups. The immense purchasing power brought by the rapid growth of ethnic populations has made ethnic groups increasingly important for both national and local advertisers. For example, Hispanics have an annual purchasing power of more than $750 million, and they are the most brand loyal consumers of the entire population (Wilson, 2007).

Within an ethnic community, ethnic media and other ethnic businesses coexist. In addition, ethnic media sell advertising space and time to these ethnic advertisers. Their social networks involve both socially embedded networks and professional work-based networks. On the other hand, advertisers outside a particular ethnic community need to rely on certain ethnic media to reach future ethnic consumers. Therefore, this group of advertisers might develop their cooperative relationship with ethnic media through different types of social networks.

**Research Question and Hypothesis**

Based on the perspective resource-based view of strategic management and previous studies of corporate social networks and ethnic business, social networks play an important role in the development of ethnic business. The evolution and management of social networks in ethnic companies is complex and vary in different situations. This study explored how ethnic
media companies use social capital resources to gain competitive advantages in the local advertising market. This study also tested one hypothesis about the consequences of using different types of social networks in ethnic media companies to approach different types of advertisers and enhance the company’s competitiveness.

RQ: How do ethnic media manage their social networks as a resource for their business with both ethnic business in their ethnic community and business outside this particular ethnic community?

The theory of network evolution in different phases of entrepreneurship and business development suggests that having more formal social networks, which usually include business-focused networks, work-based networks or even strategic business networks, is necessary for the long-term growth and development of small and medium-sized local businesses. On the other hand, the findings from the ethnic business literatures indicate that for ethnic businesses, their reliance on the ethnic resources, which are usually informal social networks, is diminishing when they have achieved better integration into the mainstream society and enter into an advanced business stage. These ethnic businesses might develop wider professional social networks with diverse groups of people or organizations. And due to the limitation of ethnic markets, it might be important or even necessary for ethnic businesses to seek business opportunities outside their own ethnic community.

Taken together, it would be expected that formal professional social networks might be more useful for ethnic media to grow and develop advertising business, especially in approaching non-ethnic mainstream advertisers.
The following framework explained the hypothesis:

**H1:** Ethnic media that rely on formal social network resources to generate advertising will be more successful in developing a diversified advertising base of non-ethnic mainstream and ethnic advertisers than will ethnic media that rely on informal social networks to generate advertising.
CHAPTER 3

METHOD

The purpose of this study was to explore how niche media companies effectively use and manage their social capital resources to gain competitiveness in local advertising markets. To well understand this media management issue, the study focused on ethnic media, which are exemplars of niche media, and addressed one research question: how do ethnic media manage their social networks as a resource for their business with both ethnic business in their ethnic community and business outside their ethnic community? This study combined qualitative and quantitative approaches to address the research question through a comparative case study design. More specifically, the researcher combined content analysis of ethnic media advertising with semi-structured interviews to generate the data.

Qualitative research is complex and diverse. It uses a flexible approach to help researchers to generate and interpret non-numerical data which can provide them detailed and in-depth information of the subject in the study (Hollifield & Coffey, 2006, p. 573; Wimmer & Dominick, 2006). Qualitative research involves different methods of data collections, such as focus group study, field observation, and interviews. Different from quantitative research, qualitative research is usually unstructured. Although several basic questions would be asked to start the research project, researchers have the flexibility to adjust questions and ask follow-up questions at any time (Wimmer & Dominick, 2006, p. 116). The nature of qualitative data analysis respects the uniqueness of each case in the research and it helps to identify emergent theories which can produce patterns of associations, as well as develop typologies and explanations (Snap & Spencer, 2003, p. 5).
Due to the complex nature of the variables in this study, a case study design using semi-structured interviews was chosen so that the researcher could gather detailed information on the construction, structure and use of social networks in the ethnic media companies. On the other hand, to better supplement and facilitate the analysis of interview data, the researcher conducted a content analysis of the newspapers in the study after finishing the interviews with executives of those newspapers.

The basic concept of case studies is that one case or a small number of cases will be studied so that researchers could understand a particular phenomenon (Wimmer & Dominick, 2006, p. 136). According to Punch (2005, p. 144), the case studies can help a researcher to “understand the case in depth, and in its natural setting, recognizing its complexity and its context.” The wealth of detailed information obtained through case studies can greatly help researcher to understand the wholeness of the case (Punch, 2005), and moreover, the power and impression generated by the narrative detailed in a case studies might increase the influence on readers (Hollifield & Coffey, 2006, p. 582).

Case study designs have various applications in research, such as providing description, testing theory and generating theory (Eisenhardt, 1999), and they can be used to explain the presumed causal links in real life interventions, which are too complex for using the survey method or other research strategies (Yin, 2003). In the field of media economics and management, it is common to use case studies in an exploratory study to investigate new and potential issues and variables for future researches (Andrews & Napoli, 2006; McDowell, 2004; McDowell & Sutherland, 2000). The comparative case study design fits well with the aim of this study because no previous similar study has been conducted in the field of media management,
and using case studies can be effective in exploring how different ethnic media companies manage their social network resources.

A purposeful sampling procedure was used to select the research participants in this study. The population in this research is ethnic weekly newspapers in five cities in the United States. The New America Media’s ethnic media directory was used to identify the subjects of this study. Based upon the list of ethnic weekly newspapers in those five cities in The New American Media’s directory, it was determined that the population includes 21 ethnic weekly newspapers. The criteria for selecting proper participants were: 1) the ethnic group the weekly newspaper served was a relatively large population in the United States; 2) the media company was well established in its local market; 3) the newspaper targeted general readers in its ethnic community and was not a sub-niche specialty publication such as ethnic religious or business-to-business newspaper. Therefore, the research sample included 3 Chinese newspapers in 2 cities, 6 Korean newspapers in 1 city, 5 African American newspapers in 3 cities and 3 Latin American newspapers in 2 cities.

Semi-structured interviews and content analysis methods were used to generate the data. The interview protocol was developed based upon previous research on social capital, social capital measurement, social networks, small and medium-sized business development and ethnic business development (Onyx & Bullen, 2000; Stone, 2001; Yoo, 1998). The interview protocol was developed in conjunction with the thesis adviser. The interview protocol was submitted to the University of Georgia’s Institutional Review Board for approval prior to being taken into the field.

The final interview protocol (Appendix) was structured into four parts with 39 questions: 1) basic business questions about the newspaper company; 2) questions on managing corporate
social networks; 3) questions on the company’s advertising business; and 4) questions on the respondent’s personal information. The definition of informal social network in this study broadly encompassed the firm’s external networks developed from personal, family, or community-based links, including links through religious or social-cultural organizations. Formal social networks in this study mainly referred to professional connections, such as work-based business networks and memberships in professional business association or other industry organizations.

The independent variable of this study was the types of social networks that the ethnic newspapers used to obtain and maintain ethnic business advertisers and non-ethnic mainstream business advertisers. This independent variable had two categories, which were informal social networks and formal social networks. Researcher analyzed the types of social networks that the ethnic newspapers used based on the answers to several important questions in the interview protocol, such as question 11 “in general, how do you obtain new and potential advertisers?”, question 13 “Among all the channels we mentioned above, which channel do you think is (are) more effective and important in getting information and generating advertisers?” and questions on the participation in professional business or industry organizations and their strategies to attract non-ethnic mainstream advertisers. These questions provided the researcher detailed information on the types, construction, and management of different social networks of the ethnic newspapers.

The dependent variables included the percentage of ethnic business advertisers among the total number of advertisers and the percentage of non-ethnic mainstream business advertisers among the total number of advertisers, as well as the ethnic newspapers’ competitiveness in local advertising markets.
Publishers or general managers were identified as the appropriate interview participants. Following the approval of the Institutional Review Board, initial contacts were made through telephone to ask executives of the selected newspapers about their willingness to participate in a face-to-face interview in their work place. If they preferred other forms of interviews, the researcher interviewed them through telephone or in other places. In some cases, copies of the interview questions were sent to the participants via email upon their request and later, either a face-to-face interview or a telephone interview was conducted with this participant. After the initial interviews with those media executives, follow-up phone calls were made by the researcher to ask for the sample of newspapers from these ethnic media companies.

Data were collected from May 1 to June 2, 2008. The interview was administered by the researcher. After the initial call to make an interview appointment, General Managers or Publishers from 2 Chinese weeklies, 1 Korean weekly, 1 Latin American weekly, 1 Mexican weekly and 4 African American weeklies agreed to participate in this study. The total response rate was 60%. For the Chinese and Latin American weeklies, the response rate was 67%. African American weeklies had a response rate of 80% and the response rate for Korean weeklies was 17%. Among all the interviews, there were 3 face-to-face interviews and 6 telephone interviews. The average interview session took around 45 minutes to complete. There were two managers who completed the interview questions first, and then had a relatively shorter interview with the researcher for several questions that need detailed information. All interviews were tape-recorded entirely by digital recorded. After the collection of data, all digital files were transcribed by the researcher.
After conducting the interviews, the researcher called all the interviewees again to request samples of their newspapers. Of the 9 newspapers the researcher received newspapers from 7 of them.

The formal process of analyzing the interview data began by transcribing the interviews and then entering responses into a spread sheet by case to allow in-depth analysis and the categorizing of cases according to their ethnic groups and location. “Major ethnic groups” in the following analysis refers to the ethnic group that the weekly newspaper served. “Non-ethnic mainstream advertisers” refers to advertisers who target a general market instead of targeting a single minority group as their primary customer.

In the content analysis, the population was the display advertisements that appeared in the ethnic newspapers that participated in the study. Since the interviews were conducted between May and early June, it was relatively easier for the newspapers to send samples of newspapers published in May. Among the 9 ethnic weekly newspapers, 7 of them sent newspapers published in different weeks in May, and therefore, the researcher chose one sample issue of each weekly paper published in sometime in May, 2008. The sample for content analysis was the display advertisements that appeared in the selected issues of the 7 weekly newspapers.

