Conflict Framing in News Coverage of the 2021 GameStop Stock Saga

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Abstract

This research seeks to determine bias within coverage of the January 2021 GameStop incident during which small investors inflated the company's stock as an act protesting Wall Street, effectively causing short sellers to lose billions of dollars. In pursuit of this goal, this study uses conflict framing theory to conduct a content analysis of three major news sources: The New York Times, The Wall Street Journal*, and* Bloomberg*. Findings from this study show that* The Wall Street Journal's *coverage favors investors while* Bloomberg *favors Wall Street, and* The New York Times *does not have a clear leaning. Additionally, this research concludes that the presence of conflict frames does not suggest bias and a lack of conflict frames does not suggest neutrality. These findings have implications for how audiences perceive the events, potentially reflecting organizational bias or institutional bias relating to the societal role of business news.*

I. Introduction

In January 2021, GameStop stock rose 8000% over the previous six months, boosted through an effort that began on Reddit to undermine hedge fund investors who were short selling the company and essentially betting against GameStop's success. As stock prices rose rapidly thanks to small-shareholder social media efforts, Wall Street investors lost billions of dollars (Ingram & Bayly, 2021).

Many have understood this as a new-school act of protest in which civilians intentionally subverted Wall Street firms, most notably Melvin Capital. This act of rebellion is in response to sentiments that lucrative investment opportunities are inaccessible to the public, and is likely connected with discontent that Wall Street generally has been financially successful during the Covid-19 pandemic while much of the country has seen economic crisis. While some participants may not have had such deep motivations, spurred instead by the immediate financial opportunity presented, the event has sparked discussion both among the public and in Congress about how the stock market functions and who is given advantage, including questions of market manipulation (Ingram & Bayly, 2021).

This study examines the news coverage of this event, focusing on how publications frame and contextualize this incident and its players, perhaps showing favor for one side or another. This project is a content analysis focusing on coverage from *The New York Times*, *The Wall Street Journal*, and *Bloomberg*.

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It draws on framing theory to analyze for preferential treatment in leads and headlines, and the presence of keywords within the article. This project is informed by existing scholarly conversations about news content production and idea dissemination in connection to business-related current events.

II. Literature Review

Extensive literature exists discussing the framing of events in news media. This literature review will consider studies that focus on the influences of news coverage and its effects, including theory about story and conflict framing. This will culminate in a discussion of the significance of business news and other coverage of relevance to the 2021 GameStop stock.

Notably, news does not exist in a vacuum and research has shown that, unavoidably, many factors and considerations go into the production of news coverage. The coverage produced then has the power to shape the perceptions of its consumers on a given topic. One must look to the source of the news output to determine its influences—who is involved, and where its production and publication is occurring. For example, research has shown that *The Wall Street Journal*'s front-page political coverage increased after it was purchased by Rupert Murdoch in 2007, indicating that news organizations' coverage reflects biases and institutional motivations (Archer & Clinton, 2018). Additionally, the relationships between journalists and the stories' subjects will influence coverage. Social factors such as proximity and political relationships have been shown to affect coverage when dealing with entities like companies (Castelló, 2010). Cultural norms may also impact decisions that journalists make in order to convey news to effectively inform target audiences (Uribe, 2020). Thereafter, because news consumption is often how people learn about current events, the coverage and its inherent influences may be reflected in the consumer's perception and opinion of the circumstances covered (Barker & Lawrence, 2006; Han & Federico, 2018).

Framing theory provides one way to analyze how news is covered, considering that news can affect public perception. This theory suggests that the way that stories are organized and the words used to contextualize and explain subject matter can create a framing effect, spreading a specific interpretation of events to its audiences (Uribe, 2020). Framing theory has been used in many studies to examine the causes and effects of news coverage. Furthermore, the framing of conflict news, when there are two or more opposing parties, can be particularly polarizing. Conflict news framing is apparent in stories covering politics when there are salient competitors. Additionally, conflict news frames can have polarizing effects on audiences by causing them to align with one of the conflicting parties or enhancing perceptions of social identity (Han & Federico, 2018). This effect may be especially prevalent if the news being circulated is overtly one-sided as many Americans believe U.S. news to be (Glynn & Huge, 2014).

