

UDC 658:346.2

JEL Classification: M10, M13, D21

DOI: <https://doi.org/10.20535/2307-5651.29.2024.308823>**Derhachova Hanna**Ph.D. in Economics, Associate Professor  
ORCID ID: 0000-0003-3737-5394**Derhachov Yevhen**Ph.D. in Philosophy, Associate Professor  
ORCID ID: 0000-0001-7238-2595National Technical University of Ukraine  
"Igor Sikorsky Kyiv Polytechnic Institute"**Дергачова Г. М., Дергачов Є. В.**Національний технічний університет України  
«Київський політехнічний інститут імені Ігоря Сікорського»

## ORGANIZATIONAL, MANAGERIAL AND LEGAL ASPECTS OF MEDIA BUSINESS FUNCTIONING IN MODERN CONDITIONS

### ОРГАНІЗАЦІЙНО-УПРАВЛІНСЬКІ ТА ПРАВОВІ АСПЕКТИ ФУНКЦІОНУВАННЯ МЕДІА БІЗНЕСУ В СУЧАСНИХ УМОВАХ

*The article analyzes the current state of the media market in Ukraine, highlights the trends in the functioning of media enterprises. The purpose of the research is to analyze the current state of the media business, to highlight the organizational, managerial and legal aspects of the functioning of media enterprises and to outline the problematic aspects of their activities in the modern conditions of rapid technological development. The organizational and legal forms of creating media enterprises are analyzed. The advantages of organizing the holding form of media business as a structure that is better able to resist the influence of destabilizing factors and respond mobile to changing trends in the information market are highlighted. Singled out media market participants in accordance with the new media legislation and requirements for them. Emphasis on the criteria that allow the media to be classified as an online media.*

**Keywords:** media business, media enterprises, holding, online media.

*У статті проведено аналіз сучасного стану медіа ринку в Україні, виокремлено тенденції функціонування медіа підприємств. Розвиток інформаційних технологій спричинив появу "нових" медіа, які на сьогодні отримали значну перевагу як у донесенні інформації, так і у формуванні громадської думки. Актуальність дослідження обумовлена тим, що медійні підприємства в сучасних умовах формують інформаційний простір, що у подальшому забезпечить умови для стабільного розвитку економіки країни та українських підприємств. Метою дослідження є аналіз сучасного стану медіа бізнесу, виокремлення організаційно – управлінських та правових аспектів функціонування медіа підприємств та окреслення проблемних моментів у здійсненні ними діяльності в сучасних умовах стрімкого розвитку технологій. Проаналізовано організаційно-правові форми створення медіа підприємств. Виокремлено переваги в організації холдингової форми медіа бізнесу як структури що здатна краще опиратися впливу дестабілізаційних чинників мобільно реагувати на зміну тенденцій інформаційного ринку. Виокремлено учасників медіа ринку відповідно до нового медіа законодавства та вимоги до них. Наголошено на критеріях, які дозволяють віднести видання до онлайн-медіа. Використання організаційно – управлінських та правових аспектів функціонування медіа бізнесу, на яких наголошено у публікації, носить практичну значущість як для впровадження в навчальний процес, так і в процесі управління медійними підприємствами.*

**Ключові слова:** медіа бізнес, медіа підприємства, холдинг, онлайн-медіа.

**Problem statement.** The formation of Ukraine as a legal democratic state and its defense of independence are closely related to the development of the media business sphere and the provision of transparent and favorable conditions for media enterprises to carry out their activities. Media enterprises today have a task to create an information space that will in the future provide conditions for the stable development of the country's economy and Ukrainian enterprises. The rapid development of information and digital technologies has led to the emergence of "new" media, which today have gained a significant advantage both in the delivery of information and in the formation of public opinion. This publication is devoted to the coverage of various aspects

of their activities.

**Analysis of recent research and publications.** Publications by M. Nedopytanskyi are devoted to the study of the state of the media market and the analysis of the features of the information market. Development trends of the domestic media industry, problems of concentration in the media industry were considered by O. Sukhorukova, Z. Grigороva and A. Kvasо. At the same time, a wide range of issues related to the trends of media market functioning and the peculiarities of conducting media business remains open.

**Formulating the purposes of the article.** The purpose of the article is to research the current state of the media business, to highlight the organizational, managerial and

legal aspects of the functioning of media enterprises and to outline problematic points in their implementation of activities in modern conditions of rapid technological development.

**Methodology.** The methods of the system analysis, analysis and synthesis are used in the article.

**Presentation of the main research material.** For a long time the advantage in shaping public opinion was given to the traditional media, to which the term "fourth power" was applied along with the traditional three branches of power: legislative, executive and judicial. However, with the development of technology, there was a public demand for the emergence of new sources of information that would compete with traditional media and were not connected with the intervention of state institutions, the concept of the "fifth power" appeared (the Internet).

