

STRATEGIC TRENDS OF THE UKRAINIAN MEDIA PRODUCTS INTERVENTION TO THE EUROPEAN MARKET

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Abstract: The proposed article defines the peculiarities of the development of the domestic display market. The theoretical analysis made it possible to determine the main trends of market transformation by studying the peculiarities of the redistribution of the share of each sector. The authors pay special attention to the nature of the modernization of the domestic media environment, its striving for corporatization, technologicalization and growing regulation. The main determinants of the Ukrainian media space (oligopolization of the media market, multilevel technopolisation, imperfection of the indicative base, multidimensional acceptance of information, possible clustering, integration into the global media networks, collaboration with leading European media corporations) are established. In order to objectify the study, the authors conducted a cluster analysis of the media in the context of the Ukrainian regions and constructed a dendrogram using the Ward's method. The importance of the sectoral media was revealed and the positions of each of them were clarified, which made it possible to contact, on the one hand, the dominant positions, the capitals of Ukraine, on the other - the sectoral leadership of the Internet, whose share in the structure of views usually exceeds TV. The established strategic trends allow us to harmonize the main directions of convergence of the domestic and European media environment.

Key words: media, cluster analysis, diffusion of innovations, Behavioral economics, media communication

JEL: D90, L82

Introduction

The current state of the world media fully reflects the nature and major trends of the development of global society, its increasing modernization and deep structural transformations of the spheres of human life. As a result of the aforementioned, the demand for modern media for the psychological perception of created media products has increased significantly, as indicated by the famous media psychologist D. Giles. Imposing new tastes and preferences has become an important function not only of television corporations but also of the Internet. At the same time, the combination of business interests and aestheticism created new areas of research - art management (Hip Gagort), modern marketing of media services (G. Beckwith) and, what is extremely important, the so-called geopolitics of emotions (D. Muaza), which in view of the growing turbulence, it is not so safe because it determines not only the positive impact on the society, but also its negative manifestation (fear, humiliation, fashion expectations, etc.).

For section titles, please use Times New Roman, size 13, bold. All sections should be numbered in sequence, except for the introduction and conclusion, which are not numbered. The section titles are centered in the middle of the line. Do not use subsection titles unless

absolutely necessary. In that case use Times New Roman, size 12, bold, for subsection titles. Subsection titles are aligned to the left.

These kinds of global risks require significant selective shifts, which in many cases determine the rather contradictory nature between the need for real integration into the global media space and the protection of its internal market, between technology and the increasing availability of information and the imposition of expansionist models through the use of psycho-methodological methods on society.

On the one hand, modern media is characterized by the delocalised nature of the production and realization of the created formats;

Ukraine, whose media market is a complex polystructural entity with a large share of the shadow sector, significant political politeness of the air, and localization of media activity in metropolitan cities, did not go beyond these changes.

1 Theoretical background of media research

The rapid development of telecommunications and the formation of additional demand for them always lead to the so-called saturation of the media environment, both traditional and new information products, the role and importance of which grows year by year. Such changes lead to rapid transformations in people's behavior, in the selection of their moods and consumer preferences. One of the developers of the behavioral economics theory, R. Thaler, is deeply convinced that changes in people's behavior quite clearly lead to mental cost accounting and analysis of retirement savings data (p. 421).

Analyzing the directions of development of media communications in the global economic environment, P. Scannel identifies several important content lines: culture and communication, communication and technology, communication and language, communication and ideology. Of course, the list offered by the author could be continued, because the modern activity of the media business is not determined only by these sentiments. It is no coincidence that many researchers are paying close attention to media management, while highlighting individual sectors, as L. Mitchel did in the context of his idea of Production Management for Television, as well as in important strategic initiatives that cover creativity, innovation, culture, technological change, what L. Küng insists on.

Of course, in the process of innovation development in this field, the degree of penetration of individual production technologies into each other will always be relevant. This process, which is gaining global significance, is quite clearly defined by E. Rogers, rightly naming it - the diffusion of innovation, which he has been successfully exploring on the example of the media systems.