These implications apply to business news as well. Research has shown that framing using metaphors representing negative emotions can invoke or increase anxiety and fear in consumers (Ho, 2016). Additionally, the tone of the content, and perceived uncertainty in the state of the economy in news coverage can impact consumers' perceptions (Damstra, 2019). The amount of business coverage may also impact economic consciousness. Research has shown that in Dutch news, there is increased economic coverage during times of economic downturn, and less coverage during times of economic recovery or growth. This reveals the potential for a depreciative effect of the media on public perception of the economy based on the frequency of coverage (Damstra & Boukes, 2019).

Furthermore, business news has been found to include conflict framing particularly when in connection to breaking news. For example, coverage of Occupy Wall Street could frame the movement negatively, positively, or neutrally (Xu, 2013). In addition, American news media has acted as watchdogs against big business. One instance of this is the condemning news coverage of the New York Stock Exchange during a case when they attempted a power-grab (Mitchell, 2010). Understanding the power of business news to impact audience perception, previous literature has studied the framing of business-related news coverage such as the actions of the New York Stock Exchange and the Occupy Wall Street movement.

Moreover, having established that business news coverage can be contentious and contain conflict frames, these stories then can have effects that extend further than audience perception; business news coverage may affect business itself. This is because consumers react to business news by updating their financial investments and/or business pursuits, including those of business and financial professionals. For instance, stock market and economic news have been described as having a "Reciprocal [Relationship]" in research that examines how business news influences business decisions and vice versa, in a cycle (Strauss, Vliegenthart, & Verhoeven, 2018, p. 1054). Media also heavily influences the reactions of the stock market, especially when coverage focuses on consumer-oriented issues in addition to a financial focus (Strycharz, Strauß, & Trilling, 2018). The performance of financial firms may also be affected by news media attention. Further research has found that media attention to financial firms has a negative impact on their performance because events that land a business in the news tend to be negative in nature (Van der Meer & Vliegenthart, 2018). Overall, business news framing will impact not only consumer perceptions, but their business-related actions thereafter.

In summary, scholars have established that many factors shape the production of the news, which may then affect the audience's understanding of current events and associated opinions. Polarizing results may be especially apparent from works that can be analyzed as containing conflict frames. Business news is no exception. This research seeks to examine the factors surrounding coverage of the January 2021 GameStop stock incident.

III. Methods

This research adds to existing literature by providing a case study of one incident that combines business news framing with the conceptualization of conflict frames: the GameStop stock incident that came to fruition and made national headlines in January 2021. This study seeks to use framing theory to understand the potential biases portrayed in media coverage of this event, acknowledging the significance of news framing on audience perception. As such, this study's research questions are as follows:

RQ1: Does news coverage of the 2021 GameStop stock incident from *The New York Times, The Wall Street Journal,* and *Bloomberg* contain conflict frames?

RQ2: If the answer is yes to RQ1, what frames are used?

RQ3: Does news coverage of the 2021 GameStop stock incident from *The New York Times, The Wall Street Journal,* and *Bloomberg* appear to reflect preference for either small investors or large investment institutions?

In pursuit of these questions, this study analyzes a limited convenience sample of 10 articles from *The New York Times,* 10 articles from *The Wall Street Journal,* and 10 articles from *Bloomberg*. These organizations have been chosen because they are all popular news publications based in New York City, physically adjacent to the hedge funds involved, and have varying reputations and target audiences. All of the articles used are related to the GameStop stock incident—either covering the events as they occurred or later reflection, explanation, or contextualization. Articles were chosen based on subject matter (relating to this incident and including the keyword "GameStop" in the headline or tagline). Articles selected are from January 2021 through February 2021 and are from sections such as "Business," "Economy," and "News," and not designated as opinion or op-ed pieces. The sample size is limited to 10 articles per organization due to some publications having much more coverage than others on this subject. For instance, because *Bloomberg* caters to large audiences in the financial sector, they published dozens of articles meeting the previous criteria and delving into minute specifics that their financially minded audiences may be interested in, while the general public is not. Therein, the 30 articles have been selected at the researcher's discretion accounting for factors such as length, relevance, and that they are intelligible without a master's degrees in business, from an array of authors with each publication to create a comparable sample for qualitative analysis.

