Asian Journal of Communication

Publication details, including instructions for authors and subscription information:
http://www.tandfonline.com/loi/rajc20

Market uncertainty and mimetic isomorphism in the newspaper industry: a study of Taiwan's mainstream newspapers from 1992 to 2003

Shu-Chu Sarrina Li a & Chen-Yi Lee b

a Institute of Communication Studies, National Chiao Tung University, Hsinchu, Taiwan, Republic of China
b Eastern Multimedia Group, Taipei, Taiwan, Republic of China

Published online: 23 Sep 2010.

To cite this article: Shu-Chu Sarrina Li & Chen-Yi Lee (2010) Market uncertainty and mimetic isomorphism in the newspaper industry: a study of Taiwan's mainstream newspapers from 1992 to 2003, Asian Journal of Communication, 20:3, 367-384, DOI: 10.1080/01292981003802218

To link to this article: http://dx.doi.org/10.1080/01292981003802218

PLEASE SCROLL DOWN FOR ARTICLE

Taylor & Francis makes every effort to ensure the accuracy of all the information (the “Content”) contained in the publications on our platform. However, Taylor & Francis, our agents, and our licensors make no representations or warranties whatsoever as to the accuracy, completeness, or suitability for any purpose of the Content. Any opinions and views expressed in this publication are the opinions and views of the authors, and are not the views of or endorsed by Taylor & Francis. The accuracy of the Content should not be relied upon and should be independently verified with primary sources of information. Taylor and Francis shall not be liable for any losses, actions, claims, proceedings, demands, costs, expenses, damages, and other liabilities whatsoever or howsoever caused arising directly or indirectly in connection with, in relation to or arising out of the use of the Content.

This article may be used for research, teaching, and private study purposes. Any substantial or systematic reproduction, redistribution, reselling, loan, sub-licensing, systematic supply, or distribution in any form to anyone is expressly forbidden. Terms &
Market uncertainty and mimetic isomorphism in the newspaper industry: a study of Taiwan’s mainstream newspapers from 1992 to 2003

Shu-Chu Sarrina Li*a and Chen-Yi Leeb

aInstitute of Communication Studies, National Chiao Tung University, Hsinchu, Taiwan, Republic of China; bEastern Multimedia Group, Taipei, Taiwan, Republic of China

(Received 25 August 2009; final version received 10 January 2010)

Mimetic isomorphic theory explains the process through which organizations in the same environment imitate each other’s actions to become more similar to each other. Adopting the theory, this study examined the content of Taiwan’s three major newspapers from 1992 to 2003 to investigate the relationship between market uncertainty and mimetic isomorphism. The data analysis shows that the uncertainty in Taiwan’s newspaper industry created an environment of mimetic isomorphism, and the findings are congruent with the predictions of mimetic isomorphic theory.

Keywords: market uncertainty; mimetic isomorphism; newspaper industry; institutional theory

Introduction

Mass media products differ from other types of products in several significant ways that situate this industry in a very uncertain environment. First, mass media produce information for their consumers, which demands creativity and self-renewal. Second, the tastes of media consumers are variable and difficult to predict. Third, deregulation and the rapid speed of developing technology greatly intensify competition in the mass media market (Andrews, 2003; Chan-Olmsted, 2006, pp. 16–37; Lowery, 2005). With such a high degree of environmental uncertainty, the phenomenon of mimetic isomorphism has been more pervasive in the mass media industry than in other industries. For example, many studies have documented that media producers frequently adopt strategies or models that have proved successful within the industry in order to make their work more manageable (Lowery, 2005; McDowell & Sutherland, 2000; Ryan & Peterson, 1982).

The theory of mimetic isomorphism states that when faced with a great deal of environmental uncertainty, organizations in the same environment tend to imitate each other’s actions to reduce risks. In turn, this imitation results in the phenomenon of mimetic isomorphism in the market. Using this framework, this study aimed to investigate mimetic isomorphism in Taiwan’s newspaper industry during the most competitive years, from 1992 to 2003.