Based on the picture of business owner shown on the advertisement and the types of companies, the researcher coded the total number of display advertisements, the percentage of display advertisements placed by ethnic businesses and the percentage of display advertisements placed by non-ethnic mainstream businesses. The researcher did not include advertisement that had no picture of the owner and could not be identified simply based on the name of the business.

The content analysis was conducted only by the researcher because it was necessary to protect the identities of the newspapers that participated in the study. Therefore, no intercoder
reliability tests were possible. For the validity of the content analysis, since the types and numbers of display advertisements for each newspaper per week were quite similar, analyzing one sample of each newspapers helped the researcher gain a whole picture of the display advertisements of each newspaper in the study.

All the results of interviews and content analysis are displayed and discussed in the following chapter of findings.
CHAPTER 4
FINDINGS

Background of Weekly Newspapers & Advertisers

A total of 9 ethnic weekly newspapers completed the interview. Table 1 shows the profile of these 9 cases. Among the 4 weekly newspapers targeting the African American community, all of them were independent local media companies that had long histories ranging from 20 years to more than 40 years in the local newspaper markets. Among the 3 weeklies that targeted Asian readers, all of them were relatively younger, and one Chinese weekly and one Korean weekly were not independent companies as they had parent companies in the United States. With regards to the two Hispanic weekly, they were both independent local media companies.

Table 2 briefly displays the general information of the market competition and the number of advertisers of the 9 ethnic weeklies. Among the 4 African American weeklies, case 1 and case 2 were two newspapers that mainly distributed in the metropolitan areas, and their competitors were major mainstream newspapers. Case 1 had a relatively larger distribution area covering 70% of the readers in the market that its newspaper catered to and case 2 covered 63% of the African American readers in the local newspaper market in the major city. Case 1 usually had 25 major advertisers and case 2 had 125 major advertisers per year.

Case 3 and case 4 were small local weekly newspapers in small cities. Covering 90% of the readers in local African American newspaper market, case 3 did not have specific competitor, and it usually had 75 to 100 major advertisers per week (The respondent can only estimate the
number of their advertisers in a week). For case 4, it covered nearly 40% of the readers in local African American market and had 60 major advertisers a year. According to the respondent, case 4 considered all the other media competing advertising with its newspaper as its competitors.

Table 1. Profile of Newspapers

<table>
<thead>
<tr>
<th>Case</th>
<th>Newspaper History</th>
<th>Target Readers</th>
<th>Independent Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Around 40 Years</td>
<td>African American</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>Around 40 Years</td>
<td>African American</td>
<td>Yes</td>
</tr>
<tr>
<td>3</td>
<td>Around 40 Years</td>
<td>African American</td>
<td>Yes</td>
</tr>
<tr>
<td>4</td>
<td>Around 20 Years</td>
<td>African American</td>
<td>Yes</td>
</tr>
<tr>
<td>5</td>
<td>Around 10 Years</td>
<td>Chinese</td>
<td>No</td>
</tr>
<tr>
<td>6</td>
<td>Around 10 Years</td>
<td>Chinese</td>
<td>Yes</td>
</tr>
<tr>
<td>7</td>
<td>Around 10 Years</td>
<td>Hispanic</td>
<td>Yes</td>
</tr>
<tr>
<td>8</td>
<td>Around 20 Years</td>
<td>Hispanic</td>
<td>Yes</td>
</tr>
<tr>
<td>9</td>
<td>Around 10 Years</td>
<td>Korean</td>
<td>No</td>
</tr>
</tbody>
</table>

Case 5 and case 6 were two Chinese newspapers that targeted Chinese readers in different states. Having 300 major advertisers each year, case 5 had strong brand in its local Chinese newspaper market and covered 70% of the readers in its target markets. For case 6, covering 40% of the readers in its target markets, its main competitor was one daily Chinese newspaper in the same market, and it had more than 200 major advertisers each year.

Case 7 was a weekly newspaper targeting the Hispanic readers in the major city and surrounding counties. Targeting the market for 10 years, it covered around 40% of the local Latin American newspaper readers. Each year, this newspaper had 300 major advertisers.
Different from case 7, case 8 mainly distributed its newspapers in one small city and surrounding counties. According to the participant, this newspaper dominated the small newspaper market, and each year, it usually had 150 major advertisers.

Case 9 was a Korean weekly newspaper mainly distributing in different counties in the metro areas. In this local Korean weekly newspaper marker, its market share of readers was 35%, and it had 100 to 120 major advertisers each year. Its major competitors were other Korean Daily and Korean weekly newspapers.

Table 2.
General Business Information of Newspapers

<table>
<thead>
<tr>
<th>Case</th>
<th>Major Competitor</th>
<th>Market Share (%)</th>
<th>Distribution Areas</th>
<th>Number of Advertiser (Display Advertisement)/Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mainstream Newspaper</td>
<td>70%</td>
<td>Major city &amp; surrounding counties</td>
<td>More than 25</td>
</tr>
<tr>
<td>2</td>
<td>Mainstream Newspaper</td>
<td>63%</td>
<td>Major city</td>
<td>125</td>
</tr>
<tr>
<td>3</td>
<td>No Competitor</td>
<td>90%</td>
<td>Small city &amp; surrounding counties</td>
<td>75-100/Week</td>
</tr>
</tbody>
</table>
Table 2.  
General Business Information of Newspapers

<table>
<thead>
<tr>
<th>Case</th>
<th>Major Competitor</th>
<th>Market Share (%)</th>
<th>Distribution Areas</th>
<th>Number of Advertiser (Display Advertisement)/Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>All other media competing for advertising</td>
<td>40%</td>
<td>small city</td>
<td>60</td>
</tr>
<tr>
<td>5</td>
<td>Other Chinese newspapers</td>
<td>60-70%</td>
<td>One State</td>
<td>300</td>
</tr>
<tr>
<td>6</td>
<td>Other Chinese newspaper</td>
<td>40%</td>
<td>One state</td>
<td>More than 200</td>
</tr>
<tr>
<td>7</td>
<td>Other Hispanic Newspapers</td>
<td>40%</td>
<td>Major city &amp; surrounding counties</td>
<td>300</td>
</tr>
<tr>
<td>8</td>
<td>No Competitor</td>
<td>100%</td>
<td>small city</td>
<td>150</td>
</tr>
<tr>
<td>9</td>
<td>Other Korean Newspapers</td>
<td>35%</td>
<td>Metro areas</td>
<td>100-120</td>
</tr>
</tbody>
</table>

Table 3 presents the percentages of ethnic and non-ethnic advertisers among the total number of major advertisers of the 9 ethnic newspapers. These two types of percentages were the dependent variables of this study.

Case 1 and case 2 all had large percentage of non-ethnic mainstream advertisers. Among the total number of their advertisers, there were up to 90% and 80% advertisers that were non-
ethnic mainstream businesses. For case 3, although the percentage of its non-ethnic mainstream advertisers was only 20%, the majority of money actually came from its non-ethnic mainstream business advertisers, according to the interviewee. Compared with case 1 and case 2, case 4 had a larger percentage of African American business advertisers, which was up to 70% of its total advertising.

Three Asian weekly newspapers (case 5, 6 and 9) all had a high percentage of ethnic business advertisers. In case 5, 60% of its current major advertisers were Chinese business, and another 30% of its advertisers were from other Asian communities. The respondent also explained that it was very rare for case 5 to have advertising from non-ethnic businesses. It was the same situation for the other two Asian newspapers; for case 6, up to 90% of its advertisers were Chinese business and 95% of case 9’s advertisers were from Korean business.

<table>
<thead>
<tr>
<th>Case</th>
<th>% of major ethnic advertisers</th>
<th>% of non-ethnic mainstream advertisers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10%</td>
<td>90%</td>
</tr>
<tr>
<td>2</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>3</td>
<td>79%</td>
<td>20%</td>
</tr>
<tr>
<td>4</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>5</td>
<td>60%</td>
<td>2%</td>
</tr>
<tr>
<td>6</td>
<td>90%</td>
<td>5%</td>
</tr>
<tr>
<td>7</td>
<td>70%</td>
<td>30%</td>
</tr>
<tr>
<td>8</td>
<td>30%</td>
<td>50%</td>
</tr>
<tr>
<td>9</td>
<td>95%</td>
<td>5%</td>
</tr>
</tbody>
</table>
In case 7, the majority of its major advertisers were the Hispanic businesses, but there were still 30% of them that were non-ethnic mainstream businesses. Its publisher also mentioned that the non Hispanic advertisers actually spent more money in advertising. For case 8, although it mainly distributed in a small city, 50% of its current advertisers were from local non-ethnic mainstream businesses.

Table 4 presents the types, sizes and locations of advertisers of the 9 weekly newspapers. For case 1 and case 2, which all had large percentage of non-ethnic mainstream advertisers, the types and sizes of their ethnic business advertisers were quite diverse, ranging from general businesses to professional services, such as insurance companies, banks and lawyer services. On the other hand, for case 1, its non-ethnic advertisers included both national and local companies, such as beverage companies and department stores. For case 2, its non-ethnic advertisers were national and regional companies, such as department stores and automobile companies.

The types of the businesses of African American advertisers for case 3 and case 4 were quite similar, as they were churches, general business and professional services that were located in their own local communities. Case 3’s non-ethnic mainstream advertisers were diverse too. They were local and regional businesses, and not only restricted to grocery stores but also including hospitals and banks. The types of case 4’s non-ethnic mainstream advertisers were mainly big national or regional grocery stores.

