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## Bricks and Mortar Assets: Implications for Media Firm Resiliency and Sustainability

### Abstract

**This article explores how the distribution and sales value chain on media firms changed with the development of the internet and digital operations and why shifts in approaches to real property have occurred in both legacy and digital media. It reveals that choices regarding bricks and mortar assets are deeply affected by operational needs, strategic choices, and company ownership. The article provides evidence that decisions regarding bricks and mortar assets have affected resiliency and sustainability, that a dichotomous view of the value of bricks and mortar assets cannot be universally applied in the digital environment, and that the idea that digital firms eschew such investments is not supported.**

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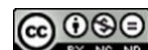
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### 1. Introduction

The wholesale changes in the communication environment during the past three decades severely damaged those media enterprises that were not resilient or owned by firms willing and able to effectively create and implement strategies to innovate and adapt. The changes have affected both large and small enterprises, and both legacy and digital native firms, as they coped with requirements to adapt and readapt to meet their business needs in the rapidly and constantly changing media ecosystem (Picard, 2014; Voci et al., 2019; Villi & Picard, 2019, Hughes & Robinson, 2024). The changes, driven have been particularly disruptive because they made it possible to bypass activities and structures previously required for business operations, created opportunities for significant cost reductions, and shifted strategies and business models away from influences of industrial economics, particularly those involving costs economics (Lazonick, 2007; Picard, 2011b; Gershon, 2024).

Developments in Information and communication technologies changed how information and content was created, stored, and distributed in the last half of the twentieth century in ways that significantly affected internal business operations. The development and expansion of the Internet around the millennium improved external communication by facilitating new means of marketing and advertising to businesses and consumers, on-line ordering and e-commerce, just-in-time manufacturing, and direct-to-home delivery of retail products.

News media firms have been particularly affected by such technology induced transformations and rapidly reduced market support that have altered long established



business models and left many smaller communities without local news coverage (Siles and Boczkowski, 2012; Picard, 2014; Picard, 2016; Abernathy, 2018).

These changes in the media ecosystem have raised significant questions about the resilience and sustainability of media firms. These concerns have focused on the ability of media firms to effectively change and adapt, often constrained by organizational legacies and processes, in the face of continuing business shifts affecting operations and finances, as well as their abilities to position and reposition their products, operations, and finances in response to complex interactions of technological, social, and economic factors (Berglez et al. 2017). Doing so requires long-term strategic commitment to product, process, and business model innovation that usually involves significant risk and often collaboration among industry actors (Dogruel, 2014; Villi & Picard, 2019; Westlund et al., 2020).

An under-addressed indicator of change and resiliency is company investments in real property, i.e., their investments in bricks and mortar assets such as land and buildings. This indicator has often been ignored because media management scholars tend to have limited backgrounds in company accounting and finance. A company's choice about investments in physical properties is dependent on company operational requirements, company ownership, leadership, and overall business strategy. These ultimately affect sustainability.

Bricks and mortar assets became significant disadvantages to legacy media companies and retailers during the past two decades by restricting their strategic visions and perceptions of opportunities and thus their ability to innovate and adapt to the new digital environment. Many were constrained by existing investments in production and distribution systems, strategies of maintaining physical production and avoiding cannibalization of the legacy products while moving some operations into the digital sphere, and declining revenue for physical products that reduced resources for transformation and company value. Opportunistic investors acquired media companies, particularly in the newspaper firms, to force operational changes and sell off valuable bricks and mortar assets, often without regard to the firms' long-term sustainability (Crain, 2009; Treisman, 2021). Conversely, digital native enterprises enjoyed significant advantages in startup and operations because they were not dependent upon and encumbered by needs for significant investments in real property. This led private equity investors to focus on the value of digital property rights because there were few other assets in many startups.