The news media industry in Taiwan was heavily regulated for several decades, until the early 1990s, when a significant transformation began to take place. First,
in 1988, Taiwan’s government lifted martial law. At that time, the two largest newspapers, the *China Times* (CT) and the *United Daily News* (UDN), together accounted for more than 65% of the daily circulation in Taiwan. Thus, without an economy of scale advantage, it was difficult for a new entrant to the market to receive sufficient advertising income. However, by adopting a set of aggressive marketing strategies like free short-term subscriptions to potential subscribers, the *Liberty Times* (LT) was able to successfully enter the newspaper market in the early 1990s and eventually became the largest newspaper. Together, these three newspapers accounted for about 90% of the daily newspaper circulation in Taiwan for more than 10 years, until a newspaper from Hong Kong, the *Apple Daily* (AD), entered the market in 2003. Taiwan has seven national daily newspapers that can be classified into three types: general, entertainment, and specialized. The CT, the UDN, and the LT all belong to the general type of newspaper, and the AD entered Taiwan’s market in the area of general news. In terms of political stance, Taiwan’s newspapers also can be classified into two types: for and against Taiwan’s independence. The LT is characterized by its political orientation toward Taiwan’s independence, while the political stances of the CT and the UDN are prone to maintaining the status quo. Therefore, the LT attracts those readers whose political orientations are more in line with Democratic Progressive Party (DPP), while the CT and the UDN are preferred by the readers whose political orientations are more compatible with Chinese Nationalist party (KMT). The strength of the three newspapers lies in their political news and their respective ideological positions (Lee, 2007; Su, 2002; Wang, 2003).

The AD was established in Hong Kong more than a decade earlier and was recognized for three characteristics: an emphasis on visual presentations of the news, a market-driven journalistic orientation in terms of news subjects, and sentimental content. Before entering Taiwan’s market, the AD launched several large-scale promotions that captured widespread attention from both the general public and the paper’s main competitors. With strong financial support from its parent company, and with content that contrasted with that of Taiwan’s existing newspapers, the AD was able to successfully acquire a market share of approximately 16% in just one year, and it became the second-largest newspaper in terms of circulation in 2005 (Ho & Sun, 2008; Lee, 2007; Su, 2002; Wang, 2003).

In addition to the lifting of martial law, the legalization of cable television and the Internet also exerted an important influence on Taiwan’s newspaper market. Before cable television was legalized in 1993, very limited time was available for the dissemination of detailed information through television news. Therefore, television complemented daily newspapers rather than competing against them. However, following the legalization of cable television, more than five Chinese news channels began operating in Taiwan, each providing a 24-hour news service with in-depth analyses of important issues. As a result, television news in Taiwan has become a strong competitor of newspapers. This is evident in the advertising income that cable television has gradually taken away from newspapers (Ho & Sun, 2008; Lee, 2004; Li & Chiang, 2001).

By September of 2004, more than 40% of people in Taiwan were Internet users, with most of them using the Internet primarily for information searches (Hung, 2004). Hence, electronic newspapers have become a frequently-used news medium in Taiwan. Today, almost all major newspapers in Taiwan have their own electronic
versions, and most of them rely on the profitable support of advertising income (Ho & Sun, 2008).

**Literature review**

**Institutional isomorphism**

Institutional theory posits that organizations compete not only for economic benefits but also for institutional legitimacy. Thus, the socially constructed normative worlds in which organizations are situated have a significant effect on the actions of organizations. To obtain institutional legitimacy, organizations strive to conform to the social rules and rituals of their environments. Therefore, organizations that are faced with the same set of environmental conditions will become more alike because they have to respond to similar pressures. This process leads to the phenomenon of institutional isomorphism, which is ‘the constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions’ (DiMaggio & Powell, 1983). This view stresses that the forces that shape organizations’ actions come from institutional processes as well as from market-driven process (Lai, Wong, & Cheng, 2006; Lodge & Wegrich, 2005; Orrú, Biggart, & Hamilton, 1997).

DiMaggio and Powell have identified three mechanisms that shape organizations’ decisions to become more similar to each other in their environments. The first is coercive isomorphism, which results from pressures by other organizations on which the original organizations are dependent or by cultural expectations in the society within which organizations are situated (DiMaggio & Powell, 1983). For example, a newspaper may take a market-oriented approach in shaping its content because the newspaper’s parent company requires that approach. The second is mimetic isomorphism, which results from environmental uncertainty, which is itself a result of several factors, including organizations’ efforts to face a complicated problem or the presence of fierce market competition. The third is normative isomorphism, which results from professionalism. Two aspects of professionalism (formal education and professional practices) are the important sources of isomorphism.

Many scholars have found that the theory of institutional isomorphism is useful in explaining the homogeneity of organizations in terms of their strategies, practices, structures, and so on. However, neo-institutional researchers have identified two limitations of this theory: first, it cannot explain why some organizations have diverged from the common practices within an organizational field, and second, it does not explain the financial performance effects of institutional isomorphism, and empirical studies have not come up with conclusive findings either (Barreto & Baden-Fuller, 2006; Townsend & Campbell, 2007). The purpose of this study is to explain the homogeneity of news content in terms of environmental uncertainty; thus, the theory of institutional isomorphism is a useful framework for this study.