There were many similarities among case 5 and case 6’s Chinese advertisers. Their businesses were all service-oriented businesses, such as Chinese grocery stores and real estate agencies and restaurants, locating in the local Chinese communities. Unlike previous cases, case 5 rarely had non-ethnic mainstream advertisers and Case 6’s only had limited number of big national non-ethnic mainstream advertisers.
Targeting many counties in the metro areas, Case 7’s Hispanic advertisers owned diverse service-oriented business, such as automobile and real estate agencies. Case 7 had also obtained many non-ethnic mainstream advertisers, which were regional and national corporations. Since case 8 only focused on a small city and surrounding counties, its Hispanic advertisers were small local businesses, such as insurance agents and doctors locating in different counties. However, case 8’s non-ethnic mainstream advertisers were also small service-oriented or professional services in its local communities.

Like case 5 and case 6, case 9 did not have many non-ethnic mainstream advertisers, and most of its national non-ethnic advertisers were from different service industries such as hotel and the telecommunications industry. Case 9’s ethnic advertisers were from the Korean businesses of restaurants, furniture stores, and cosmetic companies, which all located in the metro areas, especially the Korean communities.

Table 4.
Information of Newspapers’ Current Advertisers

<table>
<thead>
<tr>
<th>Case</th>
<th>Types of Ethnic Business</th>
<th>Size of Ethnic Business</th>
<th>Location of Ethnic Business</th>
<th>Types of Non-Ethnic Business</th>
<th>Location of Non-Ethnic Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Insurance; Home/Office Supply</td>
<td>Small, Medium &amp; Big Companies</td>
<td>Major City</td>
<td>Beverage; Home/Office Supply; Department Stores</td>
<td>National Local</td>
</tr>
<tr>
<td>2</td>
<td>Bank; Doctors; Lawyers; Restaurants; General Businesses</td>
<td>Small, Medium &amp; Big Companies</td>
<td>Major City</td>
<td>Stores; Automobile; Liquor Stores;</td>
<td>National Regional</td>
</tr>
<tr>
<td>Case</td>
<td>Types of Ethnic Business</td>
<td>Size of Ethnic Business</td>
<td>Location of Ethnic Business</td>
<td>Types of Non-Ethnic Business</td>
<td>Location of Non-Ethnic Business</td>
</tr>
<tr>
<td>------</td>
<td>--------------------------</td>
<td>-------------------------</td>
<td>-----------------------------</td>
<td>------------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>3</td>
<td>General Businesses;</td>
<td>Small Local Companies</td>
<td>Local Community</td>
<td>Supermarkets; Care Dealers;</td>
<td>Local Regional</td>
</tr>
<tr>
<td></td>
<td>Churches, Doctors,</td>
<td></td>
<td></td>
<td>Banks; Hospitals</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lawyers Churches;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lawyers; Real Estate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Companies; General</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Businesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Real Estate Agency;</td>
<td>Small Local Companies</td>
<td>Local Community</td>
<td>Big Grocery Stores</td>
<td>National Regional</td>
</tr>
<tr>
<td></td>
<td>Supermarkets; Restaurants; Schools</td>
<td>Small, Medium &amp; Big Companies</td>
<td>Local Community</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Accounting; Lawyers;</td>
<td>Local companies</td>
<td>Local Community</td>
<td>Rare to obtain this type of</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Restaurants; Stores;</td>
<td></td>
<td></td>
<td>advertisers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Supermarkets; Real</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Estate Agency;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Communication; Real</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>State; Automobiles;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Retails</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Insurance; Doctors;</td>
<td>Local companies</td>
<td>Local Community</td>
<td>Big National Companies</td>
<td>National</td>
</tr>
<tr>
<td></td>
<td>Restaurants; Car Dealers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Restaurants; Furniture;</td>
<td>Small, Medium &amp; Big</td>
<td>Major City</td>
<td>Regional National Companies</td>
<td>Regional National</td>
</tr>
<tr>
<td></td>
<td>Cosmetics; General</td>
<td>Companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Businesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Restaurants; Furniture;</td>
<td>Local companies</td>
<td>Different Counties</td>
<td>Insurance; Doctors; Car</td>
<td>Local Community</td>
</tr>
<tr>
<td></td>
<td>Cosmetics; General</td>
<td></td>
<td></td>
<td>Dealers; Grocery Stores;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Businesses</td>
<td></td>
<td></td>
<td>Restaurants; Telecom; Hotel</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Services; Government</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Issues</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Restaurants; Furniture;</td>
<td>Local companies</td>
<td>Different Counties</td>
<td></td>
<td>National</td>
</tr>
<tr>
<td></td>
<td>Cosmetics; General</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Businesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 5 shows the 9 ethnic weeklies’ distribution places, office locations, prices, and the influences of locations to the communication between the newspapers and their advertising customers. From the response of interview participants, case 1 not only delivered newspapers by mail, it also distributed newspapers in many busy shopping areas, as well as African American Churches where many of their target readers would come. Locating in the heart of the business district had prompted the communication between the newspaper and its advertisers. Case 2 was a free newspaper that distributed in many busy shopping areas. It located in the center of community, and its historical location made it much easier for advertisers to find.

Subscription was important for case 3 and case 4. Case 3 directly distributed its newspapers to local businesses and local African American Churches. The respondent believed that the good location in the community helped people to easily find its office. Different from case 3, case 4 distributed a large portion of its newspapers through direct mail. Locating in the most visible street, its office was easy for advertisers to find. Another feature that made case 4 special was that it had several staff working in other communities but did not own offices, and this group of people helped the newspaper to promote itself and attract more advertising business.

Case 5’s newspaper was free and mainly distributed in Chinese supermarkets. Its main office located in the business center of the city and it had different offices locating in several important business districts. Its good location was believed to make it easy for its advertising customers to reach. Like case 5, Case 6 also located in the center of the community and distributed newspapers mainly in restaurants and grocery stores. However, for case 6, its location did not have any special influence on the communication with its advertisers.

Case 7 and case 8 all distributed their newspapers in a major Hispanic business center their target readers usually visited. They both had only one office located in the center of the
community, and the good locations of their offices had made it easier for them to travel and communicate with advertisers. Case 9 also distributed its newspaper in many important business areas, and its office was close to many retail business and office areas. However, its location did not have any special influence on the communication with its advertisers according to the interviewee.

Table 5.
Newspapers’ Distribution Places and Office Locations

<table>
<thead>
<tr>
<th>Case</th>
<th>Distribution Place</th>
<th>Price</th>
<th>Office Location</th>
<th>Other Offices</th>
<th>Influence of Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mail; Vending; Bus Stops; Shops; African American Churches Shops; Libraries; Grocery Stores; Mall Business; African American Churches</td>
<td>Free &amp; Paid</td>
<td>Heart of Business District</td>
<td>No</td>
<td>Help for communication</td>
</tr>
<tr>
<td>2</td>
<td>Shops; Libraries; Grocery Stores; Mall</td>
<td>Free</td>
<td>Heart of Community</td>
<td>No</td>
<td>Being here since the beginning, easy to find</td>
</tr>
<tr>
<td>3</td>
<td>Business; African American Churches</td>
<td>Paid</td>
<td>Good Location Long History</td>
<td>No</td>
<td>Easy for People to Find</td>
</tr>
<tr>
<td>4</td>
<td>A large portion delivered by mail</td>
<td>Paid</td>
<td>Most Visible Street</td>
<td>No, but have staffs working other places</td>
<td>Easy for Travel</td>
</tr>
<tr>
<td>5</td>
<td>Majority in Supermarkets Restaurants and Grocery Stores Hispanic Traffic Places, Retail Stores, Grocery Stores</td>
<td>Free</td>
<td>Business center</td>
<td>Yes</td>
<td>Easy for Travel</td>
</tr>
<tr>
<td>6</td>
<td>Hispanic Stores, Gas Stations</td>
<td>Free</td>
<td>Community Center</td>
<td>No</td>
<td>No special influence</td>
</tr>
<tr>
<td>7</td>
<td>Business Center</td>
<td>Free</td>
<td>Central Location</td>
<td>No</td>
<td>Close to Advertisers</td>
</tr>
<tr>
<td>8</td>
<td>In the local community Close to Retail and Business Center</td>
<td>Paid</td>
<td></td>
<td>No</td>
<td>Easy for Travel</td>
</tr>
<tr>
<td>9</td>
<td>Free</td>
<td>No</td>
<td>Not much influence</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Social Networks and Advertising Business

This section focuses on how the nine ethnic weekly newspapers managed their social networks in order to identify potential new advertisers and maintain current advertisers for their newspapers. Based on the interview questions, the nine participants explained the major channels or networks that they used to obtain or maintain different types of advertisers, their participation in professional organizations, their relationships with current advertisers, well as their opinions on using social networks to develop their advertising businesses and enhance competitive advantages in local markets.

Identifying and Approaching Potential New Advertisers

The interviews indicated that the 9 ethnic newspaper executives used different methods to identify and approach potential new advertisers. The methods appeared to vary depending on whether the potential new advertiser was or was not a member of the ethnic group that the newspaper targeted.

Major Ethnic Advertisers

When identifying and approaching major ethnic advertisers, the ethnic newspapers appeared to be more likely to use informal social networks and both strong and weak ties.

Among the nine cases studied, four cases (cases 3, 4, 8 and 9) appeared to make substantial use of social networks to develop their advertising business. Case 3, an independent African American newspaper targeting local communities, mainly relied on formal social network to obtain new advertisers. As its manager said, the newspaper used the connections built in local business associations to learn about potential advertisers.

Three of the four newspapers (case 4, 8 and 9) said they used informal social networks as a source of business information and reported they relied on the manager or publishers’ weak ties.
in the local community to approach potential advertisers. Case 4 and case 8 were two independent local community newspapers with longer histories. For example, the respondent from case 4 said that frequently joining different local networking events held by local organizations or professionals helped the publisher develop new business with local advertisers. Due to Case 4’s long history and efforts at promoting community development, its history bond with local organizations helped the newspaper to continually obtain new advertisers. For case 4, its overall local networks were quite overlapped. While for case 9, the manager’s personal-based business relationships, such as referrals from readers or current advertisers, which were weak ties, helped the newspaper obtain many new advertising businesses.