Analysis was conducted on the text within the article, including the headline, tagline, and captions if applicable, but not including other multimedia content such as photos, videos, advertisements, or links. This study codes based on the presence of framing devices in the form of keywords. This methodology is based on that of Kaibin Xu who identifies six words that indicate marginalized opinions in news coverage of the Occupy Wall Street movement. Xu notes that the appearance of the term "public disapproval" is the most evident of negative bias, followed by the terms "negative impact," "show," "ineffective," and "lawlessness" (Xu, 2013, p. 2427).

Adjusted for the GameStop event, this project codes based on the appearance of the words "craziness" (or any synonym of this including "frenzy" or "mania") and "manipulation" in the article when referencing the trading that took place and/or the investors. These terms are understood to reflect negative feelings toward investors and their actions in this case. Articles are also coded based on the word "win" or variations of such including "success" and "beat," and also variations of the word "lose," taking note of which party the author is referring to. Lastly, articles are coded based on the presence of the term "war" to describe the scenario, or equivalent terms that indicate rivalry, such as "vs."/ "versus," "army," and "enemy." While these terms do not indicate preference one way or the other, they are understood to declare conflict. Moreover, the content analysis identifies which party (investors or institutions) is made the protagonist of the story, as accentuated by the framing of the lead and headline.

This analysis investigates apparent favor toward protest participants or financial institutions. In pursuit of this, this study seeks to identify and analyze trends reflected in each publication's use of framing devices in the sampled articles. This study's methodology takes inspiration from previous studies on framing theory in the news and can be repeated in the future to study news coverage of other events.

IV. Findings

Overall, this content analysis identified 358 conflict frames among the 30 articles across three news organizations. *The Wall Street Journal* contains the most conflict framing devices (39.9%), closely followed by *The New York Times* (36.6%), then *Bloomberg* (23.5%). The following provides a quantitative breakdown of the results by focusing on each frame examined.

A. Craziness and manipulation

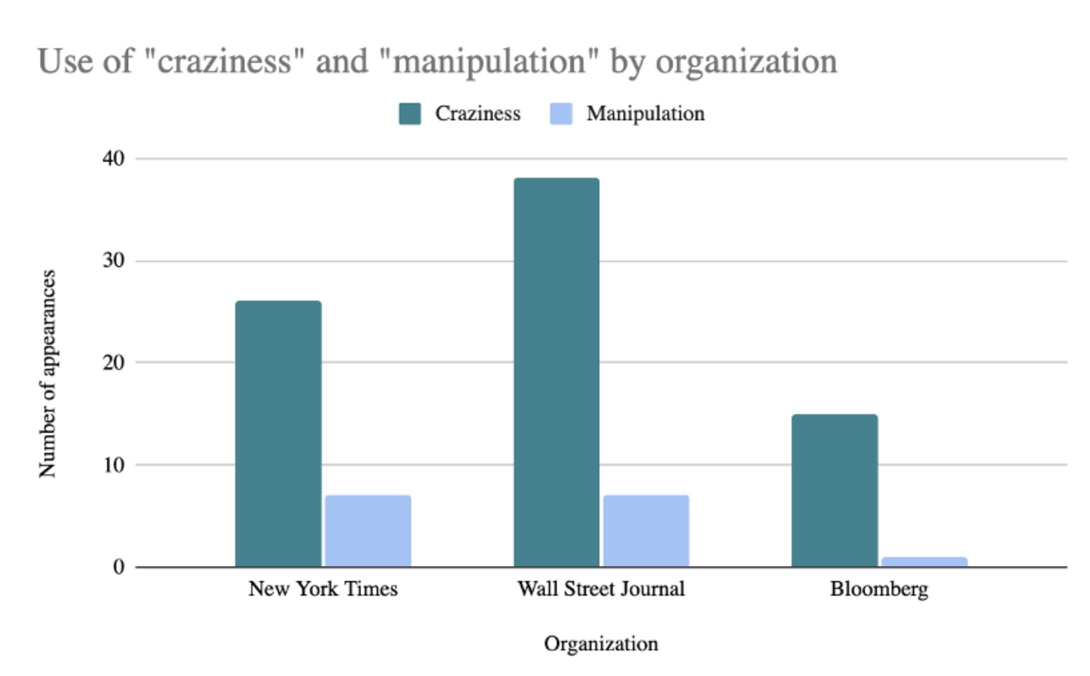

Figure 1.