**Market uncertainty and mimetic isomorphism**

When facing a great deal of environmental uncertainty, organizations try to copy the actions of others that are situated in a similar environment. This phenomenon is called mimetic isomorphism because conformity is achieved by means of imitation.
Strong market competition or technological innovations lead organizations to feel a high degree of uncertainty. Therefore, imitation is a simple and efficient means by which organizations can deal with uncertainty because (1) it minimizes search costs insofar as it enables an organization to duplicate other organizations’ decisions and (2) it enables an organization to use the collective wisdom of others as compensation for whatever expertise the first organization lacks (Brouthers, O’Donnell, & Hadjimarcou, 2005). According to the literature on mimetic isomorphism, an organization’s imitation of other organizations’ actions corresponds to three modes of inter-organizational imitation: (1) frequency-based imitation occurs when an organization simply copies the actions of most organizations in the market; (2) trait-based imitation occurs when an organization imitates the actions of those organizations that are like it in some respect, such as size; and (3) outcome-based imitation occurs when an organization mimics the practices of those organizations that are successful in the market (Delios, Gaur, & Makino, 2008; Rhee, Kim, & Han, 2006; Srinivasan, Haunschild, & Grewal, 2007).

**Mimetic isomorphism in the mass media industry**

Although it is seldom studied in the mass media industry, the phenomenon of mimetic isomorphism is frequently recorded in competition and diversity literature. Dominick and Pearce (1976) found that under the oligopolistic market structure, the three television networks in the US tended to follow each other’s program ideas, and thus their programs became very similar to each other. Lin found that when facing the competition from cable, the three American networks tried to duplicate previously successful program formats in order to avoid risks (Lin, 1995). Similarly, Li and Chiang (2001) and Liu (1997) discovered that the three broadcasters imitated each other’s successful program formats and avoided failed program formats when Taiwan’s cable television became competitive in the 1990s (Li & Chiang, 2001; Liu, 1997). These findings are congruent with the theory of outcome-based imitation, wherein organizations tend to mimic the practices of other organizations that achieve market success. Studies in other industries also demonstrate that mimicking the actions of such organizations is an efficient response to uncertainty, since the mimicry preserves resources that would otherwise be dedicated to searching for possible solutions (Haveman, 1993; Lun, Wong, Lai, & Cheng, 2008). In particular, if an organization does not possess relevant decision-making resources, then to draw upon the collective wisdom of the successful organizations in the market should be a rational and effective strategy for dealing with uncertainty. For example, according to Brouthers et al. (2005), firms that were from emerging markets and that exported products to Japan, the United States, or European countries imitated the actions of those countries’ most successful firms and performed better than non-imitating firms from emerging markets.

The AD actually began its Taiwan-based operations in May of 2003. However, to ensure that the AD would be able to successfully enter the Taiwan’s market, the chairman, Lai Chee Ying, a Hong Kong tycoon, who also owned Giordano, the famous apparel retailer in the Asia-Pacific region, first undertook the publication of his magazine, *Next Magazine*, to test Taiwan’s market. Similar to the AD, *Next Magazine* was recognized for its sentimental content and market-driven approach; it
was a popular magazine in Hong Kong. *Next Magazine* entered Taiwan’s market in early 2001 and soon became the most widely read magazine in Taiwan.

Based on these findings, we hypothesize that AD will be recognized by its market-driven approach, which emphasizes its visual forms. In addition, with the success of *Next Magazine* in Taiwan, the three major newspapers that are facing the competition from the AD will imitate its visual forms. The first hypothesis is as follows:

**H1:** When facing market uncertainty, newspapers will imitate the practices of other successful news organizations in order to regulate uncertainty.

Past studies have shown that the risks associated with an organization’s actions also affect the likelihood of mimicry, with more risks leading to a high probability of imitation (Huang, 2000; Huang & Wang, 2001; Rhee et al., 2006). For example, Huang and Wang found that Taiwan’s radio stations with fewer resources were more likely to adopt a strategy of imitation than were stations with more resources. This was because the resource-poor radio stations experienced more risks when implementing a change than did the resource-rich stations (Huang & Wang, 2001). Furthermore, Huang and Wang discovered that radio stations making larger changes were more likely to imitate the actions of other radio stations than were radio stations adopting changes on a smaller scale. Similar patterns were seen with regard to competition and diversity; a moderate degree of market competition led to an increase in program diversity, whereas a high degree of market competition resulted in a reduction in program diversity. Therefore, because a higher degree of competition indicates a higher degree of risk, organizations practiced more isomorphism in terms of program formats (Li & Chiang, 2001; Van der Wurff, 2004; Van der Wurff & Culinburg, 2001). The literature reviewed indicates a positive relationship between the degree of environmental uncertainty and that of imitation likelihood, and thus this study expects that a higher degree of uncertainty in environments leads to a higher probability that newspapers will practice isomorphism:

**H2:** The stronger the uncertainty in the newspaper industry, the more likely it is that a newspaper will imitate the practices of other newspapers.