Another third (case 1, 2 and 7) of the 9 newspapers said that they identified potential new ethnic advertisers through their own research by using independent information, such as the Web or through cold-calling. Those relying primarily on such methods were two metro African American newspapers (case 1 and 2) with long histories and one of the Hispanic newspapers (case 7), which was an independent company targeting the metro areas. The participant from case 2 mentioned the importance of conducting research:

> By doing research through websites and trade publication to find who has an immediate project and who doesn’t advertise, and can find what they are targeting, what they are trying to move, and something the community might interest.

One possible pattern found was that the newspapers (case 1, 2, 3, 4 and 8) with long development histories appeared to use social networks or rely on using independent research to build new business networks by themselves.

Finally, the remaining three newspapers, which included both Chinese newspapers and one Hispanic newspaper, stated that they primarily relied on their ethnic-advertisers to directly contact them (Case 5, 6 and 8).
In summary, slightly less than half of the newspapers in the study reported relying heavily on social networks through either business associations or local acquaintances to identify potential advertisers among ethnic businesses serving the same customer group as the newspapers themselves.

Table 6.
Methods to Identify Major Ethnic Advertisers

<table>
<thead>
<tr>
<th>Case</th>
<th>Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Research</td>
</tr>
<tr>
<td>2</td>
<td>Research</td>
</tr>
<tr>
<td>3</td>
<td>Formal Social Networks</td>
</tr>
<tr>
<td>4</td>
<td>Informal Social Networks</td>
</tr>
<tr>
<td>5</td>
<td>Contacted by Advertisers</td>
</tr>
<tr>
<td>6</td>
<td>Contacted by Advertisers</td>
</tr>
<tr>
<td>7</td>
<td>Research</td>
</tr>
<tr>
<td>8</td>
<td>Informal Social Networks</td>
</tr>
<tr>
<td>9</td>
<td>Contacted by Advertisers</td>
</tr>
</tbody>
</table>

Non-Ethnic Mainstream Advertisers

According to the respondents, slightly less than half of the ethnic newspapers were likely to depend on professional associations to identify potential non-ethnic advertisers, and more than half of the media are more likely to rely on formal business relationships and community-based social networks, such as reader referrals, and connections made through social or community organizations.

Four African American weeklies (case 1, 2, 3 and 4) said business and professional industry organizations were important for them in identifying potential non-ethnic mainstream advertisers. For case 1 and case 4, frequently joining these organizations provided them the opportunity to enlarge their networks, such as attending different national or regional conferences to meet advertisers, as well as joining the ethnic media database, which was widely
used by non-ethnic advertisers to find media and their advertising information. The diverse composition of these networks also helped them to make contacts with more advertisers. As one manager mentioned:

Some companies contact us, and we know them through business organizations and see what they do with other publications. Not too much come from family or friends.

Another publisher also talked about the benefits of joining professional business or industry networks:

A lot of time they may tell you what companies or corporation are changing focus of advertising and press, do advertising on website or non-traditional advertising. You get that information from the conferences.

One important source of information about potential non-ethnic advertisers appeared from the interviewers to come through formal business relationships such as advertising agencies, with four of the weeklies (Cases 2, 6, 7 and 9) saying that was their most important source. Said one respondent:

Through advertising agency, we go out and they select us as well….sometimes when having a special price, we might go to contact different people inside the company…usually we have advertising relationships already through special local projects, and it is natural to come from the agency in the local to do project in the individual event.

Besides advertising agencies, the community-based social networks were important for case 6 and case 8 to approach potential new non-ethnic advertisers. For example, the respondent from case 6, a Chinese newspaper with a 10-year history, stated that the paper’s advertisers contacted the newspaper through readers’ referrals or local community events. For case 8, since most of its non-ethnic mainstream advertisers were local businesses, the publisher’s strong social
ties developed through the community-based social networks played a significant role in obtaining new advertisers. According to the publisher from case 8:

You get contacts; developing advertisers; you serve in these social and community organization, and you get help from other members. The networks overlap in the small community.

The respondent from case 5 did not explain the methods that they used to approach non-ethnic advertisers since the paper rarely had non-ethnic mainstream advertisers.

Only one newspaper, Case 4, reported relying heavily on its own direct research as a primary means of identifying potential non-ethnic advertisers, although it also utilized formal business networks to approach new mainstream advertisers.

Except case 8 whose non-ethnic advertisers were mainly local small businesses, the other four newspapers (case 1, 2, 3 and 4) with long histories, which were African American newspapers, all had developed diverse non-ethnic advertisers ranging from national companies to local non-ethnic companies. They all focused on using formal social networks to obtain potential non-ethnic advertisers, and three of them especially relied on joining professional business or industry organizations to approach advertisers.

None of the respondents reported relying on strong ties, such as those from family and friends, to develop contacts with non-ethnic advertisers.

In summary, most of the newspapers relied on using formal social networks, such as professional business or industry organization and formal business relationships, to obtain non-ethnic advertisers. However, case 8 in the study was quite special, since its non-ethnic advertisers were mainly local businesses and represented a large percentage of the total number of its advertisers. The result from case 8 might suggest that community-based informal networks played an important role in helping local newspaper approach local small non-ethnic advertisers.
Table 7.
Methods to Identify Non-Ethnic Mainstream Advertisers

<table>
<thead>
<tr>
<th>Case</th>
<th>Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Formal Networks</td>
</tr>
<tr>
<td>2</td>
<td>Formal Networks</td>
</tr>
<tr>
<td>3</td>
<td>Formal Networks</td>
</tr>
<tr>
<td>4</td>
<td>Formal Networks</td>
</tr>
<tr>
<td>5</td>
<td>N/A</td>
</tr>
<tr>
<td>6</td>
<td>Formal Networks</td>
</tr>
<tr>
<td>7</td>
<td>Formal Networks</td>
</tr>
<tr>
<td>8</td>
<td>Informal Networks</td>
</tr>
<tr>
<td>9</td>
<td>Formal Networks</td>
</tr>
</tbody>
</table>

Overview of Reliance on Informal & Formal Social Networks

A general examination of the interview data showed that the ethnic media studied relied on a variety types of social networks to approach and maintain their ethnic advertisers and non-ethnic mainstream advertisers.

For example, the three Asian newspapers (case 5, 6 and 9), none of which had many non-ethnic advertisers, all indicated that they indeed obtained a large amount of useful advertiser information from informal networks, such as ethnic community-based networks and informal business networks, which included both strong ties and weak ties. Two of those papers, case 5 and 9, were subsidiaries of successful parent companies with other similar papers elsewhere in the U.S. In both cases, those papers also emphasized their focus on building a better newspaper brand and achieving excellent market performance to attract different types of advertisers.

In addition, compared with the non-urban papers which had a certain amount of non-ethnic advertisers and relied on both informal and formal networks, the urban newspapers (1, 2 and 7) appeared to use more resources from formal social networks.

The interview results suggested that the methods used by the ethnic newspapers to approach potential advertisers appeared to vary depending on the types of the advertisers,
whether they were ethnic advertisers or non-ethnic mainstream advertisers. Moreover, the findings also showed several possible patterns: the well-developed newspapers, such as the four African American studied, tended to rely more on formal networks, and urban papers with diverse non-ethnic advertisers, showed high tendency in using formal networks to gain advertisers in a relatively complex newspaper market, and the newspapers which belong to the ethnic group that had better integration with the mainstream society also tended to rely more on formal social networks, such as the four African American newspapers.

**Developing Non-Ethnic Mainstream Advertisers**

All the participants in the study agreed that non-ethnic mainstream advertisers were increasingly important for the growth and development of ethnic newspapers because these advertisers were usually big companies and paid much more money to the newspaper than their ethnic business advertisers. Almost all the newspapers emphasized the importance of educating non-ethnic advertisers about the importance of using ethnic media to reach ethnic customers. Three Asian newspapers (case 5, 6 and 9) expressed their problems in attracting non-ethnic advertisers. According to these managers said, it was very hard for these Asian newspapers to attract this group of advertisers and usually it took a long period of time and large amount of work for ethnic media to successfully obtain these advertisers. Some managers from the three cases concluded that the smaller population and relatively lower awareness of their ethnic community might lead to the lower percentage of mainstream advertisers. However, since the advertising markets in their own ethnic communities might be saturated soon, it was very necessary for them to go outside to obtain mainstream advertisers. The manager from case 5 said:

We try to get them, but it is very hard, when you put out efforts but no pay back…
Social Networks & Customer Relationships with Current Advertisers

The interview results showed that a large number of respondents had built strong business ties with their current customers, while only three of the cases maintained weak business ties with their current advertisers.

Three cases (case 2, 4 and 5), including two African American newspapers and one Chinese newspaper, all thought that the customer relationships were only weak business ties and they did not use frequent visits to build advertising relationships. For example, the publisher from case 4 said that once the newspaper had built a good reputation in the local market, more advertisers would come to buy advertising. Case 5 pointed out that the main task for the newspaper advertising business was to meet advertisers’ needs, and it was hard to maintain strong relationships with every advertiser. The most effective way to attract advertisers was to have good performance in the newspaper market and attract more readers.

Six cases studied (case 1, 3, 6, 7, 8 and 9) stated the importance of building strong business ties with current advertisers, and they all focused on using frequent visits and professional customer services to build strong advertising relationships. For example, Case 1, a metro African American newspaper with long history, believed that the core of relationships with advertisers was to provide them greater net worth and help them improve their business performance through advertising on the newspaper. The publisher said:

Keeping in constant contact with one another we’re able to continue a dialogue that helps us to develop and understand one another and the needs for each of us and how we invest our service, and each other’s needs and how we compliment our needs.

