



## David Hesmondhalgh's 'The Cultural Industries'

This Factsheet will consider the work of David Hesmondhalgh's 'The Cultural Industries'.

### Cultural Industries

The term 'cultural industry' refers to the creation, production, and distribution of products of a cultural or artistic nature. Cultural industries include television and film production, publishing, music, as well as crafts and design. You might also consider architecture, performance and visual arts, and advertising as part of a cultural industry. Cultural industries are seen as adding value to society and individuals. As they are often focused on intellectual property, the cultural industries are knowledge-based and require a large number of people in their production, therefore as an industry it will create employment and wealth. They are also a source of cultural diversity, innovation and creativity, thus will enhance economic performance. David Hesmondhalgh summarises the role and nature of the cultural industries, and why it is important to study them.

### The core cultural industries

These are, as Hesmondhalgh considers, the industries centrally concerned with the industrial production and circulation of texts:

- **Broadcasting:** radio, television (cable, digital and satellite)
- **Film industries:** including the dissemination of film on video/ DVD/ television
- **Music industries:** recording, publishing and live performance
- **Print and electronic publishing:** books, online databases, information services, magazines and newspapers
- **Video and computer games:** or digital games as some commentators refer to them
- **Advertising, marketing and public relations:** greater functional element than other cultural industries; intended to sell and promote other texts; centred on the creation of texts and require work of symbol creators
- **Web design:** high functionality dynamic + strong aesthetic element

These core cultural industries have their own dynamics, but these industries interact and interconnect with each other in complex ways. This is because they compete with each other for the same resources. The most significant of these resources are as follows (see Garnham, 1990: 158):

- A limited pool of disposable consumer income
- A limited pool of advertising revenue
- A limited amount of consumption time
- Skilled creative and technical labour

This competition for resources, and the shared characteristic as producers of primarily symbolic artefacts, allows the cultural industries to be thought of as a sector or a linked production system

### Why study cultural industries?

#### *The cultural industries make and circulate texts*

Cultural industries produce and circulate products that influence our understanding and knowledge of the world. Hesmondhalgh acknowledges that, although there is a debate about the scope of influence on the audience, "of one thing there can be no doubt: the media do have influence." (Hesmondhalgh, 2013).

The cultural industries produce text that we, the audience, spend a large amount of time consuming and experiencing. As such, these texts and the cultural industries become a powerful factor in our lives. These cultural industries have an interest in making profits, and Hesmondhalgh asks whether the cultural industries ultimately serve the interests of their owners and executives, and their political and business allies. Hesmondhalgh argues that cultural industries and the texts they produce are **complex, ambivalent and contested**.

Hesmondhalgh identifies that the societies in which the cultural industries are highly profitable tend to be societies that support the conditions where large companies, and their political allies, make money. These conditions being: constant demand for new products; minimal regulation outside of general competition law; relative political and economic stability; workforces that are willing to work hard. However, Hesmondhalgh also identifies that in contemporary societies the cultural industries often produce texts that do not support these conditions. Instead, texts tend to offer ideologies which challenge capitalism or the inequalities of gender and racism in society. This happens because the cultural industry companies need to continuously compete with each other to secure audience members. As such, companies outdo each other to try and satisfy audience desires for the shocking, profane or rebellious. There are also longstanding social expectations about what art and entertainment should do, and challenging the various institutions of society is one of those expectations.

### Definitions

**Cultural industry** - an industry which produces creative texts of cultural or artistic value; Cultural industries are those industries that are most directly involved in the production of social meaning; Hesmondhalgh considers cultural industries to be those that deal primarily with the industrial production and circulation of texts.

**Interconnectivity** - the ability for audiences to connect easily, widely and effectively.

**Globalisation** - the process of increased interconnection through trade, communications and movement.

**Cultural Imperialism** - where one nation's culture influences and dominates that of another country - often through saturation of the dominant culture's media products onto the subordinate culture.

**Digitalisation** - the integration of new technologies into media products and everyday life. For example, the Apple Watch has digitised 'the watch' with the introduction of technology.

**Symbolic creativity** - Hesmondhalgh refers to art as **symbolic creativity**, and to artists as **symbol creators**. These terms are intended to cover all work and creators within the cultural industries.

**Conglomerate** - a large company that owns various smaller companies, ranging across different sectors, acquired through mergers or takeovers. One company will own a controlling stake in all the subsidiary companies, which operate separately from one another.

**Activity**

Consider the ways in which an audience's perception, knowledge and understanding of the world can be influenced by media. Give some examples of media texts that influence audiences and complete the table below.