The appearance of any conjugation of the word "crazy" to describe the GameStop incident is understood to reflect a negative perception of the event, likely falling onto those who created the ordeal: the small investors. Synonyms such as "frenzy," "madness," and "mania" are also included within this category. The word "manipulation" in reference to this event also likely reflects negative perception of the event and those responsible. It is understood to imply illegal and/or immoral activity. This word is less commonly used than synonyms for craziness. As shown in Figure 1, *The Wall Street Journal* is the most likely to describe this scenario as being crazy or frenzied and is tied with *The New York Times* for most appearances of the word "manipulation" in coverage of this event. In both cases, *Bloomberg* is found to be least likely to use either framing device.

B. Winners and losers

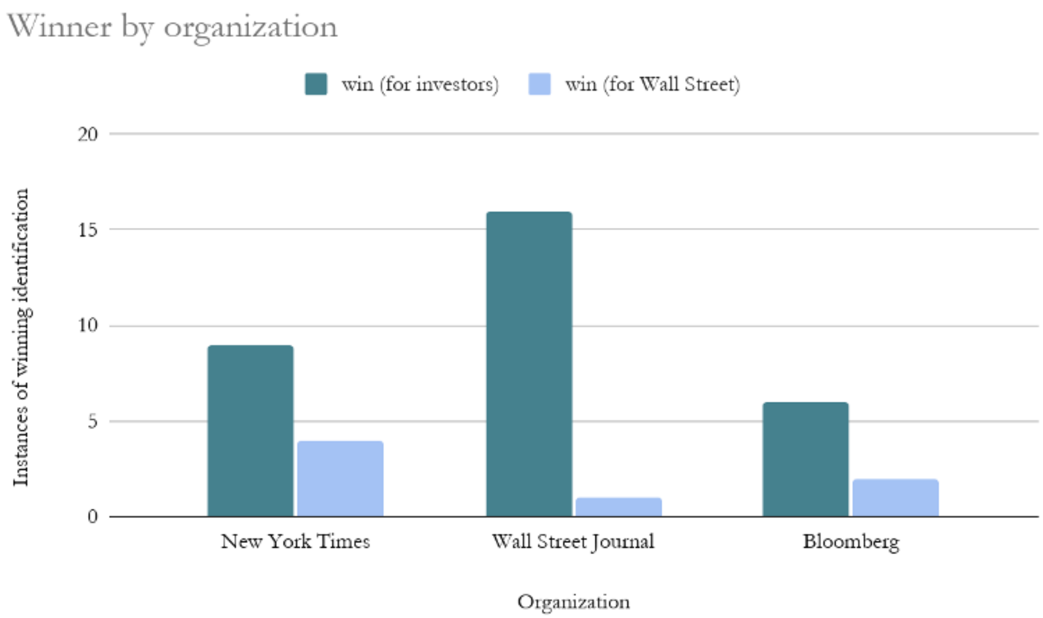

Figure 2.