The role of real property (which is reported as a fixed asset on company balance sheets) and companies have changed those assets as digital operations have become increasingly important in media industries needs greater attention and understanding. Physical activities and the significance of the locations in which they take place were often discounted, denigrated, or disregarded in media and business literature as digital activities expanded in the 1990s and 2000s. There was an increased focus on intangible assets such as intellectual property and networked business models. Real property issues were mundane and seemingly disconnected from, and without the cachet of, digital activities and their potential. Contemporary developments in legacy and digital media firms, however, indicate that issues of location and physical presence, and the real estate they require, remain significant and play important strategic and operational roles in both legacy and digital firms. Real property is increasingly becoming essential for many digital native companies.

Although much attention in media management and economics studies has focused on content creation activities, the requirements and issues of production and distribution in legacy companies received limited attention even well before studies focused on digital issues. The physical property requirements of digital media companies have received even less attention.

This has occurred in part because media firms' roles as manufacturers, distributors, wholesalers, and retailers have been glossed over or ignored. Those factors, however, are meaningful to company strategies and decisions because they significantly affect the operations of both legacy and digital media and their resiliency and sustainability.

This article explores the impact of the production, distribution and sales value chain on media firm operations, why and how bricks and mortar approaches to warehousing, distribution hubs, and retail outlets changed with the development of the internet and digital operations, how that affected perceptions of legacy and digital media operations. It explores how and why strategic choices involving real property have occurred in both legacy and digital media during the past quarter century and why some digital media are increasingly investing in bricks and mortar properties. It shows how operational needs, company ownership, leadership, and overall business strategies influence media firms' strategic choices and operations.

## **2. Digital developments created new operational opportunities**

Technological developments and supporting widespread consumer use of the internet in the 1990s and early 2000s created significant opportunities for firms of all kinds to reconsider their distribution and sales arrangements and reduce or end reliance on physical infrastructures and intermediaries.

These developments spurred the establishment and growth of retailers offering media and information products online but delivering offline via various distribution mechanisms just before and after the turn of the millennium. These practices followed the lead of major department stores and clothing retailers who had previously offered offline catalog sales. Digital sites selling books, CDs, DVDs, and games introduced cost and price competition to a system that previously relied upon physical wholesale and retail distribution mechanisms that included warehousing, distribution centers, physical retail stores, and offline media clubs and services (such as book-of-the-month clubs and music clubs) using postal services distribution.

Amazon.com, for example, was originally established as an e-commerce book seller, but later added music and video and a multitude of products, growing to become the world's largest online retail platform (Stone, 2013). This growth was particularly successful and profitable because the firm did not have to invest in thousands of retail outlet facilities to reach its customers. Many media content producers adopted digital e-commerce activities of their own, allowing them to sell physical and later digital content products directly to consumers, thus bypassing some intermediaries and maintaining the revenue those go-betweens skimmed off in the traditional value chain.

The developments in online retailing were accompanied by significant developments in digital search, advertising, and analytics that became critical to news and other online and mobile content producers. Digital developments created new methods of advertising that created a new digital advertising industry for creating, distributing, and selling advertising space that did not rely heavily on office space and led to rapid consolidation into services provided by major online platforms (Hillis, et al, 2012; George, 2015; Rimscha & Riemann, 2024). These firms provide fundamental services to both legacy media and new media content providers and were created and owned by firms not previously present in the media ecosystem.

These search, advertising, and analytics firms grew rapidly, globalized, and quickly dwarfed the sizes of traditional media enterprises during the first two decades of the twentieth century. They effectively control or influence much of the operational infrastructure required for content and transactional services and considerable conflict between these digital intermediaries and media firms exists over how to divide revenue generated in this value chain.

Digital developments have significantly affected media firms and media product distribution and sales. It reduced the need for retail book and video shops, and newspaper and magazine stands, leading to large scale closures of those types of firms as demand shifted to firms such as Netflix and Apple.

One effect of these changes has been debates surrounding the traditional definitions of media firms (Hess, 2014; Pettijohn, 2019; Oliver & Picard, 2020). Digital firms providing digital infrastructure support and processes, some content creation activities, distribution, and e-commerce took over critical functions previously operated by legacy media firms themselves. The appearance and growth of digital firms led to disputes whether they should be included as media category in research, education, and industrial statistics. Today it is common to include legacy print and broadcast media, digital native media, any company that creates content or supports its distribution (such as Amazon.com and Apple), as well as social media and other platform firms under the umbrella of media (Voci, et al., 2019).

