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## Chapter 5: Sound Media

### Thematic Chapter

#### Overview

- Media Technology
- Media Future
- Media Economics
- − Media & Democracy
- − Elitism & Populism
- Media & Culture



## Long Term Symbiosis

- Airplay Marketing
  - Radio time devoted to a particular recording
- Programming Efficiency
  - Cultural Fallout
  - Payola
  - Playlist

- What is the financial interdependence of the music and radio industries
- How do you evaluate the cultural implications of the symbiosis of the music and radio industries?
- How about the cultural implications of payola?

# Recording Industry

### • Big Four

	Annual Revenue	Parent Company	Headquarters	Labels
Universal Music	\$6.1 billion	Vivendi	France	Decca, Def Jam, Geffen, Interscope, Island, MCA, Motown, Verve
EMI	\$1.6 billion	Citigroup	United States	Bluenote, Capitol, EMI, Liberty, Venture, Virgin
Warner Music	\$3.0 billion	Access Industries	United States	Asylum, Atlantic, Bad Boy, Elektra, Lava, Nonesuch, Rhino, Warner
Sony Music (BMG)	\$1.1 billion	Sony	Japan	Columbia, Epic, Legacy, Odyssey, Provident, RCA, Sony

# Recording Industry (continued)

- File Swapping Blow
  - Shawn Fanning
  - Napster
- iTunes Recovery
  - Kazaa
  - Morpheus
  - Grokster
  - RIAA

- If you were a Big Four executive, where would you look to grow your company?
- To what extent do you regard Shawn Fanning as a folk hero? Or a criminal who facilitated the theft of legitimate income from composers, lyricists, performers and recording companies?
- How would you rate iTunes 99-cent-a download charge for a song? High? Optimal? Low?

# Radio Industry

- Government Licensing
  - Federal Radio Act
  - Ownership Limits
  - Technical Restrictions
  - Content Requirements
    - Public Interest
    - Convenience
    - Necessity

- Trusteeship Concept
  - First Amendment
  - Trusteeship vs.Marketplace concepts

- How do you regard the argument that government regulation of the U.S. radio industry came about for common-sense reasons?
- Do you favor marketplace forces as the sole regulator of radio? Or is government better positioned as a regulator? Or do you favor a marketplace-government hybrid?

# **MEDIACOUNTEPOINTS**

#### POINT

- The record industry has only itself to blame for declining prospects.
- It was too cozy, too smug, too long with an outdated business model.
- Stop griping.
- Adjust to the new reality.

#### COUNTERPOINT

- Music is at the heart of a vibrant modern culture.
- The recording industry's survival is essential.
- Its financial well-being must be protected.

### Characteristics of U.S. Radio

- Radio Infrastructure
  - Advertising
  - Ownership Limits
    - 1996 Telecommunications Act
      - Ended most limits on chain ownership
  - Localism
  - Two-tier Infrastructure

## Scope of Radio Industry

- Two technologies
  - Frequency Modulation (FM)
  - Amplitude Modulation (AM)
- Public Radio
- Radio Chains

## Radio Station Formats

Country	2,041 stations	
News/Talk/Sports	1,579 stations	
Adult Contemporary	1,213 stations	
Religious	1,019 stations	
Golden Oldies	822 stations	
Classic Rock	639 stations	
Top 40	444 stations	
Alternative/Modern Rock	334 stations	
Urban Contemporary	312 stations	

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- What changes do you see occurring in the shape of U.S. radio industry?
- How do you differentiate radio networks from radio chains?

## Influence of Radio

- Ubiquity
  - 22 hours per week
  - 520 million radio sets in the U.S.
  - More people receive news from radio than from any other medium
  - Switch to iPods, satellite services, webcasts, and cell phones

### Radio Content

#### Entertainment

- Loss of audience and advertisers to television
- Switch to recorded music

#### News

- Radio news forms
- Breaking news
- Headline services
- All-news
- News packages
- Decline of radio news

## Radio Content (continued)

#### Talk Radio

- Rush Limbaugh
- Talk Shows
  - Political Talk Show
    Audiences
    - White
    - Male
    - Republican
    - Financially well-off
    - More politically engaged than average Americans
    - Distrustful of mainstream media outlets

#### Public Radio

- Corporation for Public Broadcasting
  - 1967 Public Broadcasting Act
  - All Things Considered
  - Morning Edition
  - The Takeaway
  - American Public Media

- How has radio lost its competitive edge as a source for music?
- Where can you find radio news these days?
- How is talk radio different from news radio?
- How is public radio a formidable and growing component of the U.S. radio industry?

# Radio Industry Directions

- Satellite Radio
- Terrestrial Radio
- New Technologies
  - iPod
  - Podcasting
  - On-demand Radio

- What might revitalize locally licensed terrestrial commercial radio?
- What are your music habits? MP3 devices like iPods? Or over-air stations? How about podcasts? How about on-demand radio?
- What attracts you to one more than the other?