In view of this public need, a significant number of media enterprises have transferred their media to online format. According to the results of the sociological research of the Kyiv International Institute of Sociology, it is possible to state the transition from the situation of dominance of television to the predominance of Internet sources and significant fragmentation of the media landscape. Thus, 44 % of the respondents now receive information from Telegram channels, 43 % – from television (more senior respondents), 36 % – from YouTube channels, 34 % – from online news publications. At the same time, among respondents there is a request for a quick and concise format of information presentation (with short texts or videos) [1].

In view of this, it is necessary to single out the following requirements of the modern media space for media enterprises: in the process of their creation, it is necessary to take into account the format in which the media will exist and focus specifically on the online format and presence in the Internet environment, since traditional media are gradually losing importance the main source of information, especially the printed media. In the case of the existence of media in a traditional format, it would be expedient to change the broadcast format and switch

to "new" media format or to create them in parallel with the already existing media. Such managerial decisions rely on the management of media enterprises, which must implement them on time in order to update their activities in accordance with the development trends of the domestic information space.

Media business can exist in various organizational and legal forms. When deciding on the establishment, the founders can choose the form of the enterprise, which aims to make a profit or is created with a non-commercial purpose. The media company acts as an independent participant in legal relations, has its own property and accounts. It is necessary to understand that one media enterprise can manage one, several or many media, which can exist in the format of an online publication, a Telegram channel and a YouTube channel, or in the format of "traditional" media. They may or may not acquire the status of registered media in case of voluntary registration.

Analyzing the existing list of registered media, the following organizational and legal forms can be distinguished among enterprises. Among the large state-owned joint-stock companies that registered the media are the joint-stock company "NAEK "ENERGOATOM", the joint-stock company "National Public Television and Radio Company of Ukraine", the joint-stock company "Ukrainian Research Institute of Refractories named after A.S. Berezhny", Concern of radio broadcasting, radio communication and television. As for privately owned media enterprises, limited liability companies are currently the most registered, and a relatively small share belongs to private joint-stock companies and private enterprises (Fig. 2). However, it is necessary to understand that not all enterprises which have registered media and not for all the production of information product is the main type of activity. The owners of the Ukrainian mass media mainly earn capital not in the information field. For them, the mass media is mostly an accompaniment to the realization of other types of business interest [2].

Large structures that manage various types of media

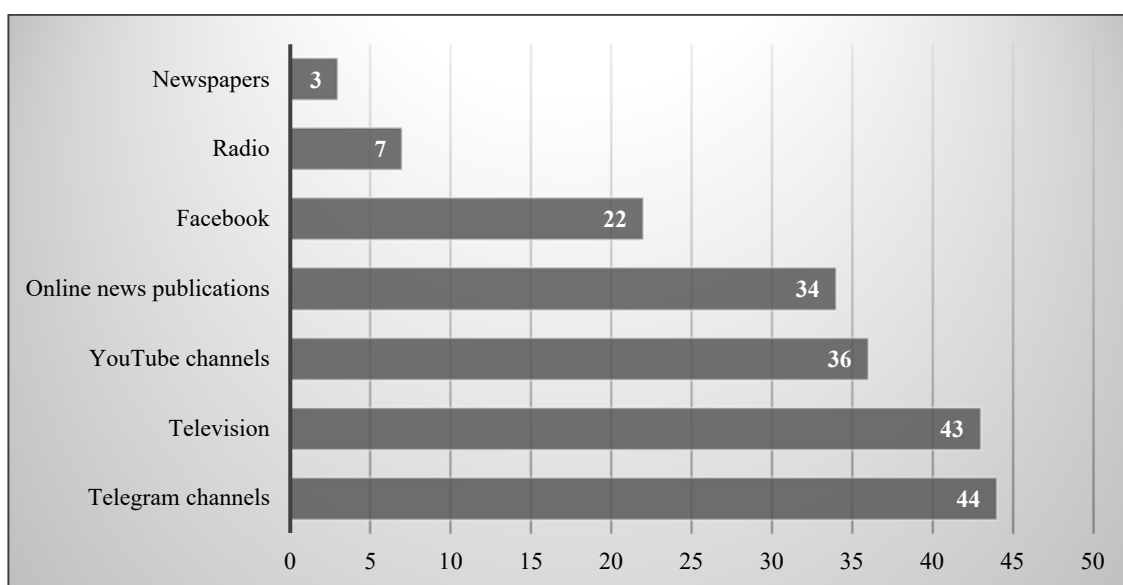
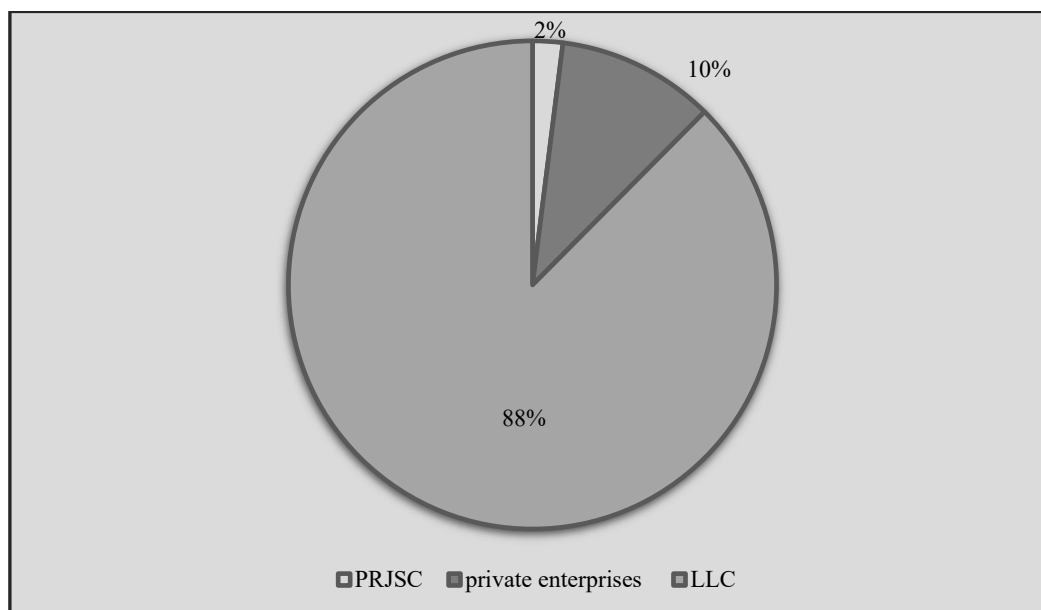