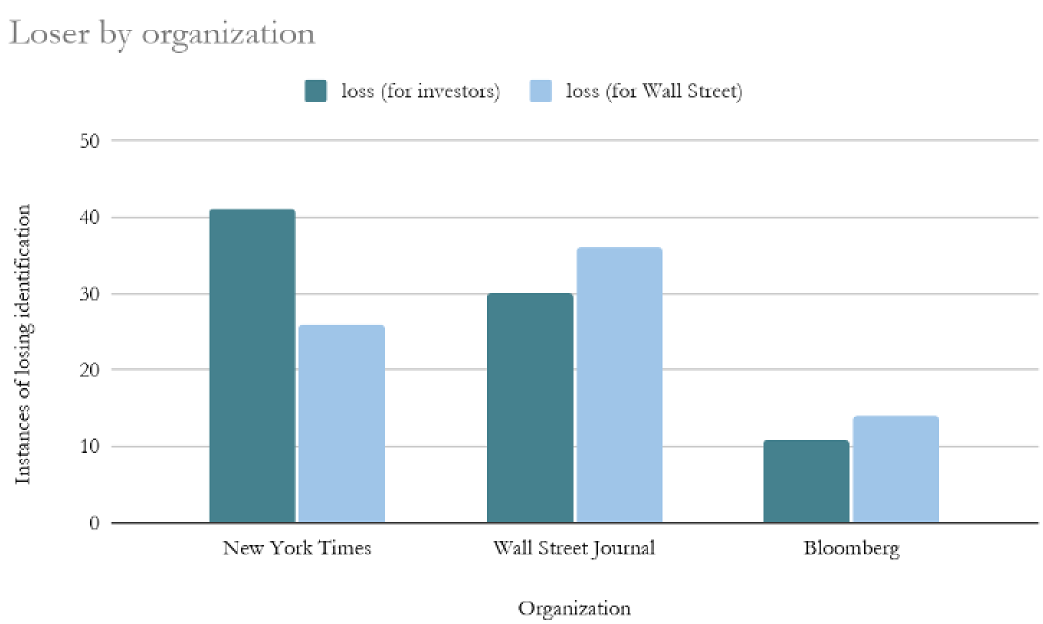

Figure 3.

Here, the articles from each organization are coded for terms which blatantly suggest a winner and loser within this conflict—either investors or hedge funds. Accepted terms for winning identification include variations of “win,” “beat,” and “success.” Likewise, accepted terms for losing identification include variations of “lose” or “loss,” and “hurt.” While terms for winning identification are mostly used to describe groups of people, language of loss is also commonly employed to describe the groups’ monetary deficit. Figures 2 and 3 respectively represent the number of instances in which winner and loser terminology are used, compared by organization and which party the articles refer to.

This research finds that *The Wall Street Journal* is most likely to refer to investors as winners and least likely to refer to Wall Street as winning. *The New York Times* is most likely of the three organizations to refer to Wall Street and/or hedge funds as the winners. Moreover, *The New York Times* uses the most language of loss, followed by *The Wall Street Journal*. Whereas *The New York Times* refers to loss more often when talking about investors, *The Wall Street Journal* does so most often when referring to Wall Street. Overall, *Bloomberg* is least likely to use language of winning or losing in their coverage of the GameStop stock incident.

The most prominent framing device used is the word “loss.” Accounting for 44.1% of conflict frames found, this word and its synonyms are employed to describe both monetary loss and the position of people or groups. The emphasis on this frame suggests a focus on not only a losing side, but also on the money involved in this saga.

C. Protagonists

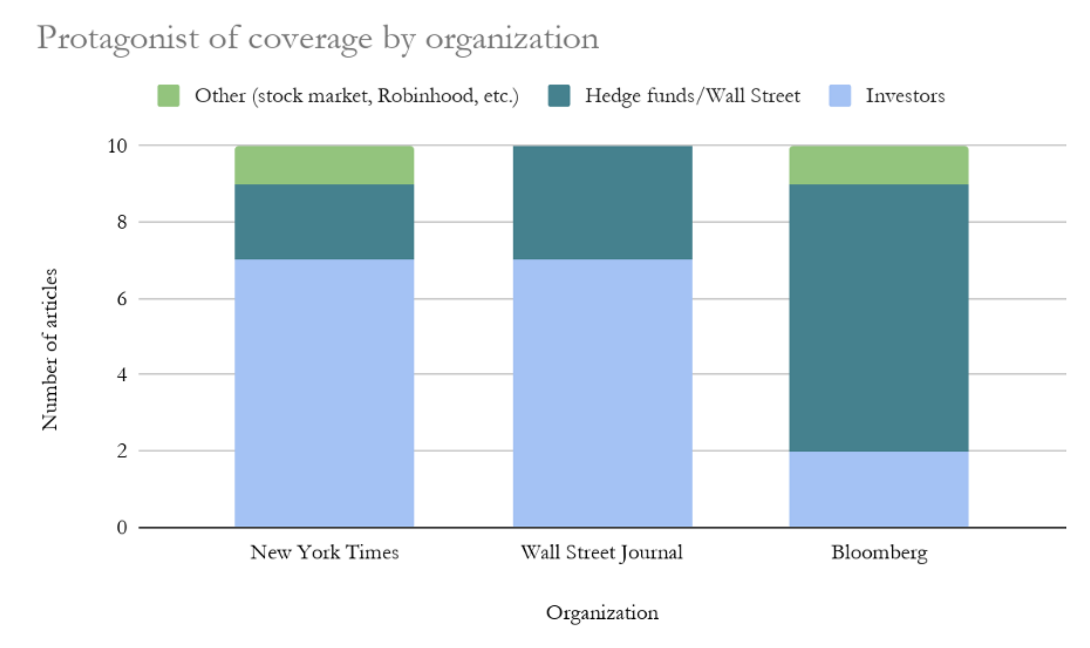

Figure 4.