It should be understood that a significant increase in public demand for media products does not always turn to moral, ethical, economic and other types of progress, because the quality of the preparedness, the audience and its mentality can, on the one hand, promote the development of the individual, on the other - stimulate negative traits character. However, in the first and second cases, the business interest of a media company, corporation, holding company or a small local TV channel will always be the basis.

In view of the above, we believe that a significant research interest may be of Ukraine, which gains independence. The 1990s significantly influenced the status of its information situation, its structure and consumer preferences. Taken together, this has led to the formation of the so-called hybrid media market, which is widely represented by powerful television holdings, small local companies, foreign corporations and more. In addition, it should be understood that such a media model loses annually in the process of creating originality due to the high standardization of media products and services created within a specific business structure.

Interesting features of modern country management in the media sphere can be the response of interest and consumers to several key points:

- first, setting the boundaries of state regulation, its effectiveness and flexibility;
- second, what should be the level of competition between the media, whether it should be supported by the state or should the market do it instead;
- thirdly, what the technological content of the media products should be and whether it should be reduced to equipment and new visualized effects, or whether it will be about "machine" approaches in creating emotions, preferences, "idols", etc.;
- fourth, how to understand clustering in a particular country, as an objective process of creating localized high-tech centers for competitive media production, which over time should become multilevel nodes in the global network. Or it is a cluster analysis of detection within the limits of the proposed formations of the level of relative homogeneity and possible singularity;
- Fifth, the isolated development of national media systems will greatly stimulate their financial, creative, technological seclusion and the loss of the once-achieved level of international competitiveness, while reliably retaining significant administrative leverage on the environment. Given the convergence trend, Ukraine could move from media importing countries to a limited number of exporters.

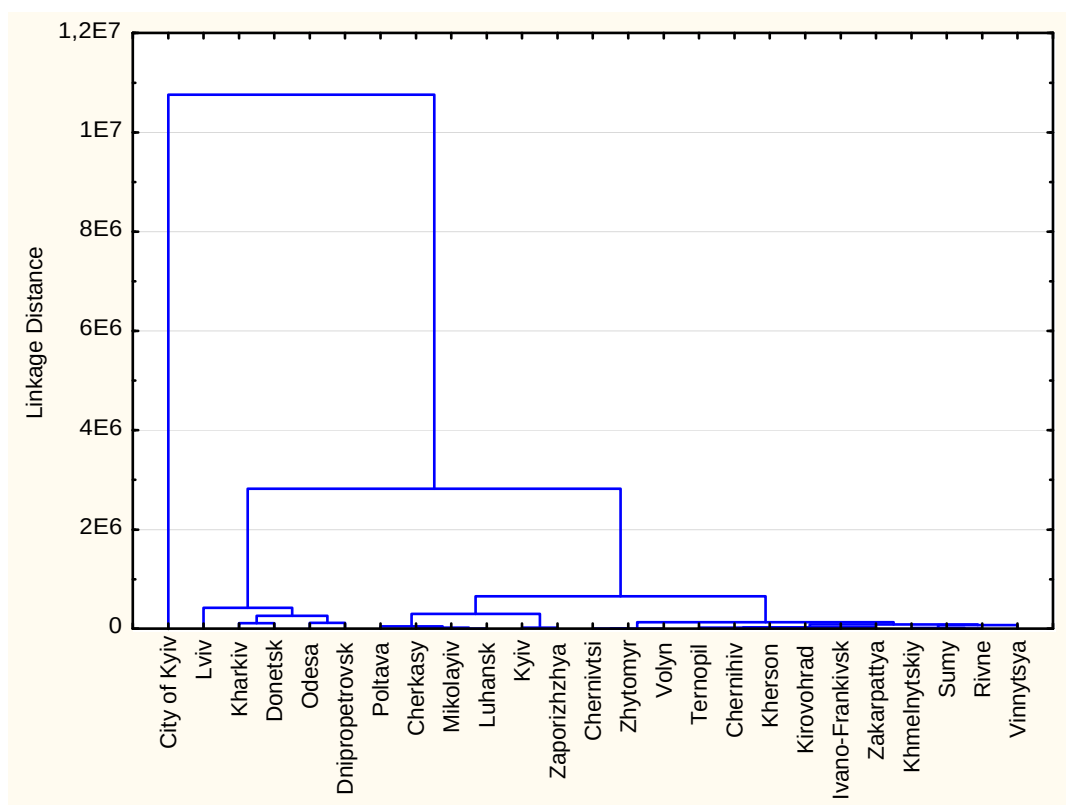
2 Cluster analysis of media across Ukrainian regions