As with case 1, the respondent from case 3 pointed out that for its newspaper, dealing with the advertiser one on one and building good relationships was important, because even
today, in the technological age, visiting the advertisers and talking with them about their needs were very necessary.

The publisher from case 7, a young Hispanic newspaper targeting a metro area, said that whether they built strong ties with an advertiser depended to some degree on the category of the advertiser. The respondent noted that the paper did not try to build strong ties with all advertisers. They also saw professional customer services and strong market performance as important for building good business relationships.

Cases 8 and 9, targeting the Hispanic and Korean communities respectively, tried to build strong ties with their advertisers and develop a family-like relationship with them. For example, a large portion of case 9’s manager’s working time was used to visit the advertisers. The manager believed that through frequent visits and professional services, the paper could build business trust with advertisers.

Responses from the papers suggested that for these newspapers, strong business ties built through frequent contacts and good customer service were most important for maintaining existing advertisers. At the same time, for newspapers that already had built a good reputation in the local market, maintaining a good brand and reputation were considered more important to maintaining advertisers than developing strong social network ties with those clients.

Opinions on Using Social Networks to Promote Advertising Business

The participants in the study shared their opinions in using social networks to promote advertising business. The results indicated that more than half of the papers believed that although both two types of networks were all important, their formal social networks were more valuable to their short-term and long-term growth.
Table 8.
Customer Relationships with Current Advertisers

<table>
<thead>
<tr>
<th>Case</th>
<th>Customer Relationships</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strong Business Tie</td>
</tr>
<tr>
<td>2</td>
<td>Weak Business Tie</td>
</tr>
<tr>
<td>3</td>
<td>Strong Business Tie</td>
</tr>
<tr>
<td>4</td>
<td>Weak Business Tie</td>
</tr>
<tr>
<td>5</td>
<td>Weak Business Tie</td>
</tr>
<tr>
<td>6</td>
<td>Strong Business Tie</td>
</tr>
<tr>
<td>7</td>
<td>Strong Business Tie</td>
</tr>
<tr>
<td>8</td>
<td>Strong Business Tie</td>
</tr>
<tr>
<td>9</td>
<td>Strong Business Tie</td>
</tr>
</tbody>
</table>

Looking from the whole picture of using social networks to identify and approach potential ethnic and non-ethnic advertisers, as well as the future development of ethnic media, the publishers or managers from five of the cases studied (case 2, 3, 4, 5 and 9) stated the importance of building or maintaining formal social networks in their business development, since this type of network was the key to keep business growing. Three of these companies (case 2, 3 and 4) particularly mentioned the importance of joining professional business or industry organizations.

For example, case 2’s publisher said the informal networks were only occasionally important since people were employees of their companies. When people were employed, moved or were fired, that personal relationship with advertisers went away. Discovering all the opportunities from social networks was important for business growth.

Case 3 stated that formal social networks had introduced the newspaper to important advertising business opportunities, while helping them maintain low management costs. As a small local newspaper, it was difficult for the publisher and manager to travel to visit different national non-ethnic advertisers across the country. The publisher said:
We are small newspaper and have no budget to travel. Joining the professional organizations and they make high recommendation to national advertisers to help us get advertising.

Case 4’s manager also mentioned the newspaper could learn how to build business networks by joining professional business or industry organizations. But after the newspaper had established itself and began to build professional networks by itself, joining professional organizations was not that important.

Cases 5 and case 9, two Asian media with parent companies, also emphasized the importance of building formal business relationships and conducting trust between the newspaper and advertisers to build better business networks in their long-term development. Although most of the time they relied on informal networks to identify and approach advertisers, they both believed that in the long term, formal networks were much more important.

For example, the manager from case 5 said that too close and strong personal ties with advertisers would not help the company go big:

We try to not encourage the help from personal networks. Business to business is very important. For any business, we do build up networking. You know people through networking, but networking is just the source of your business. You get source and then put action. We are public target, and we are network already, people make networking through our newspaper.

With regard to keeping advertisers, the manager from case 9 mentioned that the manager or staff’s personal networks were not that important because advertisers only wanted to know the value of the newspaper. It was very important for the manager to show them the value of the newspaper and provide clients professional advertising services. And what was more necessary for its business was providing professional services and continually building business
trust between the newspaper and its advertisers. The respondent from case 9 gave a definition of social networks:

Social relationships mean that credibility in social networks, social activity, and with credit, without seeing it, you have to believe it. So our credibility is very important, and also the newspaper’s value, needs to have a strong, wild, and deep value for the readers and advertisers.

Although three respondents (case 1, 6 and 7) claimed that two types of social networks were all important, only case 1 gave detailed explanation. The publisher emphasized that it was important for ethnic media to better use different social networks to promote itself in the mainstream society and compliment different functions of these two types of social networks:

Network itself is priceless. By developing networks, it helps people to understand the importance of using African American press. We are able to grow and be more profitable…Without the assistance of someone, some ethnic businesses might fall by the waste side.

The publisher also said that informal social networks were always important, but corporate social networks were a combination of different types of networks, and it was not any one single factor that out weighs the other. It was important for the newspaper and advertisers to better understand the using of networks, and compliment each other to drive business to each other.

In contrast with other cases, only case 8 defined itself as the bridge between the ethnic community and mainstream community. Since it was a local bilingual newspaper and the publisher was active in joining community-based business or voluntary networks, the publisher considered the personal networks and informal weak ties with readers were more valuable to this newspaper’s development:

All the networks are important…to get contact with people…Our personal networks are very important and for the professional ones, I think it is because they want to reach this market and
they know I am here… We care about the people. The newspaper is to help the people to get familiar, to know what’s going on… It’s the people who use the service are the ones who promote it.

In summary, these interviews showed that formal social networks, especially professional business or industry organizations, were important for the long-term growth of ethnic media since they effectively provide useful information and business opportunities to the ethnic media, and more important, helped them to go outside of the specific ethnic community. On the other hand, besides social network resources, having professional business skills, high-quality newspapers, and conducting well-known newspaper brand were also considered to be significant factors for sustainable development of ethnic media.

Competitiveness of Advertising Business

The interviews results among the 9 cases indicated that almost all the newspapers (case 1, 3, 4, 5, 6, 8 and 9) had increased their advertising business during the past years and almost all the 9 cases except case 2, believed that they were competitive in the local advertising markets. The most important reasons that lead to their success were due to their professional customer services, good market reputation and ethnic community development.

Three cases studied (cases 1, 4 and 5) achieved increases in advertising business due to their focus on building high-quality newspapers and providing good customer services, such as providing comprehensive advertising marketing strategy to advertising customers or better reflecting readers’ opinions to win more readers. For example, the participant from case 1 said the reason for the paper’s success was that the company provided advertisers with comprehensive advertising and marketing strategies. The newspaper was competitive. Advertisers could get more services and advertising for the dollar than they could in any other places which also targeted the African American customers.
Another three cases (cases 6, 8 and 9) concluded that their success was based on their contributions to local community development and increased awareness among advertisers of minority markets.

Only one respondent (case 3) said that their success in the advertising market should greatly contribute to their using of the networks to identify and approach potential advertisers.

However, case 2 and case 7 admitted that due to the economic situation and media market trend, their advertising business actually had decreased. The publisher from case 2 said that although their services and products were competitive, market forces and the same trends affecting mainstream newspapers also were cutting into their business.

All in all, the major reasons that led to the success of ethnic newspaper advertising include the development of the ethnic community, high-quality newspaper and utilizing social networks in advertising business. The results also indicated that it was very necessary to promote the ethnic media in the mainstream society so as to prompt their potential growth.

**Newspaper Advertising Content Analysis**

From one sample of case 2’s newspaper, there were 13 place advertisements on its newspaper. 23% of them were African American businesses, and 77% of them were non-ethnic mainstream businesses. The types of non-ethnic businesses were diverse, ranging from banks, community services, car dealers, to grocery store and restaurants. However, there were only two types of ethnic advertising, which were a radio station advertising and an education workshop advertising placed by a local college. Most of its non-ethnic businesses were national or regional big companies.

From case 3’s newspaper, the researcher found there were 74 display advertisement and 50% of them were small local African American business advertising, which the researcher
could identify from the pictures shown on the advertisement. Most of the African American advertisers were small local businesses, providing services in the areas of grocery stores, food stores, law protection and financial counseling. There were 22% of the total number of the advertising were local, regional and national non-ethnic businesses. Case 3 also hold several cultural and community activities, such as local networking events which were usually advertised on its newspaper.

There were 38 different display advertisements on one sample newspaper of case 4. Among the 38 advertisements, 63% were local African American Churches and 16% were local small African American businesses, which were identified by the pictures shown on the advertisements. Four advertisements were non-ethnic mainstream businesses, including an airplane company, national alcohol companies and a regional grocery store.

Case 5’s newspaper had more advertisements than the other newspapers in this study. It had around 200 advertisers in one sample newspaper. Of those, only 2% of them were non-ethnic mainstream advertisers and 2% of them were advertisers from another Asian group. For case 5, most of its Chinese advertisers were in the areas of real estate, restaurants, schools, health services and general service oriented businesses. Its non-ethnic advertisers were bank, financial service, and home supply companies.

There were around 70 display advertisements on case 7’s sample newspaper. Of those, only 3% of them were non-ethnic mainstream advertisers. The types of its Latin American advertisers were the same as what the table had showed above. Case 8’s sample newspaper had 15 display advertisements. Of those, 40% of them were non-ethnic mainstream advertisers and 60% of them were local Hispanic advertisers. The types of case 8’s non-ethnic advertisers
included local car dealers, grocery store and beverage company. Most of the Hispanic advertisers were small local businesses, such as restaurants, medical services and real estate agency.

For case 9, its sample newspaper had 71 advertisements on its newspaper, and only 1% of them were non-ethnic mainstream business among these businesses. Most of advertisements were from general service-oriented businesses and professional services.