This section is coded based on which party is placed as the main character in the article, usually indicated by who the actor is in the headline and/or lead. The findings in Figure 4 show that both *The New York Times* and *The Wall Street Journal* place investors as the protagonist of their coverage while *Bloomberg* is more likely to place hedge funds and/or Wall Street as the main characters. It is unclear whether designation of a protagonist should be understood to reflect favor or simply that the organization is writing towards their readership.

D. Words of war

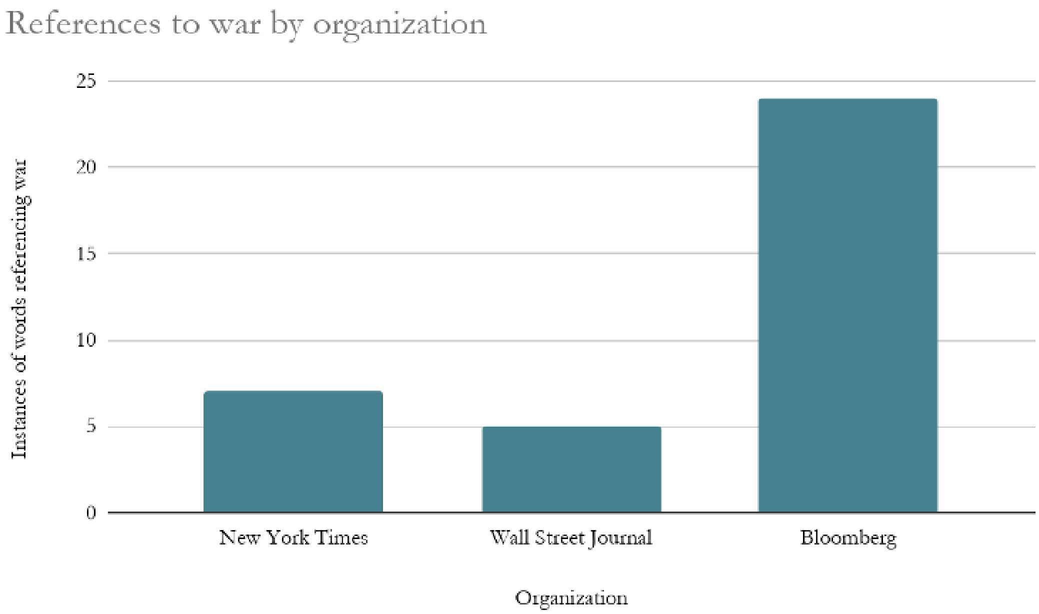

Figure 5.

While this category does not reflect favor one way or another, the appearance of warring words such as "war," "battle," "enemy," "feud," and "versus" frame this event to be one of opposing parties. As shown by the results in Figure 5, *Bloomberg* is most likely to use these words reflecting rivalry by a significant margin.

V. Discussion

The goal of this research is to examine if news coverage of the GameStop stock saga contains conflict framing, which frames are used, and if the presence of these frames reflects organizations' favor for one side of the conflict. In the case that this study examines, the coverage broke through the boundaries of business news and became a cultural phenomenon, often understood as a form of protest in which small investors took a stand against Wall Street short sellers. Furthermore, this research relies on the understanding that news coverage is created by humans and therefore includes many influences and is never completely objective as though reported in a bubble. Literature on this topic agrees that such motivators will be reflected in the news coverage, resulting in framing devices that can affect reader understanding.

Responding to this study's research questions, coverage of this event by *The New York Times, The Wall Street Journal,* and *Bloomberg* are all found to contain conflict frames (RQ1). All the framing criteria described in the methodology are found at varying frequencies. These frames include the presence of keywords such as "craziness" and "manipulation" which reflect poorly on the investors and their actions throughout this saga, mentions of winners and losers, and instances in which syntax is used that suggests war or enemy sides within this story. Additionally, this study also finds that different articles chose varying players as their main character (RQ2). This central figure is designated as the actor whom the story is framed around. Moreover, there is no overwhelming bias toward one side of the conflict—neither the investors nor hedge funds (RQ3).

The following will break down the trends observed by organization; however, while the frames may be analyzed for tendencies that may reflect organizational bias, framing is not found to be salient across articles within the same organization. Therefore, while organizational factors are in play, the individuals involved in the stories' creation still impacted the output.