Figure 1. Survey results on the main sources of information in 2023

Source: [1]



**Figure 2. Share of private media companies by their organizational and legal**

*Source: compiled according to the data of the register of subjects in the field of media [3]*

(media holding, media empire) concentrate managerial levers of influence and influence the activities of controlled media, and then from the point of view of domestic legislation, they form one of the varieties of the association of enterprises. An example of such a holding in Ukraine was the media holding "Media Group Ukraine", which combined television, publishing and other capacities, but it ceased its activities in 2022. The start of full-scale military operations in Ukraine led to the artificial media concentration of television and the disappearance of the formed oligarchic media pluralism (we are talking about the Unified telethon launched in February 2022), currently significant problems of all types of media are a significant limitation of resources and a decrease in commercial income, which can lead to growth influence of owners or sponsors [4]. The pre-war media market of Ukraine was characterized by a high level of concentration, because most of the television and radio channels, periodicals and Internet resources were concentrated in large media holdings, which covered more than half of the audience in certain segments [6].

According to M. Nedopytanskyi, there are significant advantages in organizing a holding form of media business, in particular, he highlights the following benefits:

1. Formation of a common information base. Representatives of audiovisual media claim that a technologically significant share of information remains unused, it could be used in other media belonging to the holding. The existence of different media within the same structure will allow more efficient use of information.

2. Increasing the audience. Having a large amount of media will allow to reach a wider audience.

3. Reduction of the cost of production costs. The holding form of labor organization provides for a continuous cycle of technical equipment operation, which significantly reduces the cost of production of information products.

4. Reduction of administrative and management costs. Having one management center allows to reduce

administration costs.

5. Distribution of risks. Provides an opportunity to experiment with risky projects or create new media alongside profitable and successful projects.

6. Cross mutual benefit. Announcing publications on the air of a TV channel and, conversely, TV programs in online media helps to reach a wider audience [2].

Thus, from the point of view of both organization and management, the holding form of media business organization is more effective than other forms, since such a large business structure is better able to resist the influence of destabilizing factors and is able to respond mobile to changing trends in the information market.

In accordance with the current trends in the development of the media sphere, the Law of Ukraine "About media" [5] came into force. The law changes the regulation models for printed media and online media, equating their responsibility for violations, significantly strengthens the role of the National Council of Television and Radio Broadcasting of Ukraine, which currently acts as a regulator for all media market. At the same time, online media registration remains voluntary. However, when deciding on media registration, the founders should be aware of the advantages provided by the official status of the media, in particular, the guarantees of professional activity that employees will receive, the opportunity to obtain the status of a journalist, guarantees of accreditation and the opportunity to participate in tenders and joint regulatory bodies.