Media text	What influence does the media text have?	Identify the media language that creates influence	Why does it influence an audience?
<p><b>Apple Watch ad campaign</b></p> <p><a href="https://www.youtube.com/watch?v=BNpiwOkKIJ8">https://www.youtube.com/watch?v=BNpiwOkKIJ8</a>  <a href="https://www.youtube.com/watch?v=p2_O6M1m6xg">https://www.youtube.com/watch?v=p2_O6M1m6xg</a></p>			
<p><b>HP Spectre + Microsoft ad campaign</b></p> <p><a href="https://www.youtube.com/watch?v=QC5M_7Qd530">https://www.youtube.com/watch?v=QC5M_7Qd530</a>  <a href="https://www.youtube.com/watch?v=sQ41GjdERpk">https://www.youtube.com/watch?v=sQ41GjdERpk</a></p>			

**Industries that make texts: distinctive features**

**Problems**

- Risky business
- Creativity versus commerce
- High production costs and low reproduction costs
- Semi-public goods; the need to create scarcity

**Responses**

- Misses are often offset against hits by building a repertoire
- Concentration, integration and co-opting publicity
- Artificial scarcity
- Formatting starts, genres and serials
- Loose control of symbol creators; tight control of distribution and marketing

**Risky business**

- Risk derives from the fact that audiences use cultural commodities in highly volatile and unpredictable ways – often in order to express the view that they are different from other people.
- Risk stems from consumption and is made worse by 2 factors: firstly, limited autonomy granted to symbol creators in the hope that they will create something original and distinctive; secondly, the cultural industry company is reliant on other cultural industry companies to make audiences aware of the existence of a new product or of the uses and pleasure that they might get from experiencing the product. Companies cannot completely control the publicity a product will receive, as judgments and reactions of audiences, critics and journalists etc. cannot accurately be predicted.
- Cultural industries can be highly profitable in spite of high levels of risk, but it may be difficult to achieve high levels of profit for independent or individual companies.

**Creativity vs commerce**

- Long held that there should be an opposition between creativity and knowledge, and commerce. This has had the effect of generating a set of tensions which are vital to understanding the cultural industries.
- The creativity/commerce tension helps to generate the relative and provisional autonomy that many symbol makers attain
- Adds to the uncertainty and difficulty of the environment in which cultural businesses work.

**High production costs and low reproduction costs**

- Most cultural commodities have high fixed costs and low variable costs.
- Digitalisation has only amplified this feature
- Key point here is the **ratio** between production and reproduction costs – the high ratio of fixed costs to variable costs in the cultural industries means that big hits are extremely profitable.

- Leads to strong orientations towards 'audience maximisation' in the cultural industries (Garnham, 1990:160).

**Semi-public goods**

- Cultural commodities are rarely destroyed by use.
- Act like public goods – the act of consumption by one individual does not reduce the possibility of consumption by others.
- The means of industrial reproduction of cultural goods are relatively low in cost so that firms have to achieve the scarcity that gives value to goods by limited access to cultural foods and services by artificial means.

**Misses are offset against hits by building a repertoire**

- Emphasis on audience maximisation means that misses are offset against by means of 'over production' (Hirsch, 1990).
- Large catalogue of texts is produced, a 'cultural repertoire', so that there is more likelihood of hits by the sheer amount of texts that are produced.

**Concentration, integration and co-opting publicity**

- Cultural industry companies use various methods to mitigate risk and ensure audience maximisation:
  - **Horizontal integration:** buying up companies in the same sector to reduce the competition for audience and audience time.
  - **Vertical integration:** buying up companies involved in different stages of the process of production and circulation. Companies might buy 'downstream' such as when a company involved in making films buys a DVD distributor; or 'upstream' which is when a company involved in distribution and transmission buys a programmer-maker.
  - **Internationalism:** buying and partnering other companies abroad allows companies to sell massive amounts of extra copies of a text they have already produced at low cost (marketing costs).
  - **Multisector and multimedia integration:** buying into other related areas of cultural industry production to ensure cross-promotion.
  - **Attempt to co-opt critics, DJs and others who publicise a text by socialising/ sending gifts/ press releases – Instagram #ad #spon – YouTubers etc.**
- Integration has led to the formation of bigger and more powerful companies.
- The consequences of this size and power are unique to the cultural industries because of the ability of the goods they produce to have an influence on our thinking about their operations, about all other industries, and about all aspects of life.
- Larger cultural industry company = more power + greater chance for success + therefore influence on audiences.

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**Artificial scarcity**

Cultural industry companies will limit or control release of texts and ensure the adequate availability of goods. Vertical integration is the primary method of creating artificial scarcity, however the following are also important:

- Advertising which controls or limits the relative importance of a product – how exclusive it is deemed to be.
- Copyright, which aims to limit or prevent people freely copying texts.
- Limiting access to the means of reproduction so that copying is not easy.