In mimetic isomorphism, organizations tend to imitate same-industry organizations because the practices of these organizations are more salient to any same-industry organization than to an organization in another industry (Haveman, 1993). Haveman argued that, within an industry, two processes occur: (1) organizations imitate those similar in structure, size, and resources because the actions of these organizations were more applicable, and (2) these organizations have a high degree of interaction with one another. Furthermore, organizations with different forms or sizes require different resources and actions. Empirical studies have shown that, as a result, organizations tend to imitate the actions of similar-size and same-market organizations (Delmestri, 1998; Greve, 1996; Haunschild, 1993; Rhee et al., 2006; Srinivasan et al., 2007). In investigating the diversification strategies of Taiwan’s top 10 firms over the past 20 years, Huang and Chen (2000) found that the strategies of the 10 firms, which had been very different from each other at the beginning, gradually became isomorphic with one another. The study by Delios et al. (2008)
also found that when making international expansion decisions, the Japanese firms tended to follow the decisions made by those firms that they perceived as being alike. These findings support the theory that organizations are more likely to imitate the strategies of like firms than those of unlike firms.

Newspapers in Taiwan can be classified into two types: those with national circulations and those with circulations limited to certain areas (e.g., southern Taiwan). The three major newspapers and the AD have national circulation, which accounts for more than 90% of the daily circulation in Taiwan. Called Taiwan’s ‘mainstream newspapers’, these four newspapers compete directly with each other for readers and advertising income. Consequently, they are more similar to each other with regard to size and circulation (Lee, 2007; Yeh, 2008). Our third hypothesis is based on these findings:

H3: When facing market uncertainty, newspapers tend to imitate the actions of similar newspapers.

Methodology

Mimicry among newspapers

Although mimicry among newspapers exists in various forms, content mimicry is the most significant, as the newspaper industry depends on content for survival. Therefore, a rigorous examination of how newspapers adjust their content during the period of market uncertainty should yield valuable information about mimetic isomorphism in the newspaper industry. This study borrows the concepts of niche breadth and niche overlap from niche theory to measure content mimicry among Taiwan’s newspapers (Dimmick, 2003, pp. 23–42; Dimmick, Chen, & Li, 2004; Dimmick & Rothenbuhler, 1984). According to niche theory, a niche is defined as the resource-utilization patterns of an organization, and niche breadth measures the area of the niche, including the quantity and magnitude of the resources used by an organization. Niche overlap is the measure of the extent to which two organizations share the same resources. Therefore, measuring the content of Taiwan’s three major newspapers with niche breadth and niche overlap allows the researchers to understand how the three newspapers varied their contents over the past 12 years and how their content was similar in the context of environmental uncertainty. Since the data from the content analysis were in a nominal format, we adopted Levins’ formula (1968) to calculate niche breadth. In addition, we also used his formula to calculate the niche overlap for the three newspapers. Here, a lower score indicates a higher degree of overlap.

Market uncertainty

In this study, market uncertainty came from both competition and technological innovations, which included cable/electronic news. We calculated the Herfindahl-Hirschman Index (HHI), a commonly adopted method for measuring market concentration, for Taiwan’s newspaper industry from 1992 to 2003 (see Appendix). Using the HHI and the data regarding the variation of market uncertainty in Taiwan, we divided the 12 years from 1992 to 2003 into three periods. (1) The first period is from 1992 to 1997, during which newspapers faced within-industry
competition and the introduction of cable news channels. According to the data compiled on advertising income in Taiwan (Wang, 2003; Brain Magazine, 2004), the LT had only an insignificant market share of advertising income in its early years, failing to surpass even 5% of the largest newspaper's advertising income. However, the advertising income of the LT increased more rapidly after 1992, reaching 50% of the largest newspaper's income in 1997. Furthermore, when cable television was legalized in December 1993, more than five news channels began operations. The period from 1992 to 1997 can be considered one of gradually increasing market uncertainty, because the LT did not become a competitive threat to the existing newspapers until after 1997, and competition from cable news channels was not as direct as from within the newspaper industry. (2) The second period is from 1997 to 2000, during which Taiwan's newspaper industry faced more uncertainty than that in the first period. After 1997, the advertising income of the LT increased rapidly until the year of 2000, when the advertising income of the LT surpassed that of the UDN. At that point, the LT became the second-largest newspaper in Taiwan. In 1998, the first electronic newspaper began to make a profit, and the UDN launched its own electronic newspaper in 1999. Therefore, in addition to the competition from within the industry and from cable news channels, Taiwan's newspaper industry had to face additional competition from electronic newspapers. (3) The third period is from 2000 to 2003, during which Taiwan's newspapers faced the highest degree of market uncertainty (see Appendix). The LT gained the largest share of Taiwan's advertising income in 2002, and the AD successfully entered Taiwan's newspaper market in 2003.