An important part of the development of changes in technology and digital operations has been their effects on the need for companies to maintain physical locations and make or maintain investments in real property, the fundamental characteristics of bricks and mortar companies rather than modern digital firms. Scholars need to understand the impact of these underlying developments because they are central to contemporary media firm strategies, operations, and managing the changing interdependence and competition with related media industries. The issues affect not only legacy media, but digital native media, social media, and various types of platform companies.

The ability to use digital technology to transcend space and create a virtual world has forced adaptation of traditional concepts of location, proximity, and presence, but have not eliminated their relevance to enterprises operating in it. Digital communication and application are not disconnected from physical location and activity and its operations commonly require some presence, organization, and activity in the non-digital world (Hawkins, Mansell, & Steinmueller, 1999; Levinson, 2013). The concept of physicality can be used to denote and understand physical presence. It can be used to indicate operations rooted in a physical location or reliance on physical equipment and infrastructures located outside the virtual world. There are varying degrees of physicality, but much digital activity is not only virtual but also grounded in the physical world because it is initiated in and supported in the physical world by workplaces, infrastructures, hardware, and data centers.

### **3. Bricks and mortar awareness rose and affected operations**

The development of e-commerce was seen as transformative by creating opportunities to disintermediate existing value chains for distributing products and to re-intermediate them in more effective ways (Adelaar, 2000), and it spurred the development of new business models for mediated commerce, usually referred to as e-commerce (Mahadevan, 2000). This was particularly disruptive because it removed previously required elements of business operations and created opportunities for significant cost reductions. E-commerce thus moved business away from traditional market economics, particularly those related to cost economics.

Although pre-existing retail intermediaries create value for producers and consumers in multiple ways, some businesses and tech firms perceived digital abilities to cut costs in retail distribution and sales mechanisms as highly attractive at the dawn of e-commerce, thus underestimating the significance of the other value created by intermediaries according to some researchers. Anderson & Anderson, 2002; Giaglis, Klein & O'Keefe, 2002). Online retailing was lauded for increasing consumer choice and lowering prices by cutting out intermediaries, but it was argued that “[w]hile the growth of retail ecommerce may lead certain types of

intermediaries to extinction, it appears likely that on-line markets will more than compensate for this by promoting the growth of new types of intermediaries” (Bakos, 2001, p. 75).

One consequence of these developments was that some technology advocates and many e-commerce firms developed online retail business models in which online retailers became intermediaries between product manufacturers or wholesalers and customers, but never actually took possession of the goods or services sold. Instead, they marketed and sold the products on behalf of producers and wholesalers, sending orders to be filled to those producers or wholesalers—who then shipped products directly to the customers, a business model known as dropshipping. These developments led many business and media retail analysts to see physical warehousing and retail sites as less necessary and to argue that online retailing could replace much physical retailing by moving away from what is called bricks and mortar retail locations. Others found it useful to engage in a mixed supply chain that might include retail locations, e-retailing, and dropshipping (Khouja, 2001; Rabinovich, et al., 2008).

Harvard Business Review explored the challenges facing bricks and mortar retailing in 1999, with John Quelch noting that “the United States is ‘overstored.’ Space is more readily available there, so stores tend to be larger. Increased and sustained use of on-line shopping will spawn more intense competition among physical retailers, and some stores will close” (Fazio, 1999). The developments in online retailing occurred concurrently with the growing consolidation among large retailers, especially among large department stores and home improvement stores, and reduced the number of retailers generally, placing significant economic pressure on malls and other large retail locations and forcing many customers to online retailing.

These processes aligned the interests of investors and technology entrepreneurs because e-commerce purportedly provided means to reduce or cut out costly distribution, wholesale, and retail systems and expenses for physical location requirements. For many, the idea of bricks and mortar infrastructures—especially ownership of those infrastructures—whether in traditional retailing or e-commerce became perceived as a negative. This is reflected in the Amazon.com 2000 annual report which stated “[t]he Company does not own any real estate” and relied on leased space that did not require investment in real estate assets (Amazon.com, 2000, p. 19).