These results matched well with the results from the interviews on the information about different types of advertisers. Case 2 was dominated by non-ethnic advertisers, while for case 3 case 4, the percentages of their ethnic advertisers were close to 60%. The percentage of case 8’s non-ethnic advertisers was close to 50%, and the rest of three cases (case 5, 7 and 9) all had a limited number of non-ethnic advertisers.

**Summary**

The interviews and content analysis all indicated that the nine ethnic media companies in this study had developed non-ethnic mainstream advertisers in their advertising businesses. The portion of non-ethnic advertisers appeared to vary dependent, on the ethnic minority groups the newspapers served.

The two metro African American newspapers with long history all had developed more non-ethnic advertisers than ethnic advertisers. The African American newspapers developed in small local areas tended to focus on developing both ethnic advertisers and non-ethnic advertisers. The percentages of their ethnic advertisers were higher than that of non-ethnic advertisers.

The three Asian newspapers (case 5, 6 and 9) had only a limited number of non-ethnic advertisers. They mainly developed the advertising businesses in their own ethnic communities and sometimes approached other Asian communities for advertising business.
Unlike the other newspapers in this study, case 8 was a bilingual newspaper that dominated the small local market and had developed more non-ethnic advertisers than the ethnic advertisers. The majority of its non-advertisers located in the local areas. Its special market position and leader role in the community helped the newspaper attract such as a large portion of non-ethnic local advertisers who wanted to reach the local Hispanic customers. The other Hispanic newspaper targeting the metro areas had also developed a number of non-ethnic advertisers, but its percentage was smaller than for the ethnic advertisers.

The findings from the nine cases suggested that the types of social networks that the newspapers used appeared to depend on the types of the advertisers, whether they were ethnic businesses or non-ethnic mainstream businesses. The newspapers tended to rely less on formal social networks when they wanted to reach the ethnic advertisers. On the contrary, when they wanted to approach the non-ethnic advertisers, the ethnic newspaper were more likely to use formal networks in their advertising businesses.

Another possible pattern was that the newspapers which belonged to the ethnic group that had better integration with the mainstream society were more likely to use formal social networks, especially the network built through professional business or industry organizations, to approach both ethnic and non-ethnic advertisers.

In addition, the stage of development may influence the papers’ use of social networks. Respondents from the four African American newspapers showed that these newspapers having longer history had developed diverse social networks. For case 8, although it targeted a small market and relied on informal networks, its community-based networks were still diverse and successfully linked both the ethnic and non-ethnic advertisers.
For papers targeting a complex market and having a certain amount of non-ethnic advertisers, they appeared to use more information from their formal networks.

On the other hand, for the three Asian papers, their specific culture and community development might be one reason they appear to rely more heavily on informal networks in advertising business. However, two managers also emphasized the importance of developing formal business networks with advertisers, and they all believed that formal networks and high-quality papers were the key to keep business going.

Respondents from case 1 and case 2 said they identified most of their ethnic advertisers through their own research, and obtained non-ethnic advertisers through formal social networks. For non-ethnic advertisers, case 1 appeared to rely more on joining professional business and industry organizations, while case 2 relied more on advertising agencies. Once an advertising relationship was established, case 1 focused on building strong ties with advertisers, providing professional services, and maintaining its relationships with its clients with through both formal and informal networks. Unlike case 1, case 2 believed that the tie between the paper and its advertisers was only a weak business tie. Although case 1 did not achieve a large number of non-ethnic advertisers, it relied slightly more on non-ethnic business advertisers and had achieved increase in its advertising businesses as compared to case 2. The publisher from case 1 also contributed its success to their professional and comprehensive customer services, which also helped them attract and maintain advertisers.

For case 1 and case 2, their formal social networks contributed more to their entire advertising business, and joining professional business or industry organizations appeared to be more effective.
Different from case 1 and case 2, case 3 and case 4 represented the African American newspapers that mainly targeted small local areas. When approaching potential new ethnic customers, case 3 mainly relied on using formal networks while case 4 usually used informal networks, such as social networking events, to obtain local advertisers’ information. Although case 3 and case 4 both joined professional business and industry networks to approach non-ethnic advertisers, case 4 also conducted direct research to identify non-ethnic advertisers.

To maintain relationships with advertisers, Case 3 tried to build strong personal ties with its advertisers, while case 4 did not, focusing instead on building weak business ties. In terms of the reliance on formal or informal networks, both newspapers indicated that they needed resources from both informal and formal networks. Case 3 had more advertisers than case 4, and its percentage of ethnic advertisers was slightly higher than that of case 4. A large number of case 4’s ethnic advertisers were local organizations, such as churches that built advertising relationships based on their history bonds with case 4. Case 3 also suggested that its success in the advertising market was due to its work on actively building formal networks. These results might contribute to case 3’s method to obtain ethnic advertisers and its effort in building strong advertiser relationships. Therefore, formal social networks and strong customer ties were helpful for local African American newspapers to attract both ethnic and non-ethnic advertisers.

The Asian newspapers, cases 5, 6 and 9, relied on their own research or informal social networks to approach new ethnic advertisers. Unlike the other cases, case 5 and 9 did not join any professional business or industry organizations. Although they did not have many non-ethnic advertisers, two of them still relied on formal networks, such as advertising agencies, to contact non-ethnic advertisers. These cases all stated that they relied more on ethnic community-based networks and informal business networks to approach and obtain new advertisers.
However, cases 5 and 9, which both had parent companies, also focused on improving newspaper quality and providing better customer services to build advertisers relationships, and they both emphasized that formal networks were the key to keep business going. The interviews showed that the three newspapers were all competitive in their markets and achieved a large number of ethnic advertisers. However, one of their development problems was that they felt it was very hard to approach non-ethnic advertisers and the feedback from non-ethnic advertisers was not satisfactory. This challenge indicated that although currently the Asian newspapers greatly relied on informal networks to obtain ethnic advertisers, it might be necessary for them to develop formal networks to approach non-ethnic advertisers, if they want to develop advertising business in from mainstream advertisers.

Case 7 represented developing Hispanic newspapers in metro areas. Based on the results, case 7 relied on own research to approach ethnic advertisers and used formal networks to obtain non-ethnic advertisers. Case 7 insisted on using formal networks and providing professional customer services to build business ties. This newspaper achieved a large number of ethnic advertisers, and at the same time, compared with the Asian newspapers, the interview showed that case 7 also relied a lot on its non-ethnic advertisers. For case 7, formal networks helped it to develop advertising business in the mainstream society.

In contrast, case 8 substantially focused on building advertising business through using informal networks and achieved the success in its local market. As a bilingual local newspaper, case 8 targeted itself as the bridge between the minority and majority society. Its publisher’s community entrepreneurship and participation in local community-based networks helped the newspaper continually build advertising relationships with non-ethnic advertisers. For case 8, its informal social networks played a significant role in approaching non-ethnic advertisers.
Based on the findings, five cases (case 1, 2, 3, 4 and 7) can be categorized into the group that mainly focused on using formal networks to identify and approach both ethnic and non-ethnic advertisers. Three cases (case 5, 6, 8 and 9) can be categorized into the group that mainly focused on using informal networks to identify and approach potential advertisers. The researcher calculated the mean of the percentages of major ethnic advertisers and the mean of the percentages of non-ethnic mainstream advertisers to represent the dependent variable for these two groups (The percentage of case’s non-ethnic mainstream was 2%, which was based on the results of content analysis). To test the hypothesis, the researcher created a 2 × 2 table showing the consequences of using different types of social networks to approach ethnic and non-ethnic advertisers.

Table 9. Hypothesis Test

<table>
<thead>
<tr>
<th></th>
<th>Formal Networks</th>
<th>Informal Networks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentages of Ethnic Advertisers</td>
<td>49.2%</td>
<td>68.8%</td>
</tr>
<tr>
<td>Percentages of Non-Ethnic Mainstream Advertisers</td>
<td>50.6%</td>
<td>15.5%</td>
</tr>
</tbody>
</table>

The results showed that for ethnic media focusing on using formal networks in their advertising business, the percentages of their ethnic advertisers and non-ethnic advertisers are quite similar. In contrast, the ethnic media that rely on informal networks to generate advertising business showed higher percentage of major ethnic advertisers and lower percentage of non-ethnic advertisers, which was only account for 15.5% of the total number of their advertisers. Therefore, it can be concluded that ethnic media using formal social networks could generate a variety of both ethnic and non-ethnic mainstream advertisers, which provided ethnic media...
diverse opportunities in their advertising businesses. In addition, focusing on informal network resource might be hard for the ethnic media to generate a great variety of ethnic and non-ethnic advertisers, since most of the ethnic media’s advertisers were still within their own ethnic community.

