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# U.S. Radio in the 21st Century: Staying the Course in Unknown Territory

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Chapter 33

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In the global frame of reference, the “American system” of privately operated, commercially financed radio enterprises long stood as the exception to the standards and practices of broadcasting. Reaching across the expanse of the North American continent (9.6 million square kilometers) to audiences buffered geographically and socially by two oceans, the United States radio industry evolved for decades as capitalist endeavor and public service simultaneously. An ever-present tension characterizes the contested sphere of these divergent missions, as the ideals of localism and civic engagement clash with the countervailing forces of centralization and market efficiency. While the rhetoric of American radio reflects historic commitments to individual endeavor, healthy competition and freedom of choice, the reality has always been dominated by a handful of private operators, sustained and often directly encouraged by government regulators who themselves have been closely associated with, or plucked directly from, this private oligopoly. In spite of these complicated and conflicting circumstances, or perhaps because of them, the system has endured, providing countless hours of diverse programming to hundreds of millions of listeners for nearly a century.

As it enters its second century, the industry confronts challenges that are redefining both the nature and the meaning of American radio broadcasting. Policy makers are scrutinizing issues of ownership, content licensing and spectrum allocation. Two digital transmission systems, each unique to the U.S., offer improved content and delivery for audiences, but consumers are gravitating instead to customizable channels on other platforms to access the once-exclusive field of audio content. This shift in consumer behavior is especially pronounced among young people. As the market fragments, marketers are growing more circumspect about the efficacy of broadcast advertising. All of these changes are characteristic of the cultural shift away from historic one-to-many channels of mass communication, to a new ethos of niche services and highly fragmented audiences. In the face of these changes, the "American system" is now tasked to maintain its commitments to public service, prosperity and profitability.

## Regulation

While the regulatory structures of many nations reflect the heritage of postal delivery services, the U.S. model echoes the themes of American politics in the early 20$^{th}$ century – resource conservation, efficiency, commercialism, social control, and a determination to prevent the infiltration of communist ideology or socialist practice (Barnouw, 1966). In 1927, legislators empowered the federal government to license privately operated radio facilities to local owners, under the supervision of the agency known today as the F.C.C. – the Federal Communications Commission. In theory, the American regulatory structure rests on the twin foundations of localism and private enterprise (Stavitsky, 1994). In practice, the Commission designated high power, advertiser-supported stations affiliated with national program providers (the "networks" or "chains") as the most suitable expression of public service. This differentiation has consistently favored the largest licensed operators and the most popular content. While smaller companies and noncommercial services can be found in practically every American market, federal policies have generally been crafted to encourage spectrum efficiency, signal expansion, revenue enhancement, and audience expansion by commercial interests (McChesney, 1995). To support even modest local news and other programming, most commercial stations cede some or all of their schedules to conglomerate owners and network program providers. In return, local stations receive a portion of national advertising revenue from the national operator or program distributor.

Into the 1980s, the F.C.C. regularly reviewed the performance of licensed operators in detail. Within the license renewal process, the regulations mandated procedures for ascertaining the public interest and necessity in geographically defined communities served by local radio stations. In addition, the Commission enforced strict limits and conditions on the number of radio stations that could be controlled by a single licensee, as well as limits on cross-ownership of radio and other mass media properties by any single company. With the appointment in 1981 of attorney Mark Fowler as chair of F.C.C. by President Ronald Reagan, the Commission set out to systematically deregulate the broadcasting industry by reformulating or eliminating a range of policies, including some that dated back to the agency's founding legislation. In Fowler's view, the regulatory apparatus of the F.C.C. constituted an unreasonable restraint of private enterprise: The broadcast receiver was simply another household appliance, requiring no special regulatory attention (Kellner, 1990). Where previous commissions had attempted to articulate normative standards for the elusive principle of the public interest as set forth in telecommunications legislation, Fowler championed a more practical, market driven approach favored by the largest commercial broadcasting companies. In this view, the public interest equates with profitability. While critics have asserted that the public service must "mean more than the same profit-maximizing behavior that would be produced with no standards whatsoever," the operative maxim for broadcast regulation in the U.S. for nearly thirty years has been, "the public interest is what interests the public" (Johnson, 2004, para.17).

This re-conceptualization of the regulatory sphere led ultimately to the passage of the Telecommunications Act of 1996, which reshaped the landscape of American radio by sweeping away all limits on licensing and facility ownership (Telecommunications Act of 1996 sec. 202). Over the following decade, dozens of local, regional and national operators were swallowed up in waves of corporate mergers and consolidations. While the number of American radio stations increased by ten percent in the years following "the Telecomm Act," the number of ownership concerns decreased by 30% (Wyatt, 2010). The movement was characterized by Texas-based Clear Channel Inc., which at its peak controlled and programmed more than 1,200 radio stations in dozens of markets. In most cases, the majority of the content for these corporately controlled stations originates from head-end facilities in a handful of urban centers. Programming is fed via satellite to semi- or fully-automated local facilities across the country, and then distributed to audiences on terrestrial signals (Foege, 2009).

It now appears that the industry has reaped the benefits of these efficiencies, and may be retreating in the opposite direction. As in the past, radio broadcasters are looking to regulatory reform to provide relief from market challenges and a return to former levels of profitability. Under the terms of the Telecomm Act, the F.C.C is required to review its media ownership rules every four years. The third such review since 1996 is currently in progress, with owners focused on the elimination of rules prohibiting the cross-ownership of broadcast and newspaper properties. Industry has an ally in

Commissioner Robert McDowall, who claims the current limitations are "burdensome" and that the Commission is "unable to adapt" to the new realities of global, interactive mass media. But it is unlikely that the outcome of the current review will provide relief in the near term: Previous reviews have resulted in extensive litigation, and the outcomes of the 2006 process are still being contested in U.S. courts (Wyatt, 2010).