**News categories for content analysis**

In order to select categories that reflect competition for content analysis, we referred to several studies on newspaper content and competition. From the review of these studies, three sets of categories emerged: news topics, the form of news stories, and the visual presentation of news stories (Beam, 2003; Coulson & Lacy, 1996; Dimmick et al., 2004; Li, 2001; Li, Peng, & Tsai, 2002).

When facing competition, newspapers strategically adjust their news topics to attract certain readers (Li et al., 2002; Su, 2002). In this study, we classified all news topics into 23 categories: (1) political news, (2) social and casualty news, (3) financial and industry news, (4) military and diplomatic news, (5) international news, (6) health and medical news, (7) judicial news, (8) traffic news, (9) science, (10) environmental news, (11) manufacturing and labor news, (12) arts and culture, (13) education, (14) historical files, (15) sports news, (16) human interest, (17) TV and movies, (18) consumer news, (19) news regarding cross-straits issues, (20) domestic affairs, (21) forecasts, (22) inspiration, and (23) charity news.

The second set of categories comprises ways in which newspapers present news stories. This study classifies all news stories into 21 forms: (1) general news, (2) special interviews on people, (3) investigative reports, (4) editorials, (5) news analysis, (6) readers’ views, (7) special reports, (8) graphics, (9) pictures without texts, (10) on-site interviews, (11) essays, (12) news dictionary, (13) call for essays, (14) summaries of activities, (15) tables, (16) comics, (17) summaries of interviews, (18) news briefings, (19) comments on arts and culture, (20) book reviews, and (21) other.

The third set of categories concerns the visual presentation of news stories. The current study classified the visual presentations of news stories into eight types:
Sampling of newspapers’ content

This study uses the 12-year period from 1992 to 2003 as the basis for the study’s sampling of the three newspapers’ content. Sampling proceeded in the following way: (1) using a season as a unit, we randomly selected a month from each season and then a week from each month; (2) we divided each week into weekdays and weekends and randomly chose two weekdays and one weekend day; and (3) for the 12-year period, we randomly chose a total of 441 days. By using a news story as one unit of analysis, we came up with a sample of 38,415 news stories.

Newspapers in Taiwan usually contain three to four parts and publish more than 40 pages daily. The first part of a newspaper has 10 to 16 pages and includes the most important news stories of the day along with the most expensive advertising slots (Su, 2002; Wang, 2003). For this study, we focused our content analysis on the first part of each newspaper, as other parts of a newspaper are usually filled with advertising and public-relations news and thus attract much less consumer attention than the first.

Intercoder reliability

One research assistant belonging to our study was responsible for the coding. To ensure coding reliability, we randomly selected about 5% of the 38,415 news stories for the second research assistant to code separately. We calculated the pi index, which was developed by Scott, to check the intercoder reliability of the coding in the study (Scott, 1955). The pi index is a good measurement of intercoder reliability because it accounts for agreement by chance (Krippendorff, 1980; Wimmer & Dominick, 2003). The pi index for intercoder reliability was .92 for news topics, .90 for news form, and .93 for visual presentation.

Results

A total of 38,415 news stories were included in this study, of which 36.8% came from the CT, 36.5% from the UDN, and 26.7% from the LT. The content analysis shows that political news constituted the largest percentage of news in Taiwan’s newspapers over the 12-year period (28.9%), international news the second-largest (14.8%), and social and casualty news the third-largest (12.3%). In terms of the forms of news presentation, general news (76.3%) was the most common form that appeared in the three newspapers, with interview summaries (7.8%) being the next most common form. Furthermore, the visual presentation of the majority of the news stories (79.4%) was pure text, and only 18% of them were presented as text with pictures.
**Niche breadths of the three newspapers**

This study calculated niche breadth for each of the three newspapers in terms of news topics, news form, and visual presentation. Figures 1 to 3 summarize the data.

As indicated in Figures 1 to 3, the data show that the niche breadth among the three newspapers is very similar. In general, the LT has had the highest degree of niche breadth in relation to news topics, news form, and visual presentation among the three newspapers, followed by the UDN; the CT has had the lowest. However, the LT also exhibited the most niche-breadth fluctuation in terms of its news topics, news form, and visual presentation. The CT had, on the average, the lowest niche breadth in terms of news topics, news form, and visual presentation. However, starting around the year 1997, the CT gradually and clearly increased its niche breadth on news topics, news form, and visual presentation and became more similar to the UDN in these respects.