**Formatting: stars, genre, serials**

Another way for the cultural industries to cope with high levels of risk in their sector is to minimise the chance of a miss by **formatting** their cultural products.

- **Star system:** associating the names of star writer, performers with a text. This involves considerable marketing efforts to break a new star or writer, or to continue to maintain the star's aura. As this is costly, it is reserved for those cultural texts that are hoped to be big hits
- **Genre:** genre terms operate as labels that indicate to the audience what to expect from the text. Many cultural productions are promoted through the use of genre, as audiences will be familiar with the pleasures they can expect.
- **Serial:** the reliance on sequels and prequels – Hollywood is highly reliant on serials, the creation of a world or universe that can be revisited repeatedly, in the hope for continued hits.

**Loose control of symbol creators; tight control of distribution and marketing**

Symbol creators are granted creative autonomy within the production process. Managers assume that big hits and creation of new stars are as a result of originality. But this carries high levels of risk. To control these risks, there is tight control over the reproduction, distribution and marketing – what Hesmondhalgh calls **circulation**. This is often achieved through vertical integration.

**Business ownership and structure**

- Increasing presence of large corporations in the business of cultural production.
- Significant oligopolies had emerged before the middle of the 20<sup>th</sup> century.

Abridged extract from 'The Cultural Industries', D. Hesmondhalgh.

**Cultural industries as ambivalent**

Hesmondhalgh considers the way the cultural industries distribute and organise symbolic creativity (i.e. texts audiences consume) reflects extreme inequalities and injustices evident in capitalist societies. For instance, there are vast differences in terms of access to cultural industries in society, in terms of your level of wealth, gender or ethnicity. There are also inequalities in the ways symbol creators are treated. Even those who succeed in their work being accepted and widely circulated are often treated badly. Many symbol creators struggle to earn a living. There are also inequalities in the availability of types of texts – some texts are promoted and distributed more widely than others (think big budget TV drama compared to an independent TV documentary).

The cultural industries face another challenge, in the need to secure audiences. It is not, as you might think, about finding the largest audience. Instead it is about ensuring that the texts find the right audience, and then finding the best ways of circulating texts to those audiences. The consequence of this is that the cultural industry companies keep a tight control on circulation, more so than the level of control on production.

**Activity**

Re-read Factsheet 22 (*Vertical and Horizontal Integration in Media Institutions*). Focus on Vertical Integration. Why would this method of organising cultural industries offer more control for companies? Research some large cultural industry companies and identify how they control circulation of texts.

**Cultural industries as complex**

Hesmondhalgh identifies the place of the cultural industries in economies, and considers contemporary cultural industries to be **complex professional**. This era (from 1950s onwards) sees work becoming more organised and professional in nature. Cultural companies employ more individuals directly, and new media technologies are developed. In addition to this, advertising and marketing now became an important aspect of not only selling cultural industries to audiences, but advertising and marketing texts became part of the cultural forms themselves. As a result, cultural production gained a new economic importance, becoming a part of national economies and global business.

A key feature of a complex professional era of the cultural industries was growing influence and importance of large companies.

In Hollywood, various oligopolies emerged before the 1950s, famously known as the 'Big Five' (MGM, Warner Brothers, Paramount, 20<sup>th</sup> Century Fox, RKO) and 'Little Three' (Universal, Columbia Pictures, United Artists). These eight companies were vertically integrated, and controlled the production, distribution and exhibition of their texts.

**The Big Five Studios**

<https://vignette2.wikia.nocookie.net/looneytunes/images/2/25/Warner-bros-cartoons-1941-looney-tunes.jpg/revision/latest/scale-to-width-down/2000?cb=20141007155616>

<https://i.ytimg.com/vi/vtrPWIZ-Nes/hqdefault.jpg>

[http://www.foxmovies.com/images/about/20th\\_Century\\_Fox\\_first\\_logo.jpg](http://www.foxmovies.com/images/about/20th_Century_Fox_first_logo.jpg)

[https://silverscreenreflex.files.wordpress.com/2015/11/paramount\\_pictures\\_1940\\_prelinger\\_archive\\_internet\\_archive.jpg](https://silverscreenreflex.files.wordpress.com/2015/11/paramount_pictures_1940_prelinger_archive_internet_archive.jpg)

<http://www.aveleyman.com/Gallery/Directors/d28355-21876.jpg>

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**Activity**

Research the 'Big Five' and 'Little Three'. How did each company control the cultural industry and texts they produced? Consider the impact this had on the industry. Does it reflect what Hesmondhalgh identifies about cultural industries?