Traditional store-based retailers began recognizing the advantages and disadvantages of both store and online retailing, creating a growing convergence of the two by the millennium (Enders & Jelassi, 2000). This led to traditional retailers becoming “bricks and clicks firms” (sometimes referred to as “clicks and mortar” firms) with operations in both e-commerce and physical retailing (Berstein et al., 2008). Operating in both physical and e-commerce retail environments, however, can lead to cannibalization of mail order catalog and physical retail sales, and an increase product returns, but also an increase in overall revenue (Pauwels & Neslin, 2015). It also tends to increase costs at physical stores where returns for online sales are often handled (Ofek et al., 2011).

Underlying the operations of the two forms of retailing are fundamentally different business dynamics, technologies, and cost structures necessary for maintaining or providing access to products for sale. Online retailers manage with low-volume-high-mix product picking because of individual customer orders whereas traditional retailing relies on warehousing that faces high-volume-low-mix picking, often palatized for delivery, to physical stores (Boysen et al., 2021). This issue affects even online-only retailers. Amazon.com, for example, began establishing physical warehouses, sorting and distribution centers in 1997 to increase the speed delivery of goods purchased from retailers using its platform.

Development of digital-only retailers of media products has had a significant impact on physical bookselling, audio and video recording retail sales (Zentner, 2008), leading to the demise or substantial contraction and refocusing of large store-based retailers such as Barnes and Noble, Blockbuster, Virgin Media, as well as smaller national and local retailers.

The concepts of bricks and mortar firms and digital-only firms obscure the reality that nearly all media and other firms have some bricks and mortar operations. Apart from micro-digital news enterprises that are sometimes operated out of cafes and homes not owned or leased by those enterprises, all media firms have bricks, and mortar needs to house business, production, and distribution operations. The requirements of physical bricks and mortar locations differ widely, however, depending on the size of firms, scale of their activities, workforce, and the geography and nature of their operations. This is illustrated by Blockbuster Video having thousands of stores in bricks and mortar locations worldwide and its online digital competitor Netflix relying on 5 dozen main shipping facilities prior to embracing digital streaming.

The degree of commitment to bricks and mortar is indicated by firms' strategic and tactical choices regarding acquisition of those locations. BuzzFeed, for example, reports that it owns no land or buildings, but relies on leased property for its operations (BuzzFeed, 2022), whereas Gannett Co. has \$30.3 billion invested in land and \$179.7 billion invested in buildings to support its 585 digital news and media brands operating in 43 U.S. states and the United Kingdom (Gannett Co., 2022, p. 1 and 10-K, p. 5).

In general, higher levels of investment in real estate indicate a greater commitment to physical locations, and that the enterprise has operational requirements that keep it wedded to specific locations or provide other advantages.

Both ownership and leasing real estate have financial advantages and disadvantages (Haynes et al., 2017). Leasing allows firms to operate without investing significant cash up front, to respond more rapidly to changes in operational and space needs and easily accommodate operations that do not require highly specific space configurations. Ownership permits firms to obtain tax benefits, real estate appreciation, and more easily tailor space for their specific needs.

#### **4. Legacy media were fixed in physical operations**

Legacy media have been enmeshed in physicality throughout their existence because of the physical nature of products such as books, newspapers, and magazines and physical property required for broadcasting. The operations were supported by significant investments in land and buildings required for content creation, production, and dissemination and distribution infrastructures required to support warehousing and retailing of products, often by intermediaries the producers and end users.

The largest long-established firms have tended to be centrally located in major cities close to governmental and business institutions. They used their physical locations to support production and distribution, but many also used that presence and the architecture of their buildings to portray their power and import to society. This produced iconic structures such as BBC Broadcasting House, Chicago Tribune Tower, Berlin Television Tower and Central Radio & TV Tower in Beijing (Riegert and Ericson, 2010). Even in mid-size cities, visible expressions of firms' institutional importance are conveyed through location and architecture, although in more modest manifestations.