On the other hand, this result also showed that for ethnic media focusing on using formal social networks, they appeared to have lower percentage of ethnic advertisers and higher percentage of non-ethnic advertisers than media that rely on informal network resources. This result indicated that informal networks might be more effective in generating ethnic advertisers, and formal social networks played a significant role in helping the ethnic media to approach non-ethnic mainstream advertisers. Based on these results, the hypothesis was supported: Ethnic media that rely on formal social network resources to generate advertising were more successful in developing a diversified advertising base of non-ethnic mainstream and ethnic advertisers than ethnic media that rely on informal social networks to generate advertising.
Table 10.
Summary of Findings

<table>
<thead>
<tr>
<th>Case</th>
<th>History</th>
<th>Target Audience</th>
<th>Community Complexity</th>
<th>Identify Major Ethnic Advertisers</th>
<th>Identify Non-Ethnic Advertisers</th>
<th>Customer Relationship</th>
<th>Promoting Advertising Business by Social Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Around 40</td>
<td>African American</td>
<td>Metro</td>
<td>Research</td>
<td>Formal Networks</td>
<td>Strong Business Tie</td>
<td>All Important</td>
</tr>
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<td>Around 40</td>
<td>African American</td>
<td>Metro</td>
<td>Research</td>
<td>Formal Networks</td>
<td>Weak Business Tie</td>
<td>Formal Networks more Important</td>
</tr>
<tr>
<td>3</td>
<td>Around 40</td>
<td>African American</td>
<td>Small Local Areas</td>
<td>Formal Social Networks</td>
<td>Formal Networks</td>
<td>Strong Business Tie</td>
<td>Formal Networks more Important</td>
</tr>
<tr>
<td>4</td>
<td>Around 20</td>
<td>African American</td>
<td>Small Local Areas</td>
<td>Informal Social Networks</td>
<td>Formal Networks</td>
<td>Weak Business Tie</td>
<td>Formal Networks more Important</td>
</tr>
<tr>
<td>5</td>
<td>Around 10</td>
<td>Chinese</td>
<td>Diverse</td>
<td>Contacted by Advertisers</td>
<td>N/A</td>
<td>Weak Business Tie</td>
<td>Formal Networks more Important</td>
</tr>
<tr>
<td>6</td>
<td>Around 10</td>
<td>Chinese</td>
<td>Diverse</td>
<td>Contacted by Advertisers</td>
<td>Formal Networks</td>
<td>Strong Business Tie</td>
<td>All Important</td>
</tr>
<tr>
<td>7</td>
<td>Around 10</td>
<td>Hispanic</td>
<td>Metro</td>
<td>Research</td>
<td>Formal Networks</td>
<td>Strong Business Tie</td>
<td>All Important</td>
</tr>
<tr>
<td>8</td>
<td>Around 20</td>
<td>Hispanic</td>
<td>Small Local Areas</td>
<td>Informal Social Networks; Contacted by Advertisers</td>
<td>Informal Networks</td>
<td>Strong Business Tie</td>
<td>Informal Networks more Important</td>
</tr>
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<td>9</td>
<td>Around 10</td>
<td>Korean</td>
<td>Metro</td>
<td>Informal Social Networks</td>
<td>Formal Networks</td>
<td>Strong Business Tie</td>
<td>Formal Networks more Important</td>
</tr>
<tr>
<td>Case</td>
<td>Location of Major Ethnic Advertisers</td>
<td>Location of Non-Ethnic Advertisers</td>
<td>Identify Major Ethnic Advertisers</td>
<td>Identify Non-Ethnic Advertisers</td>
<td>Customer Relationship</td>
<td>Promoting Advertising Business by Social Network</td>
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<tr>
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<td>Nation/Local</td>
<td>Research</td>
<td>Formal Networks</td>
<td>Strong Business Tie</td>
<td>All Important</td>
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<td>Metro</td>
<td>National/Regional</td>
<td>Research</td>
<td>Formal Networks</td>
<td>Weak Business Tie</td>
<td>Formal Networks more Important</td>
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<tr>
<td>3</td>
<td>Local</td>
<td>Local/Regional</td>
<td>Formal Social Networks</td>
<td>Formal Networks</td>
<td>Strong Business Tie</td>
<td>Formal Networks more Important</td>
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<tr>
<td>4</td>
<td>Local</td>
<td>National/Regional</td>
<td>Informal Social Networks</td>
<td>Formal Networks</td>
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CHAPTER 5
CONCLUSION & LIMITATION

Conclusions

This study explored how ethnic media in the United States managed their social capital resources to gain competitiveness in local advertising markets. Social network resources, which was one of the core concepts of social capital resource, was utilized and examined in this study to represent ethnic media’s social capital resource. Based on previous studies on resource-based view strategic management theory, social capital, social networks, and ethnic business development, the study undertook a limited test of one hypothesis: Ethnic media that rely on formal social network resources to generate advertising will be more successful in developing a diversified advertising base of non-ethnic mainstream and ethnic advertisers than will ethnic media that rely on informal social networks to generate advertising. The study examined the hypothesis using in-depth interviews with publishers and managers from nine ethnic weekly newspapers in the United States.

A company can achieve sustainable competitive advantage by using valuable, rare, inimitable and non-substitutable corporate resources (Barney, 1991). The study has found that social networks are valuable corporate resources for the ethnic media. They helped the ethnic media effectively approach and maintain their ethnic advertisers. More important, social networks, especially formal social networks, created opportunities for the ethnic media to go outside of the ethnic communities and approach non-ethnic advertisers for further growth. Each ethnic media company studied has developed its unique combination of networks to prompt the short-term and even long-term growth of their advertising business. For the media having long
development history in its newspaper market, the formal and informal social networks that they had developed were socially complex and hard to imitate. Using and integrating social networks in the ethnic media’s advertising business helped these companies improve their competitiveness in local advertising markets.

As the literature review suggested, ethnic business could rely on the resources within their ethnic communities for revenues and development. However, when ethnic businesses stay limited to their ethnic market, their potential business opportunities are also limited (Waldinger et al., 1990). Due to the limitation of buying power, size of the ethnic population, as well as high competitive intensity, ethnic business might seek growth and business opportunities outside their ethnic community (Sequeira & Rasheed, 2006). While on the other hand, when members in an ethnic community gradually achieve integration with the mainstream society, their reliance on their own ethnic community might diminish and they tend to develop wider and diverse social networks (Janjuha-Jivraj, 2003; Modood, 1992; Yoon, 1991).

The findings from the study showed that all the cases studied had developed at least a minimal level of advertising business with non-ethnic mainstream advertisers outside their own ethnic communities. Having a certain amount of non-ethnic mainstream advertisers, which were usually big national or regional companies, the ethnic media companies could seek new business growth opportunities and had the chances to let the mainstream businesses know the increasing importance of using ethnic media to reach minority customers.

Among the nine cases studied, the portion of their non-ethnic advertisers appeared to vary, depending on the ethnic groups the newspapers served. For example, the African American newspapers, especially the metro papers, had achieved higher percentages of non-ethnic advertisers among the total number of their major advertisers. In contrast, the Asian newspapers
mainly relied on ethnic business advertisers for revenues. For these two groups, their levels of integration into the mainstream society might explain the difference between their reliance on the non-ethnic advertising resources. However, it would be necessary to conduct future research by taking into account the concerns of ethnic groups’ culture influences, linguistic barriers, management style, entrepreneurship, community development and other possible factors. In addition, for the urban and non-urban African American newspapers, their different reliance of non-ethnic advertisers might indicate that the ethnic business resources were still playing an important role in non-urban papers’ advertising businesses.

The literature of small business and ethnic business development (Butler & Hansen, 1991; Hite & Hesterly, 2001; Morris, 2001) indicated that companies still in a growth stage of the company life cycle would develop complex and business-focused multi-layered networks that might provide valuable advantages and opportunities to the companies.

In the findings, most of the companies that had long history and at the mature stage of development appeared to have built multi-layered networks to attract both ethnic and non-ethnic advertisers. The African American newspapers, for example, focused on using formal networks to develop and maintain business. Although they still used the information from informal networks, they tended to relied more on formal business-focused networks, such as actively building business networks and joining professional business associations. Their social networks were mixed and more business-based.

The finding from case 8 was contrary to the literature mentioned above because although case 8 had a relatively longer history and at the mature stage of development, it mainly focused on building diverse community-based informal networks to promote its advertising business. This result might be partially the result of the structure of its target newspaper market, a small-
sized local market, and the types of its non-ethnic advertisers as well as the integration of the ethnic group that this paper served.

Another finding that newspapers targeting a complex market and having a certain amount of non-ethnic advertisers tended to rely more on formal networks also led to a new way for future research on social networks.

From the whole picture of this nine-case study, the results showed that informal social networks are effective in generating ethnic advertisers, but formal social networks are more effective in helping the ethnic media to diversify their clients by building business relationships with both ethnic and non-ethnic mainstream advertisers. Even for the Asian media, building and maintaining formal business networks were considered as their key long-term strategy to prompt the sustainable development of their advertising business.

As an important facet of social capital, the ethnic media’s social networks were long-lived asset for continually bringing advertising opportunities to these companies. The networks built through the long history in their community actually converted to business opportunities, such as case 4’s history bonds with local organizations. Building social networks, especially formal networks, brought reliable and high-quality business information to the media, such as the benefit gained from joining professional business or industry organizations. In addition, having larger and diverse networks helped the media approach more business opportunities.

With regards to the strengths of advertising customer relationships, all the executives defined their newspaper-advertiser relationships as simple business relationships. Among these media, most of them focused on building strong customer relationships. The advertisers devoted a lot their time and provided comprehensive services in building their customer relationships, which were important for them to maintain advertisers. On the other hand, weak ties in the
community, such as readers’ referral, brought many business opportunities to the ethnic newspapers. In this situation, building weak ties in the community and even outside the ethnic community might be helpful for the ethnic media to generate new advertising business. While on the contrary, conducting strong business ties with existing advertisers was critical for maintaining existing advertisers.

Another significant factor in prompting advertising business was to build high-quality newspaper to attract more readers. Many executives in the study mentioned that readers were their prompter of advertising business.

In summary, to better develop advertising business and attract more non-ethnic mainstream advertisers, it is important to focus on building readership, newspaper brand and reputation since readers and current advertisers are all important referral resources. At the same time, it is necessary to integrate social networks, especially formal social networks, to the management of advertising business. Networks are important to help the ethnic media to go out of their communities and promote themselves. Ethnic media are different from the mainstream media because they work as the links between ethnic community and mainstream society, and they are significant for the entire growth and long-term development of ethnic communities. Joining community public services, reflecting the real opinions of ethnic readers and building positive images not only good for the promotion and short-term of the newspapers, but also are necessary factors for the ethnic media to better represent their own communities and achieve long-term growth.

