Chapter 19
Intermedia Agenda Setting in Business News Coverage

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ABSTRACT

While business news coverage has risen around the world in recent decades, scholarly research into this area has been limited. Scholarship on media coverage of public affairs topics has generally found that coverage patterns converge across news media outlets. This study probes for evidence of intermedia agenda setting among seven elite business news outlets in their coverage of transformational events: corporate proxy contests. The results find that the amount of news stories each outlet devoted to coverage of 25 large proxy contests in the U.S. stock market over a five-year period was highly similar. Intermedia convergence across this news content was also found to a lesser extent regarding issue and stakeholder salience but not, for the most part, with peripheral media favorability. This moderate overall overlap in coverage across media outlets suggests that the notion of a complementary media agenda remains largely intact. The theoretical and practical implications are discussed.

INTRODUCTION

Over the past 20 years, there has been a sharp increase in the amount of news coverage dedicated to the U.S. stock market, the economy, and corporate America (Christian, 1997; Henriques, 2000a; Roush, 2011). These two decades have seen the formation and rise of new national business news outlets, such as Bloomberg News, CNBC and FOX Business, and the further ascendance of long-time business-oriented outlets like *The Wall Street Journal*, which is now the nation's largest daily newspaper (Lulofs, 2012). By some estimates, the number of business news stories appearing in the press increased by more than 220% from 1989 to 2011 (Starkman, 2012).

While the business news is clearly no longer a niche element of the overall media agenda, mass communication scholarship has generally not kept pace with this shift in the media landscape (Carroll & McCombs, 2003; Ragas, 2013a, 2014). Compared to the study of political and public affairs news, for example, we know relatively little about the antecedents and consequences of business news. An exception is the growing research into the influence of business news content on corporate reputation (Carroll, 2009, 2010, 2011). Often anchored in the mass communication theory

of agenda setting (McCombs & Shaw, 1972), this research focuses on the linkage between media presentations of firms and the public's perceptions of them.

Missing from the emerging literature on business news is the need to take one step back in this process and examine the complementary relationships among business news content across different media outlets. In a world of increasing media choices and fragmenting audiences, when studying mass media effects it is more important than ever to examine if media coverage patterns across major media outlets *converge* or *diverge* (Du, 2013; McCombs, 2005; Takeshita, 2006). A general convergence in the patterns of business coverage across outlets would provide a foundation for strong business news agenda-setting effects on the public, while a divergence in coverage patterns across outlets would suggest that these effects at a societal level could be limited.

Guided by research into agenda setting and journalists' routines, the purpose of this study is to examine the intermedia agenda-setting relationships (e.g., Danielian & Reese, 1989; Du, 2013; Golan, 2006; Lim, 2011; Meraz, 2011a; Reese & Danielian, 1994) across seven elite business news outlets in their coverage of the 25 largest corporate proxy contests held in the U.S. stock market that resulted in a shareholder vote between 2005-2009. Similar to a political election, only that proxy fights are for company board of director seats rather than for elected public office (Ragas, 2013b), these corporate elections often attract media coverage due to their high-stakes, conflictual nature (Gans, 2003). Given the size and complexity of this examination of intermedia linkages within business news content, DICTION 6.0 was used to assist in the coding and analysis of the data.

LITERATURE REVIEW

Agenda Setting: Theoretical Framework

With more than 400 studies conducted around the world over the past 40 years, agenda setting is one of the most researched and well-established mass media processes and effects (McCombs, Holbert, Kiousis, & Wanta, 2011; McCombs & Reynolds, 2009). Through the day-to-day production, selection and display of news stories, the news media focus the public's attention and, over time, shape the perceived importance of the elements under the media spotlight. In the theoretical language of agenda setting, there is a transfer of salience from the media agenda (e.g., news media coverage) to the public agenda (e.g., public opinion).

The theoretical map of agenda setting has expanded and grown more detailed over the years. First-level agenda setting is concerned with the transfer of *object* salience, which is where the theory originated with the study of political issues, while second-level agenda-setting examines the transfer of *attribute* salience (Ghanem, 1997; McCombs & Ghanem, 2003). Taken together, through the varying attention journalists bestow on objects and attributes in the news, the media influence both "what we think about" and "how we think about", respectively, the elements in the world around us. Two general classes of attributes in media content have been identified: *substantive* attributes and *affective* attributes (Kiousis, Popescu, & Mitrook, 2007). Substantive attributes are the rational, cognitive information used to describe objects in the news, while affective attributes are the emotional tone that is often attached to objects.

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