America online and time warner

Literature, Russian Literature

Assignment America Online and Time Warner Introduction America Online or AOL purchased TimeWarner in 2000 and embarked on a new era of Internet synchronized content delivery. Being a powerful Internet Service Provider (ISP) in the US, the company thought that they could buy and then handle a huge media corporation like Time Warner because the AOL management was optimist about the future of the Internet technologies. However, the merger turned out to be a blunder by the year 2003, when the new company (that came into being after the merger) AOL Time Warner declared that they had incurred huge losses amounting to 99 billion US dollars (Gershon, 262). Since then, this merger has been regarded as one of the biggest corporate mismanagement examples in the realm of managing telecommunication network and media companies. The case study unveils a number of issues that are big threats to the telecom sector and media companies globally.

Discussion

In 2010, media analyst Tim Arango of the New York Times attempted to throw some light on the merger between AOL and Time Warner that took place a decade ago from then. In analyzing the reason behind the merger, Arango remarks that at the wake of the 21st century, experts in telecomm and media industries were expected Internet was going to become the main medium of content delivery and entertainment all over the world, replacing and/or amalgamating the various traditional media and content delivery systems of that time. However, this was the main issue with the decision makers at both AOL and Time Warner. AOL's business outreach and technological equipment and expertise were not as robust as to handle the huge industrial momentum of Time Warner. Probably, AOL managers were

thinking well ahead of their time. A scrutiny of scientific literature suggests that Internet technologies were not as advanced at that time as to facilitate all the services needed for international distribution of various types of contents. Even in the middle of the first decade of the new millennium, scientists were striving to establish a sufficiently powerful architecture for the purpose of " pervasive content delivery" (Su and Chi, 82). Clearly, Internet technologies had limited strength during the merger between AOL and Time Warner. The case study thus helps us to understand that we need a really powerful and futuristic computing system to ensure Internet based content delivery of all kinds of information ranging from news to cinemas, weather forecasting to cartoons, and so on.

Conclusion

As shown by the case study discussed, technological barriers remain a prominent issue in the way of international distribution of diverse contents since a projected pervasive Internet based content delivery system will take time to come into existence. This problem attracts attention to another big issue relevant in dealing with global media and management. This big issue is the fact is that there are huge disparities in the IT infrastructure situations in the different countries of the world; in other words, IT infrastructure in underdeveloped countries is not as advanced as that in the developed ones (Palvia and Palvia, 151-180). But even the countries which do not have a well developed IT infrastructure may harbor a huge media market with ample demand for news, entertainment, and other information. Thus, at the next level of this complex corporate debacle, regulations become important. Without proper regulations, proper policies cannot be implemented and

hence technical and managerial inequities existing in the different countries world wide will continue to hamper the ambition of global content delivery and distribution. Furthermore, threat of oligopoly is also prominent due to the contradictory behaviors of deregulated market environments that are creating adversaries for the emerging media houses (Gershon).

Works Cited

Arango, Tim. " In Retrospect - Executives on How the AOL-Time Warner Merger Went So Wrong - NYTimes. com." The New York Times - Breaking News, World News & Multimedia. The New York Times., 1 Jan. 2010. Web. 29 Mar. 2013. .

Chi, Chi-Hung, and Michael Su. " Application networking - An architecture for pervasive content delivery." Web Content Caching and Distribution: 9th International Workshop, WCW 2004, Beijing, China, October 18-20, 2004, Proceedings. New York and Heidelberg: Springer, 2004. 82-93. Print.

Gershon, Richard A.. Telecommunications and Business Strategy. New York: Routledge, 2009. Print.

Palvia, Prashant C., and Shailendra C. Palvia. " Information systems plans in context: A global perspective: Understanding global the global information technology environment." Strategic Information Management: Challenges and Strategies in Managing Information Systems. New York: Routledge, 2012. 151-180. Print.