Two findings from the three figures are particularly worth noting. First, from 1992 to 1997, the niche breadth of the CT and UDN gradually became more similar to each other in terms of news topics, news form, and visual presentation. Second, from 1999 to 2002, the niche breadths of the three newspapers became similar in all respects.

This study also measured niche breadth related to news topics, news form, and visual presentation by combining the data of the three newspapers. Figure 4 summarizes these data.

Figure 4 demonstrates that the niche breadth of news topics across the three newspapers was much higher than the niche breadth of the news form or the visual presentation, with the niche breadth of the last two no different from each other. The data in Figure 4 show that the niche breadth of the news form and the visual presentation did not fluctuate much during the 12 years. This finding indicates that the three newspapers did not make any big changes in terms of news form and visual presentation during the 12 years. However, the niche breadth of the news topics greatly fluctuated and peaked twice: once in 1998 and once again in 2002. Starting in 1993, the three newspapers gradually increased their niche breadth with regard to news topics until 1998; from 1999 to 2001, few fluctuations occurred.

![Figure 1. Niche breadths on news topics.](image-url)
We calculated niche overlap by comparing every two of the three newspapers in terms of their news topics, news form, and visual presentation. Table 1 summarizes the results.

As demonstrated in Table 1, before 1997, the CT did not overlap very much with either the UDN or the LT, with the latter two newspapers overlapping more with each other in their news topics, news form, and visual presentation. However, from 1999 to 2002, a transformation took place wherein the three newspapers closely overlapped with each other in terms of their news topics, news form, and visual presentation.

Discussion

Uncertainty and outcome-based imitation

Our first hypothesis states that, when facing market uncertainty, newspapers will imitate the practices of other successful news organizations. This study predicted that the successful experience of Next Magazine in Taiwan would lead the three newspapers to imitate its practices in terms of visual presentation. Figure 4 indicates that the niche breadth of the three newspapers’ visual presentation did not increase during the 2000–2003 period, and thus the findings do not support the first hypothesis.

It was unexpected to find that the three newspapers did not enhance their visual presentation to counter the competition presented by the AD. A possible explanation for this unexpected finding is that the categories employed in this study to measure the three newspapers’ visual presentation were perhaps insufficiently delicate to

Figure 2. Niche breadths on news forms.

Figure 3. Niche breadths on visual forms.
reflect the changes undertaken by the three newspapers. This study counted only the number of pictures, graphics, or manuscripts. A more accurate assessment of visual presentation might have focused not only on quantity, but also on quality such as a print’s colorfulness or a picture’s function in a text. This possibility is confirmed by the findings of two studies in Taiwan (Chou, 2004; Lee, 2007) that examined the front pages of the three major newspapers one year before and after the entrance of the AD. These two studies found that the news items on the front pages of the three newspapers were reduced by 50.2% after the entrance of the AD into Taiwan’s market, and that the reduction was due to the three newspapers’ imitation of the new design styles adopted by the AD, such as enlarged news headers, photographs, and graphics.

Furthermore, we found that the three newspapers’ niche breadths in terms of news form and visual presentation did not reveal any obvious fluctuations during the 12 years, but that the niche breadth of news topics did. These findings indicate that, when encountering competition, Taiwan’s three major newspapers did not modify

Table 1. Niche overlap among the three newspapers.

<table>
<thead>
<tr>
<th>Paper Year</th>
<th>Niche overlap on news topics</th>
<th>Niche overlap on news forms</th>
<th>Niche overlap on visual forms</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>China/United</td>
<td>China/United</td>
<td>United/Liberty</td>
</tr>
<tr>
<td>92</td>
<td>0.04</td>
<td>0.04</td>
<td>0.10</td>
</tr>
<tr>
<td>93</td>
<td>0.04</td>
<td>0.04</td>
<td>0.09</td>
</tr>
<tr>
<td>94</td>
<td>0.03</td>
<td>0.03</td>
<td>0.05</td>
</tr>
<tr>
<td>95</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td>96</td>
<td>0.04</td>
<td>0.04</td>
<td>0.05</td>
</tr>
<tr>
<td>97</td>
<td>0.02</td>
<td>0.02</td>
<td>0.03</td>
</tr>
<tr>
<td>98</td>
<td>0.04</td>
<td>0.04</td>
<td>0.02</td>
</tr>
<tr>
<td>99</td>
<td>0.03</td>
<td>0.03</td>
<td>0.02</td>
</tr>
<tr>
<td>00</td>
<td>0.02</td>
<td>0.02</td>
<td>0.13</td>
</tr>
<tr>
<td>01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.01</td>
</tr>
<tr>
<td>03</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
</tr>
</tbody>
</table>
their practices in terms of news form and visual presentation, but did try to alter their strategies in terms of news topics. A possible reason for these findings is that the newspaper industry (perhaps well aware of its limitations as a print medium) did not try to compete with its perceived weaknesses. Instead, in order to deal with the competition, the newspaper industry focused on its strengths by providing detailed and easily processed information to readers. In particular, competition came not only from within the industry, but also from cable news channels and electronic newspapers. Several studies have shown that people obtain different types of gratification from various news media and that newspapers effectively help people absorb detailed and complex information, whereas cable news or electronic newspapers are better at vivid news presentation (Dimmick et al., 2004; Li, 2001).