Analysis of media in Ukraine is performed on the base of cluster analysis. All regions of Ukraine have been broken down into cluster groups based on seven statistical indicators, available from the official statistical sources. The studied data include the following characteristics of media:

- number of printed publications by region in 2017;
- annual circulation of newspapers by region in 2017 (in thsd. copies);
- number of periodicals and publications that continue (excluding newspapers) by publication place in 2017;
- annual circulation of periodicals and publications that continue (excluding newspapers) by publication place in 2017 (in thsd. copies);
- number of books and brochures by publication place in 2017;
- circulation of books and brochures (in thsd. copies);
- number of Internet users by region, as of January 2019.

Figure 1 summarizes the Euclidean distances between the Ukrainian regions via the tree diagram for 25 cases (internal administrative regions) based on the Ward's method. This method makes it obvious, that the optimal number of clusters of the Ukrainian regions, grouped against the abovementioned indicators, is four.

Figure 1: Tree diagram for 25 cases on the base of the Ward's method Euclidean distances



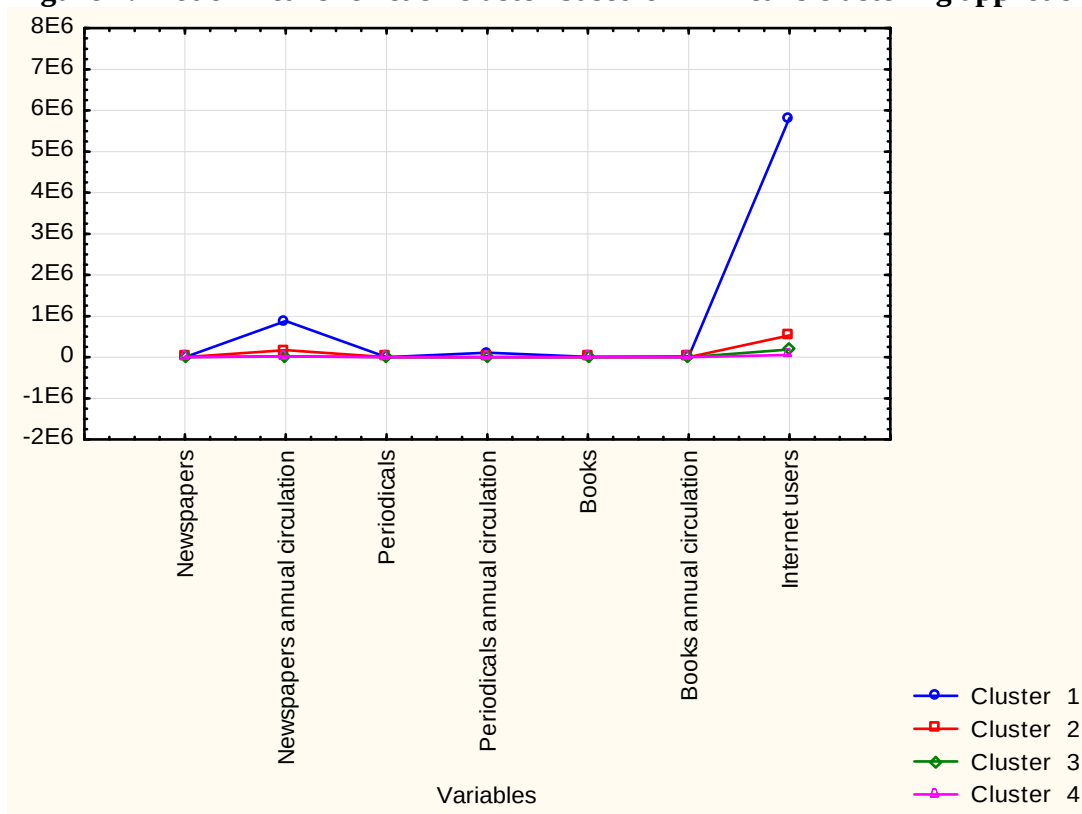
Note: Own calculations.