A. The New York Times

As shown in Figures 1 through 5, *The New York Times* often places between *The Wall Street Journal* and *Bloomberg*. Likewise, this organization contains the median number of conflict frames with 131 out of the 358 found. Breaking down these results, *The New York Times* frames most of their coverage around small investors. They are also more likely to refer to investors as both winners and losers. *The New York Times* also has a high rate of using words referencing craziness and manipulation which are understood to reflect poorly on investors. As such, while *The New York Times* is found to contain conflict frames, this study concludes no clear bias in their coverage.

B. The Wall Street Journal

This organization contains the most conflict frames overall (with 143 out of 358 total frames) and in many categories shown in Figures 1 through 5. *The Wall Street Journal* is most likely out of the three organizations to reference craziness, wins for small investors, and losses for Wall Street. They are also more likely to frame coverage around the investors as protagonists. Although they use the least words of war, this research concludes that *The Wall Street Journal* presents a tendency to cover investors more favorably than Wall Street actors. The influences of this are unclear, as are the potential consequences of this bias. Additionally, this bias is not reflected in every single article, but overall, for the 10 articles examined, the frames point towards investors.

C. Bloomberg

Of the three organizations, *Bloomberg* is found to have the lowest number of conflict frames, with only 84. Despite this low number, the trends observed differ greatly from *The Wall Street Journal* and even *The New York Time*s. *Bloomberg* is least likely to use framing devices referencing craziness, manipulation, loss, and winning but they are also much more likely to use words of war. Examples of warring words in *Bloomberg* are particularly fierce, including verbs such as “bludgeons” and references to investors as an “army.”

Lastly, *Bloomberg*’s coverage overwhelmingly places Wall Street and hedge funds as the main characters in the story. However, as previously mentioned, it is unclear whether this designation of a protagonist should be understood to reflect favor or simply that the organization is writing towards its readership. *Bloomberg* is a popular source of news for hedge funds and alternative Wall Street management firms that use *Bloomberg* platforms for trading. It is also important to note that *Bloomberg*’s coverage is more targeted and narrower than that of *The New York Times* and *The Wall Street Journal,* and that *Bloomberg* was following GameStop stock before it became popular with the other organizations. This is likely another result of their target audience being Wall Street insiders who may be more invested in this story and the status of the stock than the general public.

Overall, despite lower numbers of conflict frames which might seem to reflect neutrality, *Bloomberg*’s coverage appears to favor Wall Street within the context of this event. This is likely influenced by the organization’s target audience on Wall Street, though the effects of this bias are unclear.

Beyond the individual results for each publication, this study’s findings hold implications for broader business coverage. Relying on such metrics as the stock market as indicators for the country’s economic wellbeing may be understood by some as one-sided. Business journalism institutions have been criticized for sticking to the “status quo” for this discourse that prioritizes the wealthiest members of the population and does not question the system in which events such as short sellings are made possible (Usher, 2017, p. 370). This, once again, questions the intended versus actual societal role of business news media.

VI. Conclusion

This study examines the presence of conflict frames within coverage of the January 2021 GameStop stock saga from *The New York Times, The Wall Street Journal,* and *Bloomberg*. This event can be understood as a form of virtual protest in which small investors rose up to counter Wall Street short sellers. Thus, having indeed found conflict frames, this research provides insight on the biases of these organizations standing with either party in this conflict.

This content analysis concludes *The Wall Street Journal* favors investors, while *Bloomberg* favors Wall Street. Meanwhile, *The New York Times* does not appear to have a clear sway. This study also suggests that the presence of conflict frames does not suggest bias, and a lack of conflict frames does not suggest neutrality. This is observed in how *Bloomberg* contains the least conflict frames but holds the most bias for Wall Street.

This study's limitations include the inability to determine concretely what influences both the organizations and the individuals reporting the news. Additionally, this study is limited to 10 articles per organization. For *The New York Times*, this seems to be a significant amount of its coverage, but for *Bloomberg*, this is only the tip of the iceberg. The article selection is also limited to coverage of this event specifically, rather than articles focusing on the larger implications of this event or related articles about topics such as the Robinhood trading platform. Future research could analyze other instances of conflict between Wall Street and individual actors in the news.

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