**Uncertainty and imitation**

The second hypothesis states that the stronger the uncertainty in the newspaper industry, the more likely it is that a newspaper will imitate the practices of other newspapers. Figures 1 to 3 demonstrate that, when uncertainty increased during the first period (1992–1997), the three newspapers became more similar to each other. According to our hypothesis, the degree of uncertainty in the second period should have been more intense than that in the first period, but the three newspapers did not become more alike during this period. The degree of uncertainty in the third period was the strongest, and the data show that the three newspapers became more similar to each other. Similarly, the data on niche overlap indicate that the news topics, news form, and visual presentation of the three newspapers in the third period highly overlapped with each other. This finding points to a high degree of similarity among the three newspapers. Therefore, the second hypothesis received moderate support from the research data.

This study found that the similarity among the three newspapers in the third period was much higher than in the first period. This finding is congruent with past studies’ findings that indicated that a stronger degree of uncertainty results in a higher likelihood of mimicry among organizations (Delios et al., 2008; Huang, 2000; Huang & Wang, 2001).

We expected that the three newspapers would become more alike in the second period than in the first period. However, although the three newspapers gradually became similar to each other in the first period, they diverged from each other in the second period. A possible explanation for this unexpected finding is that the three newspapers did not experience more uncertainty during the second period. According to this study, the degree of uncertainty appeared to be higher in the second period because a competitor, electronic newspapers, joined the news market during this time. However, the three newspapers all had their own electronic versions, and they might not have experienced too much competition pressure from other electronic newspapers.

**Uncertainty and trait-based imitation**

The third hypothesis states that, when facing uncertainty, a newspaper will imitate the actions of similar newspapers. The data on niche breadth and niche overlap show that the CT and the UDN became gradually similar to each other during the first
period. Furthermore, this study also discovered that the three newspapers became even more alike during the period from 1999 to 2002. Hence, the research data supported the third hypothesis.

During the first period, the LT started to aggressively enter Taiwan’s newspaper market, and at the same time, several cable news channels began operations. Therefore, a significant amount of advertising income departed from the newspaper industry. As the largest two newspapers in Taiwan, the CT and the UDN were situated in a very similar environment. Thus, when responding to environmental uncertainty, they tended to examine each other’s actions (Delios et al., 2008; Haunschild, 1993; Rhee et al., 2006; Srinivasan et al., 2007). The CT and the UDN had been dominating Taiwan’s newspaper market for more than 20 years, and with competitive pressures suddenly coming from both within and outside the industry, a relatively efficient way to deal with such uncertainty may have been for the newspapers to copy each other’s practices. Some other studies in Taiwan have reported the tendency of Taiwan’s newspapers to imitate each other’s practices (Chou, 2004; Su, 2002; Wang, 2003). For example, Hsu examined graphic designs of the CT and the UDN from 1988 to 1999, and discovered that the two newspapers tended to follow each other’s graphic reforms and hence became more similar to each other (Hsu, 2000).

From 1999 to 2002, the AD was preparing to enter Taiwan’s market. The AD actually began its Taiwan-based operations in May of 2003. However, the AD’s chairman publicly announced in 2000 that his newspaper would soon enter Taiwan’s newspaper market (Lee, 2004). Before the actual launching of the AD in Taiwan, the Hong Kong paper tried to recruit news staff by offering prospective employees much higher salaries than were available to news staff already working for one of the other three newspapers. Moreover, the Hong Kong paper purchased high-tech equipment for its news operations and launched several intensive, large-scale promotions. Thus, even before commencing operations, the AD had placed a great deal of competitive pressure on the incumbent newspapers (Chou, 2004; Lee, 2004; Su, 2002; Wang, 2003). Consequently, to deal with this competitive threat from Hong Kong, the three newspapers examined each other’s strategies. This may explain why we found that, beginning in 1999, the three newspapers were becoming more similar to each other along all the three dimensions. Several other studies also noted the tendency of the three newspapers to adopt similar strategies when encountering the entrance of the AD (Su, 2002; Wang, 2003; Lee, 2007). For example, Chou examined the graphics used on the front pages of the three newspapers one year before and one year after the entrance of the AD, and he found that the three newspapers tended to imitate each other’s graphics as a strategy for countering the anticipated competition from the AD (Chou, 2004). Furthermore, the two newspapers, the CT and the UDN, announced the reduction of their newspapers’ price from NT$15 to NT$10 per copy on the same day, just one day before the entrance of the AD (Chan, 2003). However, after the AD actually commenced operations, several high-level managers of the three newspapers indicated that the competition from the AD was not as threatening as they had thought it would be. Thus, the three newspapers re-adopted their normal approaches (Brain Magazine, 2004; May; Chou, 2004; Lee, 2004). This shift back may explain why we discovered in this study that the three newspapers remained very similar to each other until 2002. After the AD began operating in Taiwan, the three newspapers began to differ from each other. Chou’s study also reported that one year...
after the AD entered Taiwan’s market, the three newspapers’ front-page graphics were much more different from each other’s than were the graphics produced before the entrance of the AD (Chou, 2004).