Sources: STATE STATISTICS SERVICE OF UKRAINE (2019): Mass media and book publishing in Ukraine in 2017; BIGMIR.NET (2019): Global Statistics of the Ukrainian Internet. January 2019 (Globalnaya Statistika Ukrainskogo Interneta. Yanvar 2019), p. 3-4.

As it comes out from figure 1, the capital city of Ukraine stands out alone from all the regions across the whole country, which is a normal trend for most of the countries in the world, as all major media companies in the information era tend to register their offices close to the capital cities.

The rest of the Ukrainian regions, however, appear not to be so homogenous. Our further analysis based on the K-means clustering method in addition to the first cluster, represented by the capital city, allowed to define two other clusters (cluster 2 – Dnipropetrovsk, Donetsk, Lviv, Odesa, Kharkiv and cluster 3 – Zaporizhzhya, Kyiv, Luhansk, Mikolayiv, Poltava), which generally perform better in newspapers annual circulation and number of Internet users, compared to the rest of administrative regions.

Figure 2: Plot of means for each cluster based on K-means clustering approach



Note: Own calculations.

Sources: STATE STATISTICS SERVICE OF UKRAINE (2019): Mass media and book publishing in Ukraine in 2017; BIGMIR.NET (2019): Global Statistics of the Ukrainian Internet. January 2019 (Globalnaya Statistika Ukrainskogo Interneta. Yanvar 2019), p. 3-4.

Analysis of statistical variance (table 1) reflects the high quality of the clustering results achieved. Intercluster variance of variables (between - SS) is higher, than their intracluster one (within - SS), thus keeping the level of statistical significance well below the threshold level of 0,05.

Table 1: Plot of means for each cluster based on K-means clustering approach

<i>Clustering indicator</i>	<i>Between - SS</i>	<i>df</i>	<i>Within - SS</i>	<i>df</i>	<i>F</i>	<i>signif. - p</i>
Newspapers	1,047469E+05	3	1,350481E+04	21	54,294	0,000000
Newspapers annual circulation	7,481984E+11	3	6,264870E+10	21	83,599	0,000000
Periodicals	1,204754E+06	3	7,865756E+04	21	107,215	0,000000
Periodicals annual circulation	1,095700E+10	3	2,095001E+08	21	366,105	0,000000
Books	5,316338E+07	3	1,631488E+07	21	22,810	0,000001
Books annual circulation	3,612042E+08	3	2,492974E+08	21	10,142	0,000247
Internet users	3,147688E+13	3	9,499709E+10	21	2319,420	0,000000

Note: Own calculations.

Sources: STATE STATISTICS SERVICE OF UKRAINE (2019): Mass media and book publishing in Ukraine in 2017; BIGMIR.NET (2019): Global Statistics of the Ukrainian Internet. January 2019 (Globalnaya Statistika Ukrainskogo Interneta. Yanvar 2019), p. 3-4.

3 Strategic trends of the european media market of Ukraine

Among the large number of approaches to developing effective country development strategies, identifying real sectoral change trends plays an important role in predicting changes in the national economy, and the media market (or media) is not an exception in this case. However, much will depend on the chosen model of development.

The major shifts that have taken place in the global economy in the 2010s have significantly altered the nature and sequence of systemic reforms in the leading countries towards their neo-liberalization. It is not surprising, therefore, that there have been many new approaches to understanding this updated pragmatic theory, whose impact has spread substantially across the whole economic space. II Neoliberal cities (M. Stoper), neoliberal urban changes (P. Legales), neoliberal rationality and Neohygienist Morality (H. Reigner) became the determining trends. The aforementioned directions significantly influence the nature of the proposals, which may represent a real prospect for the integration of the Ukrainian media market with the European one. However, in order for this to happen, there are several important principles that underpin the neoliberal convergence process:

- systemic convergence, which provides for the possibility of implementing a European model of media space regulation in Ukraine;
- Creativization, which should mean the growth of professionalism in the creative sphere, the systematic (global) selection of major actors in the media industry, the strengthening of intellectual requirements for creative new formats;
- clustering. This principle should not be equated with changes in the organization of new forms of economic growth, as traditional models of business activity may prove to be quite effective, as M. Porter once pointed out;
- Collaboration, which should mean possible cooperation between competing firms in the initial stages of creating a media product and maintaining a further European rivalry model in the subsequent, mainly final stages of production;

- internationalization, which implies broad international cooperation in the process of media product creation. The realization of this principle may be the formation of advanced international specialization, some of which can be transferred to cloud technology. In some cases, the specialization may be expanded or partially replaced (an example is the Japanese company Sony, which has managed not only to retain its specialization but also to substantially expand it by entering the media business).

The above principles allow to regulate strategic initiatives and to identify the most important measures of implementation. On the other hand, selective approaches for differentiation of trends will always determine the real directions of convergence of the European media markets, their sectoral structure, dynamics of development, scale, realization of ambitious projects of the direction of diversification and prospects of international cooperation in the process of creation of relevant products. Such a hierarchy of strategic trends is graphically depicted in Figs. 3.

Figure 3: Strategic trends of joint development of the media market of Ukraine and the EU (2021 - 2027)

Trends:	Monitoring of media market	The development of the EU regulatory system	Increased global competitiveness	Digitalization of production	Neoliberalization of the media business
Principles of:					
Systematic convergence	<i>Involving of EU indicators</i>	<i>Implementation of the model regulation</i>	<i>Harmonization and standardization of media products</i>	<i>Technical upgrading</i>	<i>Development of small and medium-media business</i>
Creativization	<i>Comparative analysis of media efficiency</i>	<i>Create a national creative industries fund</i>	<i>Growth creative achievements in manufactured goods and services</i>	<i>The development of digital technologies in the field of creative</i>	<i>Support in creative sectors</i>
Clustering	<i>Evaluating the effectiveness of clusters. Joining ECO, EABO</i>	<i>Development of cluster policy principles</i>	<i>The transition to dual-layer and three-layer media clusters</i>	<i>Merging digital, creative and business technology</i>	<i>Creation of local clusters in the regions (Starless, Single star)</i>
Collaboration	<i>Collaboration statistical agencies and think tanks</i>	<i>Legislative regulation of collaborative relations</i>	<i>Improving the quality of media products</i>	<i>The joint involvement of European digital</i>	<i>SMEs total cooperation at a regional level</i>
Internationalization	<i>Harmonization of global media development indicators</i>	<i>Adaptation of the EU to global neoliberalism Media</i>	<i>Mastering of the global markets</i>	<i>Increasing production capacity efficiently</i>	<i>Protecting Europe from cultural media market expansion of other states</i>

Notes. ECO - European Cluster Observatory

EABO - European Audiovisual Observatory

SMEs are small and medium-sized enterprises

The author's vision.

The above figure clearly identifies the ways, directions, mechanisms and tools of complex convergence of the media markets of Ukraine and the EU. In addition to the principles outlined above, five further trends of expected convergence were proposed, which included the development of the EU regulatory system, monitoring of the media market, increasing the global competitiveness of goods and services, the digitization of production, and the process of neoliberalisation of the media market. Graphic intersection of the principles with the trends made it possible to justify as clearly as possible the measures for the implementation of Ukraine's ambitious plans for rapprochement with the EU in the media environment.

Conclusion

The last section concludes the paper – it discusses the results of research, presents its importance and contributions to literature and mentions its possible shortcomings. The conclusion should not include any important information that has not been previously mentioned in the text.

This article is an example of theoretical and practical generalization of the development of Ukrainian and European media environment, its structure and influence on national and global markets. The study found that the modern media market is influenced by neoliberal trends that affect its structure, the nature of technology transfer, as well as the media products and services produced within it. Much attention is paid to the analysis (on the example of Ukraine) of country media management.