During the last quarter of the twentieth century Information and communication were rapidly embraced by large retailers, remote sales forces, and the trucking and construction industries. Print media initially adopted them to simplify and speed production processes, significantly reducing the need for workspace and production personnel. They were also to

improve information management in distribution, with significant cost savings developing in the magazine and book industries. Newspapers and news magazines found the information and communication technologies allowed more journalists to work away from their newsrooms, further reducing the need for office space. Remote work dramatically increased in media and many other types of industries during COVID-19 restrictions, with many workers not returning full-time to their offices since that time, further reducing the need for bricks and mortar facilities.

In the latter part of the 20th century and first years of the 21st century, many legacy media firms in print and broadcasting were enjoying high revenues and profits and constructed new and more impressive media houses if they did not already have real estate that conveyed their success and importance. These included the CNN Center Atlanta, China Central Television Headquarters in Beijing, Gannett/USA Today Headquarters adjacent to Washington, D.C., and the Axel Springer Building in Berlin.

Even outside of major capitals, newspapers, radio and television companies tended to locate offices and facilities in central locations near other institutions of power. In the late 20th century, many moved production and distribution activities out of city centers to locations allowing construction of modern production facilities and more efficient warehousing and transportation, particularly for publishers. This movement left a large amount of unused space in the companies' central city facilities that were subsequently leased to other firms, or the buildings sold to other companies (Brandt, 2013). When journalists were moved away from traditional central locations, their perceptions of their institutional relevance and their coverage were seen as negatively affected (Usher, 2015).

Numerous other trends in newspaper circulation, advertising, and production requirements have led newspapers to reduce their bricks and mortar footprints in recent decades. Consolidation of newspaper ownership led to joint editorial creation, production and printing reducing space demands (Edmonds, 2021). The decline of newspaper employment as a result of declining circulation and advertising have produced empty newsroom and office space that newspapers have now sought to lease to others (Haughney, 2013). Private equity ownership led to further cuts and sales of land and buildings (O'Connell & Brown, 2019; Coppins, 2021).

Book publishers have dramatically reduced investments in bricks and mortar assets, particularly those for distribution operations. Large numbers of publishers have abandoned physical distribution and order fulfillment, contracting with specialist outside firms that serve hundreds of publications to allow them to reduce investments in warehouse operations and personnel. (Cheng & Tsai, 2009; Woll, 2014).

Although the space requirements for physical locations have been reduced in legacy media, and managerial strategies regarding whether that space should be owned or leased have changed, legacy media remain rooted in physicality by the nature of their physical products. The need to own or lease real property to support their production, distribution and sales—or to use intermediaries that do so—will continue as long as physical products are produced.

## **5. Digital operations removed needs for significant physicality**

As noted above, the dawn of the digital age was heralded by many as eliminating the need for bricks and mortar operations, but most digital native media are unable to escape the need for physical location. This is exemplified by BuzzFeed which owns the Huffington Post (HuffPost) and other information services but does not own any real estate, choosing to rely on leased property. Similarly, ProPublica, the nonprofit investigative journalism organization, leases space, as do most nonprofit digital native news enterprises. Leasing their property reduces investment requirements but does not reduce their needs for physical locations.

Newspaper digital brands are solidly rooted in their physical operations, and most are co-produced within buildings owned by their associated newspaper, often within the papers' own newsrooms. New York Times, Daily Mail and thousands of newspaper digital brands operate in this physicality relationship. Social media and other platforms have increasingly moved into bricks and mortar operations for workspaces, server farms, and physical distribution activities. This is evidenced by the real estate choices of Facebook and Amazon.com.

In 2012, the year of Facebook's initial public offering, the company reported that much of the real estate they used was leased. Its balance sheet showed that it had only \$36 million invested in land and \$594 million in buildings (Facebook, 2012, p. 89), about 4 percent of its total assets. Its practice of avoiding ownership of real estate would soon change, however. Ten years later, the company (now known as Meta), reported ownership and leases for the 250-acre corporate headquarters it built in Menlo Park, California, offices in 90 cities and 21 data centers globally (Meta, 2022). The land and buildings it owned were valued at \$1.8 billion and \$27.7 billion respectively, about 16 percent of its total assets.