Conclusions
This study adopted the theory of mimetic isomorphism to analyze the content of Taiwan’s three newspapers between 1992 and 2003; it has drawn from the related analyses the following three conclusions. First, this study found that the uncertainty in Taiwan’s newspaper industry created an environment of mimetic isomorphism. In general, the findings of the study are congruent with the predictions of mimetic isomorphic theory. Second, this study discovered that the theory of mimetic isomorphism, which was paired with niche breadth and the niche overlap with reference to news content, provided a great deal of useful information regarding the relationship between the processes of mimetic isomorphism and market uncertainty. Third, this study found that the theory of mimetic isomorphism is useful because it enabled us to make inferences about the strategic actions adopted by media organizations.

Several implications can be drawn from the findings of the study:

1. Though this study found the phenomenon of mimetic isomorphism among the three newspapers, this study did not actually assess the content differences among the newspapers. Furthermore, after the entrance of the AD, the editors of the CT and the UDN interviewed by some studies indicated that they kept their strengths but tried to imitate those actions of the AD that they considered as their own weaknesses such as visual presentation (Ho, 2007). Therefore, this study found that the core values of the three newspapers actually lie in their political news and ideological positions, and that those core values remain unchanged during these competitive years. In addition, the editors of the CT and the UDN interviewed by Ho’s study (2007) stated that they understood the strongest point of the AD as being its sentimental approach to entertainment news, but they did not consider this approach as being compatible with the brand nature of their newspapers, and thus they never tried to imitate this part of the AD’s actions. These findings imply that imitations are strategic behaviors; when encountering uncertainty, organizations take their resources, their competitors’ actions, and the environments into consideration, and then decide what to imitate and what to differentiate from their competitors. As recognized by Lieberman and Asaba (2006), imitating superior products or processes is also a necessary approach for an organization to enhance its competitiveness. This may explain why mimicry occurred among Taiwan’s three major newspapers during these competitive years, but they are still able to keep their uniqueness and to be competitive.

2. Organizations with adequate time and resources prefer to explore their environments because experiential learning allows them to innovate and to differentiate from their competitor. However, as the environments are highly uncertain and quick actions are needed, organizations often resort to imitation (Lieberman & Asaba, 2006). This phenomenon is applicable to Taiwan’s newspaper market because this study found that the three major
newspapers in Taiwan did not imitate each other all the time, and that only in highly uncertain environments where the three newspapers practiced isomorphism. Moreover, when the three newspapers practiced isomorphism, they were selective in terms of what to imitate.

(3) According to some scholars, under an oligopolistic structure, firms in the same groups have to behave similarly in order to constrain competition and to make uncertainty more manageable. If the oligopolists adopt different strategies, that will reduce their ability to maintain tacit collusion, which in turn decreases average industry profitability (Lieberman & Asaba, 2006; Porter, 1979). This phenomenon is well applicable to Taiwan’s market. The newspaper market in Taiwan is characterized by an oligopolistic structure and this study found that the three newspapers behaved similarly when encountering environmental uncertainty. In particular, the CT and the UDN are similar in many aspects including ideological positions and readers, and this study discovered that the two newspapers often followed each other’s actions during these competitive years. Therefore, imitations are also a strategy that is adopted to counter competition and to manage uncertainty.

Acknowledgement
This study was partially supported by the National Science Council, the Executive Yuan, Taiwan.

Notes on contributors
Shu-Chu Sarrina Li (PhD, University of Iowa, 1993) is a Professor in the Institute of Communication Studies at National Chiao Tung University, Taiwan, Republic of China. Her research interests include new media, the management of media organizations, group decision-making, and organizational communication.

Chen-Yi Lee is a senior employee at Taipei Radio Station, Taiwan, Republic of China.

References