**Commodification**

When Hesmondhalgh evaluates the changing social significance of the cultural industries, he considers commodification. This involves the transforming of objects and services into commodities. At its most basic level, it involves producing things not only for use, but also for exchange. Hesmondhalgh identifies some issues with commodification and how it can be judged or evaluated. There is the **problem on the consumption side** that commodification spreads the idea that owning something or holding property of something gives you the right to exclude others. This then leads to inequalities and the exclusion of groups, it also leads to the promotion of private individual interest which threatens collective behaviours for the common good. When you consider the **production side**, commodification means that labour is not recognised and is under-rewarded. A good example of this in contemporary cultural industries would be the role of the Visual Effects Artists. (For more information on the under-rewarded visual effects industry, listen to this episode of Freakonomics podcast.

<http://freakonomics.com/podcast/no-hollywood-ending-visual-effects-industry/>.

Hesmondhalgh also identifies the way culture was commodified, using Frow's example for print media:

- The commodification of the **material object** (the book) taking place - as early as the 15<sup>th</sup> century.
- The commodification of the **information** contained within the material object as 'the work' in copyright law – from the 18<sup>th</sup> century onward.
- The commodification of **access** to printed text information via electronic databases and so on in – in the late 20<sup>th</sup> century.

Copyright underpins the ownership of cultural commodities but this was at the cost of placing consideration restrictions on the use of such information. However, there is a serious conflict between commercial institutions that attempt to make cultural works their private property and common ownership of cultural goods.

**Activity**

Apply Hesmondhalgh's process of commodification (material – information – access) to aspects of the Internet. You could consider news media, music or vlogging.

**Diversity**

As the complex professional era brought about huge numbers of mediated texts circulated to huge numbers of the individuals, it also prompted concern about these texts. These were focused on diversity and choice, quality, and social justice (the extent to which interests of the rich and powerful are being served).

The complex professional era saw an increase in the choice of texts available, although there was a **question about the extent of diversity in these texts**. There is a difference between **multiplicity** – a large number of voices – and **diversity** – whether or not these voices are actually offering different things from each other (Mosco, 1996). Hesmondhalgh asks whether the range of texts available offers real diversity when it comes to the expression of differing viewpoints, and whether audiences are encouraged to listen to a diverse range of voices or stick to mainstream procures. Although many commentators have claimed a greater homogenisation of cultural industries, Hesmondhalgh does not conclude that diversity is or isn't limited. Instead, he acknowledges that the huge proliferation of texts, and increased ways to consume these texts, does not equate to diversity. This is due to the

information that an audience receives about a text (from the advertising and marketing for example) but also the question of *diversity for whom?* Hesmondhalgh also acknowledges that the increasing size and scope of cultural industry companies does not automatically lead to homogenisation or standardisation.

**Activity**

Look at a range of British newspaper front pages and editorials. Do you see a diversity in the texts offered to audiences? Is there evidence of a standardisation or homogenisation? Consider the editorial sections – do you see more diversity here? Why do you think this is?

**Changing cultural industries**

Cultural industries have increasingly become globalised (see factsheet 92 for more information about Globalisation) as a result of digital media, new technologies and interconnectivity. As such, there is greater exchange of cultural goods and services across countries and different cultures. David Hesmondhalgh identifies how the cultural industries have changed:

- Cultural industries are no longer seen as second to the 'real' economy. Some are actually vast global businesses.
- Ownership and organisation of cultural industries is now much broader - the largest cultural companies now operate across a range of cultural industries (for example, TV, publishing and film).
- These large conglomerates are now connected in complex ways however there are also many small and medium sized companies who create cultural products. These companies are becoming increasingly connected with other medium and large cultural industries.
- Digitalisation, the internet and mobile phones have multiplied the ways audience can gain access to cultural content. This has made small scale production much easier for millions of people (think self-representation + prosumers).
- Powerful IT and technology companies now work with cultural industries to understand and produce cultural production & consumption. These companies (e.g. Apple, Microsoft, Google, Amazon) are now as powerful and influential in cultural industries as traditional companies such as News Corporation, Time Warner or Sony.
- Cultural products can now be shared across national borders. This increased the adaptation, reinvention and hybridity of genres and products. It also enables cultures to reaffirm their values, reducing the cultural influence of the USA.
- As cultural industries understand the growing role and influence of the audience there is greater emphasis on marketing and research. Cultural industries actively seek to find and address the niche audiences.
- Traditions of public ownership and regulation have been dismantled
- Huge increase in the amount companies spend on advertising which has helped to fuel the growth of the cultural industries.
- Cultural texts (films, programmes, records, print media, images etc) have been radically transformed. Promotional and advertising material now infiltrates areas and products more so than before. There are more products across a wider range of genres, across a wider range of forms of cultural activity that ever before. Various forms of cultural authority are increasing questioned and satirised.

**Activity**

Consider the changes Hesmondhalgh identifies. Apply these to contemporary companies within the cultural industries. Explain how or why the companies meet Hesmondhalgh's list of changes.

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