According to article 13 of the Law of Ukraine "About media" subjects in the field of media are subjects in the field of audiovisual media, printed media, online media, providers of audiovisual services, providers of video sharing platforms, providers of electronic communication services for broadcasting needs using the radio frequency spectrum [5]. A new feature of the domestic media legislation is the requirement to disclose the ownership structure of the subject in the media sphere, which must

be transparent. The ownership structure of a media entity is considered transparent if the following requirements are met: information on the ownership structure of a media entity makes it possible to identify all persons who have a significant stake in the media entity or the possibility of significant or decisive influence on management of the entity in the field of media; there are no trusts among the owners of a significant participation in the subject in the media sphere at all levels of the ownership structure, there are no legal entities registered in offshore zones among the owners of a significant participation in the subject in the media sphere at all levels of the ownership structure [5]. However, it should be understood that this requirement applies to media registered in Ukraine and does not apply to media market participants registered in other countries.

A media enterprise can produce an information product, or it can provide a platform for placing an information product. The servers of the Telegram messenger provide a platform for the functioning of many Ukrainian online media, but it does not seem possible to influence the activities of Telegram itself within the domestic legal field, since from the point of view of law it is not subject to the jurisdiction of Ukraine. The same applies to the largest video hosting YouTube and social networks, which are the habitat of a large amount of media. From the point of view of the new Law of Ukraine "About media", these services are video sharing platforms or information sharing platforms. It can be stated that, as a result, a significant number of relationships arising in the process of functioning of media enterprises remain outside the scope of legal regulation.

For the first time, the legal status of online media has also been regulated, which means media that regularly distributes information in text, audio, audiovisual or other forms in electronic (digital) form using the Internet on its own website, except for media that are classified by this Law on audiovisual media [5]. The criteria that make it possible to attribute a media to online media in this way are the regularity of information dissemination, existence in the management of media enterprises.

in any form, its own website (or even an account on social networks and information sharing platforms) and the presence of editorial control during creation, organization and dissemination of mass information. According to the information of National Council for Television and Radio Broadcasting, 315 online media are currently registered, including 245 websites; 17 – pages on the Facebook network; 14 – telegram channels; 22 – youtube channels; 9 – Instagram pages; 4 – on the TikTok network; 1 channel each in Viber and Whatsapp; 2 – pages in the X social network [7]. Over time, the number of registered online media will increase, since such an official status provides advantages in relations with state institutions and in the implementation of journalistic activities by employees of media enterprises.

The relations that arise in the process of functioning of media enterprises are characterized by the peculiarities of carrying out activities using the Internet, in particular:

- the cross-border nature and ease of information transfer, which leads to the impossibility of tracking illegal borrowing and use of information;
- possibility of quick correction or even deletion of information;
- in some cases, the impossibility of determining the time of posting information on websites and accounts, which leads to the impossibility of protecting the rights of media market subjects.

**Conclusions.** The functioning of the media business in today's rapid development of digital technologies is complicated by the need to quickly adapt to changes in the legislative field and the political situation in the country. At the same time, choosing the optimal form of business organization is a prerequisite for further successful activity on the information market. Prospective areas for further research include the study of the EU media market and normative regulation of online media, the study of forms of organization and conduct of media business in foreign countries, and the study of modern management approaches

#### References:

1. The results of the all-Ukrainian survey of KMIS for the consultative mission of the European Union in Ukraine. Available at: [https://kiis.com.ua/?lang=ukr&cat=reports&id=1307&page=1&fbclid=IwAR3QKVvs3SthNnBLDZTKJO8Hyw\\_wGTImhLpAXsyKQ128PWfXhZIsZbVvX0](https://kiis.com.ua/?lang=ukr&cat=reports&id=1307&page=1&fbclid=IwAR3QKVvs3SthNnBLDZTKJO8Hyw_wGTImhLpAXsyKQ128PWfXhZIsZbVvX0)
2. Nedopytskyi M. Peculiarities of information business in Ukraine. Available at: <http://journlib.univ.kiev.ua/index.php/index.php?act=article&article=1915>
3. Register of media entities. Available at: <https://webportal.nrada.gov.ua/derzhavnyj-reyestr-sub-yektiv-informatsijnoi-diyalnosti-u-sferi-telebachennya-i-radiomovlennya/>
4. Sukhorukova O., Kvasko A. (2022). The status and features of concentration research in the media industry. *Economy and society*, (39). Available at: <https://www.economyandsociety.in.ua/index.php/journal/article/view/1408>
5. Law of Ukraine "About media". Available at: <https://zakon.rada.gov.ua/laws/show/2849-20#Text>
6. Sukhorukova O., Grigороva Z., Kvasko A. (2023) Trends in the development of the domestic media industry. *Problems of the systemic approach in the economy*. No. 2 (91) Available at: <https://ela.kpi.ua/server/api/core/bitstreams/bdd88abc-0f77-46e1-a88aa1561c90924c/content>
7. Official website of the National Council of Television and Radio Broadcasting of Ukraine. Available at: <https://webportal.nrada.gov.ua/olga-gerasym-yuk-reyestratsiya-onlajn-media-ye-dobrovilnoyu/>