For executives in ethnic media, to effectively approach both ethnic and non-ethnic advertisers, the following strategies might be helpful for promoting their advertising businesses: conducting research on potential new advertisers and promoting advertising services and media
products to them; joining professional business or industry organization to approach potential advertisers and obtaining market information; Cooperating with advertising company to approach potential advertisers; Using professional and comprehensive advertising services to build strong business relationships with current advertisers; and Focusing on improving the quality of media products while building better brand image to attract both readers and advertisers, since readers are not only the resource of referral of advertising business, they are also important promoters of ethnic media’s businesses.

**Limitations**

One significant limitation of this study was the small number of participants. Only 9 weekly newspapers joined in this study and they were restricted to the African American, the Latin American, the Chinese and the Korean communities. The small number and limited ethnic groups in this study make it impossible to generalize the findings from this study to all ethnic newspapers in the United States. Additionally, since this study only focused on weekly newspapers, there is no knowledge about how other types of ethnic media manage their social network resources. Future research could expand the number and type of ethnic media by including other types of ethnic media and media from other ethnic groups. Having more ethnic media in this study would effectively enhance the capability of generalization the findings to ethnic media and other types of niche media.

In addition, since the participants in this study were the ethnic media, and they were under the influences of their community business development, market force, ethnic cultures and local economy, it was necessary to include these important factors in this study. However, since this study mainly focus on exploring how they manage their social networks and advertising business,
the researcher did not take these influences into consideration, and thus, might generate some bias in the findings and conclusions.

Another limitation for this study is that this study mainly focused on analyzing ethnic media, and there was no comparison between corporate social networks of mainstream media and ethnic media. The specialty and advantages of ethnic media’s social networks can only be fully analyzed through comparison with mainstream media.

Finally, although in the chapter of literature review, the researcher included some discussion on social network structure, such as network density and reachability, this study did not include the measurement and in-depth discussion of these constructs due to the limitation of data collection. However, in the future, an in-depth investigation of the relationships between size, composition, and density of ethnic media’s social networks and their value as a strategic business development tool would provide a comprehensive understanding of the functions of social networks in promoting ethnic media’s advertising businesses.

The limitation of the size of sample and the literature review determined the limitation of this study. In the future, based on the findings from this exploratory study, researchers could include more ethnic media in their study, and use mainstream media and other types of niche media as the comparison cases to obtain a whole picture of how niche media manage their social network resources. Additionally, it would be interesting to conduct a comparative study on the relation between community or market complexity and the reliance on formal networks in ethnic media’s advertising business. Researchers could also conduct long-term study to analyze the changing and evolution of niche media’s social networks. The long-term study would contribute more to the analysis on how social networks could help niche media enhance competitive
advantages in local advertising markets. At last, it is very important for future research on media’s social networks to explore concise measurements on media’s networks structures.
REFERENCES


APPENDIX

INTERVIEW PROTOCOL

1. When was this newspaper founded? ________________
   Month/Year

2. What is the type of your newspaper?
   a. Daily
   b. Weekly
   c. Monthly
   d. Other

3. Who is your target audience?

4. Who are the primary competitors of your newspaper?

5. Can you estimate your market position or market share in this local newspaper market?

6. Each year, how many different companies advertise your newspaper (excluding classified advertisement)?

7. Who are the current advertisers of your newspaper?
   Race: _______ (%)
   _______ (%)
   _______ (%)

   Business Area: _______ (%)
   _______ (%)
   _______ (%)
   _______ (%)

84
6a. When you consider your major advertisers (belong to the ethnic group that the respondent’s newspaper target) whom in the local ethnic enclave (the ethnic group that the respondent’s newspaper target), what types of business are they?

Through what channels do you or your company know those people making advertising decisions in those companies: ________________________________

6b. When you consider your major advertisers (belong to ethnic group that the respondent’s newspaper target) whom outside the local ethnic enclave (ethnic group that the respondent’s newspaper target), what types of business are they?

Through what channels do you or your company know those people making advertising decisions in those companies: ________________________________

6c. When you consider other advertisers, what types of business are they?

Through what channels do you or your company know those people making advertising decisions in those companies: ________________________________

6e. For major advertisers which belong to the ethnic group that your newspaper target, do you offer special advertising services or benefits to them?

Yes ( )  No ( )

If yes, what services or benefit do you offer to them: ________________________________

7. Where do you distribute your newspaper?

7a. Why did you distribute your newspaper in these areas?

7b. Which area is your main distribution area? Why you choose this area?

8. Why did you locate your company at the current place?

9. Do you currently have other offices in other areas in addition to the present office?

If yes, please tell me where are those offices and what do they do?
10. How do the current locations of business offices influence your contact and communication with your current and potential advertisers?

11. In general, how do you obtain new and potential advertisers? (Ethnic business advertisers who belong to the ethnic group that your newspapers target; Other Advertisers)

12. For the staff in your advertising department, how many of them are____ (Chinese/Korean/Latin American/African American)?

12a. do they help you or your company to develop advertising business based on their own social relationships?

13. Through what kinds of channels, do you get the information about new and potential advertisers (Major advertisers: advertisers belong to the ethnic group that this newspaper target and locates in the local ethnic enclave & advertisers belong to the ethnic group that this newspaper target but locates outside the local ethnic enclave; Other advertisers)?

1. Family Members ___/__/__ (%) 
2. Friends _____/_____/____ (%) 
3. Neighbors and friends in the community _____/_____/____ (%) 
4. Other members in the organization (s) that you join ___/__/___ (%) 
5. Organization (s) that you join ______/_____/____ (%) 
6. Organization (s) that your company joins ___/__/___ (%) 
7. Your work-based relationship with advertisers ___/__/___ (%) 
8. Your company’s work-based relationship with advertisers __/___ (%) 
9. Other, please specify________/_______/_______
13a. Among all those channels we mentioned above, which channel (s) do you think is (are) more effective and important in getting information and generating advertisers (For major advertisers and other advertisers)

14. For your current advertisers (Major advertisers: advertisers belong to the ethnic group that this newspaper target and locates in the local ethnic enclave & advertisers belong to the ethnic group that this newspaper target but locates outside the local ethnic enclave; Other advertisers), How do you first got to know them:

1. Family members ___/___/___ (%)  
2. Friends ___/___/___ (%)  
3. Neighbors and friends in the community ___/___/___ (%)  
4. Other members in the organization (s) that you join ___/___/___ (%)  
5. Organization (s) that you join ___/___/___ (%)  
6. Organization (s) that your company joins ___/___/___ (%)  
7. You Work-based relationship with advertisers ___/___/___ (%)  
8. Your company’s work-based relationship with advertisers ___/___ (%)  
9. Other, please specify ___/___/____________

15. Does your company join any work-based organization (s)?

Yes ( ) No ( )

15a. If yes, what kinds of benefits does your company get from those organization for developing its business and advertising business?

16. Where are most of your major and other advertisers located?

Do you think the locations of these businesses influence the frequency of your contact with them? Yes ( ) No ( )
If yes, why ____________________________________________

If no, why ____________________________________________

17. How often do you or your advertisement department contact your current advertisers (the person in charge of making advertising decision)? How do you or your advertisement department contact them?

17a. Tell me more about your or your company’s relationships with these current advertisers. And your or your company’s relationships with potential advertisers.

17b. What kinds of services, bonus or activities do you company provide to current advertisers so as to improve your working relationships?

17c. how important or unimportant do you think that your personal and professional networks and company’s business networks are for generating and keeping advertisers?

18. What are the differences between advertisers you attracted through your personal relationships and advertisers generated by you and your company’s professional relationships?

19. How do you do to attract ethnic business and non-ethnic business that do not advertise in your newspaper?

20. Have you and your company ever joined a group/organization/association, as the results of your or your company’s contacts in another group/organization/association?

20a. what role does such involvement play in helping you know and attract advertiser to your newspaper?

21. Can you think of any of your current advertiser that you know him/her through another person or another group/organization/association?

21a. what role does such social network play in helping you know and attract advertiser to your newspaper?
22. Approximately, How many times in the last three years have a friend or an acquaintance becomes an advertiser? How many times in the last three years has an advertiser developed a friendship with you?

23. Now think about your ethnic business (ethnic group that this newspaper target) advertisers and non-ethnic (ethnic group that this newspaper target) business advertisers, what’s the difference between the channels that you use to attract them as your advertisers?

24. Did your advertising revenues increase during the past few years? If yes, can you give some reasons that lead to its increase? If no, why______________________________

25. Compared with your competitors in this market, do you think your company’s advertising performance is competitive?

26. What are your expectations and future plans for your newspaper’s advertising business?

27. What are your opinions on developing advertisers who are not belong to the ethnic group that your newspaper target?

28. What are your position and responsibility in this media company?

29. How long have you been working in this company?

30. What is your education background?

31. What is your professional experience?

32. Do you think that your previous education background and professional experience have influences on your current work?

   Education: 1. Yes, very helpful

   2. Somewhat helpful

   3. Not helpful
Professional Experience: 1. Yes, very helpful
  2. Somewhat helpful
  3. Not helpful

33. Do you currently attend any voluntary relation-based organization(s) (e.g., church, alumni meeting, social meeting etc.)?

Types & Purposes: ____________________________

Frequency of attendance: ________________________

Position at the organization: ____________________________

The location(s) of organization(s): ____________________________

Composition of organization(s): ____________________________

34. Do you currently attend any voluntary work-based organization(s) (e.g., Ethnic business associations, colleagues associations, chamber of commerce etc.)?

Types & Purposes: ____________________________

Frequency of attendance: ____________________________

Position at the organization: ____________________________

The location(s) of organization(s): ____________________________

Composition of organization(s): ____________________________

35. Do you think you get any benefit from joining the organization(s)?

Yes (  ) No (  )

If yes, what kinds of benefits do you get for developing your business or knowing or attracting new advertisers?

36. How long have you been in the United States and how long have you lived in this ethnic community?
36a. how important does your familiarity with this ethnic community in helping your knowing and generating advertisers?

37. Your English proficiency: 

38. Your gender: 

39. Your age: 

Thank for your cooperation and time