A similar change occurred in Amazon.com, which in 2000 owned no land and buildings in its intermediary role that was primarily retailing and facilitating the distribution of physical media products to consumers (Amazon.com, 2000). By 2022, however, Amazon.com had \$91.7 billion invested in land and buildings, about 22 percent of its total assets (Amazon.com, 2022). This occurred in part because of its heavy investments in warehousing and distribution facilities as it began providing broader services for producers as an intermediary between them and consumers with its Fulfillment by Amazon program. The company also began establishing and acquiring physical retail outlets including bookstores and grocery stores (Bensinger, 2016; Thomas, 2017; Soper, 2020).

These developments indicate a return of significance of bricks and mortar in digital media, especially for social media and platform firms. However, digital native media and startup digital media may be able to operate with reduced investments by relying on leases rather than real estate acquisition and construction at least for some period.

## **6. The return to bricks and mortar requires clear strategy**

Developments in the past two decades indicate that there is a growing need to recognize issues of physicality and real property in media firms with digital operations, and that consideration will need to avoid the simplistic assertion that digital media eliminates the need for physical space. The experience of firms indicates that even digital media and operations that are not part of legacy media require physical space, albeit differently than legacy media, but that nearly all have physicality in some form, whether it be leased or owned headquarters, offices, and facilities.

By recognizing that dependency on physicality and real property underlying digital media, we can begin to develop better understanding of why and under what circumstances digital media firms choose to acquire real property, whether there is any asset specificity in property required for digital operations, whether and how the development stage of the firm is a factor, and the influence of firms' financing and ownership structures on those choices. Fundamentally, there is a need to consider the totality of digital media firms' operational requirements and not be narrowly focused on a few fully digital portions of the activities when trying to explain their strategies and operations and how they differ from other media operations.

Great emphasis has been placed on intangible assets such as intellectual property by venture capital firms financing digital enterprises. Intellectual property such as copyrights and patents, brands, and trademarks, and digital content and other intangible property such as

customer data play significant roles in startup and later investment decisions and company valuations (Gruner, 2013; Visconti, 2020; Bader & Süzeroğlu-Melchior, 2023). These practices devalued physical assets, and limited attention has been given to questions involving real property such as land and buildings in scholarly and professional literature involving digital firms.

This is a conspicuous oversight because the importance of fixed assets has been recognized since the rise of classical economics and its assertions that land, labor, and capital are the primary factors in production (Smith, 1776; Ricardo, 1981; Marx, 1867). Even contemporary management literature such as the resource-based theory of the firm recognizes that land and facilities can provide resource advantages over other companies, exemplified in studios and backlots used for audiovisual production (Miller & Shamsie, 1996).

The significance of distribution structures and costs in media has been recognized and called “central and often-ignored aspects of media” (Picard, 2011, p. 59) and when addressed in media economics and management is often portrayed merely as networks, exemplified by distribution being characterized as, “a wide range of distribution and transportation systems can be seen as networks” (Bates & Albright, 2006), without recognizing who owns the assets for doing so. All networks and services based in cloud storage and servers and server farms used by consumers and businesses rely on physical equipment and infrastructures that require real assets. The lack of recognition by many researchers that digital activities require physical facilities and locations may be a reason that the role of investments in fixed assets such as land and buildings remain under researched in media economic and management studies.

## **7. Discussion**

This article revealed how and why strategic choices involving real property have occurred in both legacy and digital media and why some digital media are increasingly investing in bricks and mortar properties. It has shown that the choices cannot be simplistically portrayed as legacy and digital media taking different paths and that there are significant differences between paths being taken by digital media firms. During the past quarter century some firms reduced brick and mortar operations and others increased them. Those provide insight into the strategies of companies.

Legacy media have tended to reduce their bricks and mortar investments, especially in print media. Larger digital firms have increased investments in real estate, but many small digital firms are still avoiding them. Strategic choices regarding real property in larger firms are driven by changes in operational needs. Choices to serve new lines of business, such as cloud services established by Amazon, Google and Meta, or expanding the number of nations in which advertising services are provided require establishing more local physical sites for equipment and personnel.