In the course of the cluster analysis, the dendrogram of regional media systems was demonstrated by Ward's method, which clearly demonstrated the absolute leadership of the capital of Ukraine in the concentration of media resources in Kiev, as well as the advantages in terms of the volume of media - information traffic on the Internet.

The authors identify strategic trends of joint development of the media market of Ukraine and the EU, based on the principles of systematic, convergence, creativization, clustering, collaboration, internationalization. These principles are correlated with five trends: the development of the EU regulatory system, monitoring of the media market, increasing global competitiveness, digitization of production and neoliberalization of the media business.

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Annex 1

Primary data for the cluster analysis of media across Ukrainian regions

Clustering indicator	Number of printed publications by region in 2017, printed titles	Annual circulation of newspapers by region in 2017	Number of periodicals and publications that continue (excluding newspapers) by publication place in 2017, number of publications	Annual circulation of periodicals and publications that continue (excluding newspapers) by publication place in 2017, thsd. copies	Number of books and brochures by publication place in 2017, number of printed publications, printed titles	Circulation of books and brochures, thsd. copies	Number of Internet users by region, as of January 2019
Ukraine	1 666	2 169 726,7	2 692	144 969,3	22 047	45 127,2	10 416 154
Vinnytsya	84	70938,9	46	45,3	644	182,9	59 501
Volyn	44	17498,9	33	18,3	207	376,1	16 289
Dnipropetrovsk	150,0	147972,8	128,0	5261,1	686,0	234,0	591 973
Donetsk	55,0	43248,4	23,0	24,8	169,0	270,6	502 166
Zhytomyr	38,0	13577,2	13,0	24,8	192,0	68,5	15 545
Zakarpattia	25,0	3785,0	29,0	14,0	241,0	73,6	33 423
Zaporizhzhya	79,0	37824,5	51,0	72,2	443,0	127,4	247 181
Ivano-Frankivsk	35,0	9731,0	40,0	47,8	259,0	170,5	45 795
Kyiv	79,0	26485,9	40,0	184,2	165,0	146,9	271 182*
Kirovohrad	31,0	13109,5	13,0	223,5	128,0	46,0	47 184
Luhansk	25,0	9857,3	15,0	105,5	46,0	12,4	129 721
Lviv	49,0	375187,8	190,0	12481,6	1580,0	1960,0	372 808
Mikolayiv	47,0	17261,8	15,0	244,1	218,0	54,4	129 248

Odesa	47,0	165929,3	113,0	902,1	723,0	198,4	713 146
Poltava	66,0	34483,9	30,0	49,9	382,0	97,8	155 020
Rivne	29,0	11747,8	37,0	218,2	254,0	134,0	69 922
Sumy	37,0	15847,7	27,0	21,2	484,0	519,4	75 689
Ternopil	45,0	27028,0	178,0	11089,4	1005,0	2653,5	53 823
Kharkiv	85,0	152760,5	342,0	5045,0	5046,0	18028,5	464 048
Kherson	61,0	17001,1	29,0	28,9	247,0	63,9	47 076
Khmelnyskiy	50,0	27582,9	48,0	62,5	475,0	374,9	76 195
Cherkasy	67,0	24171,8	46,0	613,9	306,0	135,0	111 427
Chernivtsi	25,0	9782,1	32,0	73,0	324,0	216,5	15 219
Chernihiv	36,0	18829,0	17,0	72,5	272,0	137,9	52 355
City of Kyiv	377,0	878083,6	1157,0	108045,5	7551,0	18844,1	5 828 179*

Note: * BIGMIR.NET gave the total number of 6099361 Internet users for the city of Kyiv and Kyiv region, which was not in line with the statistical data provided by the State Statistics Service of Ukraine. So, we allocated 96,5% of the number of Internet users to the city of Kyiv (5 828 179) and 4,5 % (271 182) to Kyiv region, based on the average breakdown of data on media between these two statistical units.

Sources: STATE STATISTICS SERVICE OF UKRAINE (2019): Mass media and book publishing in Ukraine in 2017; BIGMIR.NET (2019): Global Statistics of the Ukrainian Internet. January 2019 (Globalnaya Statistika Ukrainского Interneta. Yanvar 2019), p. 3-4.

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