This research postulated that the choice as to size and number of physical properties (i.e., bricks and mortar assets) and the level of media business investment is dependent on overall business strategy, operational requirements, company ownership, and leadership because those choices ultimately affect long-term company strategy and sustainability.

Developments over the past three decades provide clear evidence that business strategy and operational requirements have influenced those choices. Less clear are the roles of company ownership and leadership.

Ownership of media has been a concern for communication scholars for 50 years, but its primary focus has been on how ownership affects content. Most of that literature foredated the arrival of digital firms. It is only in recent years that concerns about how ownership affects company strategy and governance have developed (Picard & van Weezel, 2008; Küng, 2013;

Chandler & Teckchandant, 2023). There is a need for greater understanding how firms, both legacy and digital native, handle real estate choice as a means of understanding their strategic choices.

This study has shown that large firms, especially publicly traded enterprises with vigorous leaders, tend to move faster in the face of technological change because they have more resources than smaller firms to invest in change. Further, such change strategies tend to gain support because market investors typically support market leadership efforts and demand rapid, short-term performance from those investments rather than long-term returns. This is especially true when the change does not immediately render current products, and the assets used to produce them, obsolete or require additional investments requiring real property.

Less clear is the role of company leadership on bricks and mortar choices. It is an area where additional research is warranted.

The choices of firms in the broadly defined media industry in recent decades provide evidence that decisions involving bricks and mortar assets have been made to affected resiliency and sustainability. Declining revenue, reduced space requirements, and industry consolidation, along with excess space, have induced many legacy media to shed real property, especially those owned by private equity firms. This is illustrated by the *Chicago Tribune* that sold its iconic historic skyscraper Tribune Tower.

This article indicates large, publicly owned, and globalized digital native firms have changed approaches to bricks and mortar assets more readily than other types of firms, indicating a higher degree of resiliency and more efforts to promote sustainability. Legacy media firms, especially print media firms, have changed approaches to bricks and mortar assets, but often did so when forced by investors or poor market performance, perhaps indicating a lower degree of resilience that was not focused on longer term sustainability.

Understanding the underlying strategic significance of real property to media firms opens significant avenues of research that will help us understand fundamental differences among media industries and firms, their ownership, and the extent to which they are rooted in physical strategies and activities regardless of how they portray themselves as being actors in the digital world. Future research might compare companies or industries based on the percentages of assets attributable to land and building ownership. It will help explain how legacy companies' assets have changed over time as they have embraced more digital activities and responded to diminishing financial performance in their legacy products. It will influence renewed consideration of the role of land and buildings in strategy and operations. It can also be expected to promote understanding of the significance of production equipment and whether it requires physical space or facility specificity.

The concept of real property incorporates land and everything that is permanently attached to that land. Large digital firms' increasing investments in real property may indicate that their land and building needs are affected by asset specificity (McGuinness, 1994) and that the investments serve important purposes and meet specific requirements in their operations that cannot be served through virtual activities alone or make leases of real property less desirable.

This article has shown that a dichotomous view of the value of bricks and mortar assets cannot be universally applied in the digital environment and that the idea that digital firms eschew such investments is not supported. Ownership, size of firm, operational needs, and strategies clearly affect decision-making.

The size of media firms appears to convey both strategic advantages and disadvantages during periods of media industry transformation. Publicly owned firms appear to use their

resources more rapidly to respond to technology-induced changes. These differences affect the decisions involving brick and mortar investments. This article indicates that globalized publicly owned firms appear to have greater need for bricks and mortar investments, whereas smaller firms, especially those dependent upon private equity, tend to eschew those investments.

The effects of continuing remote work and demands of some firms for employees to return to in-office work on requirements for brick-and-mortar investments remain under-researched. The costs and benefits of strategic choices between reducing need for such real estate investments and increased managerial control over workforces need greater clarification, as do whether different types of workers require different choices.

Additional research will continue to add nuance to discussions of the effects of digital activities on company strategies and will moderate unrestrained assertions about the futures of digital and non-digital firms and their reliance on real property.

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