Radio broadcasters face regulatory challenges on other fronts as well. Early in its history, the industry developed a close relationship with recorded music companies, and industry leaders including Radio Corporation of America [RCA] and the Columbia Broadcasting System [CBS] took control of music recording companies such as Victor and American Gramaphone. As radio blossomed in the 1920s and 1930s, these business relationships gave broadcasters significant influence over the terms of performing rights agreements and regulations. Consequently, the royalty obligations of U.S. radio broadcasters have long been limited to payment to composers and publishers: Radio has never been obligated for royalty payments to music performers (Bowe, 2010). While the Digital Millennium Copyright Act [DMCA] of 1998 continued this historic exemption, the arrangement was not extended to broadcasters' Internet audio streams. Subsequently, a coalition of record companies, artists and other copyright holders have been pressing the Untied States Congress to extend performance royalty obligations to terrestrial radio services, and proposals to compel performance rights agreements on radio license holders are now moving through the legislative process. While the amount of money at stake is difficult to determine, broadcasters claim the cost of these new liabilities will run into the hundreds of millions of dollars (Plambeck, 2010)

Under the leadership of current F.C.C. chair Julius Genachowski, the attention of the Commission has been drawn away from radio broadcasting concerns to focus on initiatives to provide universal, affordable broadband services throughout the U.S. (Genachowski, 2009). While the Commission continues to exercise primary authority over matters of importance to the radio industry, the social and economic momentum associated with convergent technology and evolving consumer behavior has introduced new dynamics into regulatory principles, processes, and practices. The challenge for American broadcasters is to remain relevant and engaged in the context of current and future public policy initiatives.

## Technology

The United States government has long played a crucial role in the establishment and implementation of technical standards for radio broadcasting, and the F.C.C. continues to exercise authority over spectrum designation, allocation, and interference issues. But over the last three decades, with encouragement from the industry, the Commission has turned evermore to the market to develop, test, and prove new transmission and reception technologies. In some instances, this lack of balance between the industry and regulators has led to significant failure, as in the1980s when the Commission's unwillingness to set regulatory standards for AM stereo broadcasting contributed to the ultimate collapse of the technology in the marketplace (Sterling & Kittross, 2002).

This deference to the "invisible hand" of the market has been especially consequential for the American approach to digital radio broadcasting, where the United States has adopted two technologies that are unique to the American market. The first is satellite radio, which delivers a multiplexed signal carrying some 200 program streams from a single head end via a system of geostationary earth-orbiting satellites directly to proprietary receivers. The second is in-band on-channel [IBOC] digital radio, trademarked by iBiquity Corporation as "HD Radio." Unlike DAB and other digital delivery technologies that operate on different portions of the spectrum in other parts of the world, HD Radio utilizes a licensed, proprietary technology to deliver encoded signals over existing AM and FM frequencies. The two technologies emerged in tandem in the 1990s, as companies jockeyed for the upper hand in the anticipated digital radio market (Stavitsky & Huntsberger, 2010).

The F.C.C. authorized satellite radio technology in 1992, and services became available to U.S. consumers on a subscription basis in 2001. The market originally included two competing providers operating under federal licenses – Sirius Satellite Radio and XM Radio. When neither company prospered, the two licensees successfully appealed to the Commission for permission to merge, paring the market to a single provider. Though terrestrial radio interests viewed the merger as a monopoly and represented the move as restraint of trade, the Commission accepted the satellite companies' argument that the technology was just one in a growing field of audio delivery systems available to consumers. It was also clear that without the merger, neither company would survive (Shenon, 2008).

Sirius/XM Radio currently serves over 18 million customers. The company's primary marketing strategy has been to place receivers in rental or sale vehicles, and provide complimentary service for a limited initial period. Consumers have been enthusiastic about the wide range of programming available on satellite radio, but when the complimentary opportunity ends, they have also been less willing to pay for continued service at $12.95 or more per month. Because subscriptions represent 97% of the company's revenue, the inability to convert interested consumers into paying customers has been the most formidable challenge to the continued existence of satellite radio. In 2009, subscription revenue fell by 2%, representing some 200,000 customers. The savings created by the merger and subsequent consolidation of operations allowed the new company to cut net losses by more than half to $440 million, and enticed new injections of capital from investors. Nevertheless, satellite radio has never turned a profit, and the price of Sirius/XM stock remains at a historically low level. The company anticipates new revenue streams from advertising and other sources, but revenues are expected to continue to drop in the coming years, and the long-term outlook for satellite radio remains in doubt ("Audio-satellite," 2010).

While less tenuous than the satellite sector, the emergence of HD Radio has been equally problematic. Introduced to consumers in 2006, after nearly two decades of research and development, Clear Channel and the other national chains moved quickly to convert to HD Radio transmission systems at their licensed stations, and backed up these efforts with an industry-wide campaign to market the system to consumers. However, the vast majority of American radio stations continue to operate as analog services: Conversions in 2009 brought the number of HD-capable stations to just over 2,000, or about 15% of the nation's 14,417 station. And while marketing continues to trumpet the benefits of HD Radio service for listeners, including enhanced audio quality, embedded program information and additional program channels, HD Radio has failed to attract much consumer interest. This hesitancy to purchase new HD-capable receivers may reflect recent hardships in the U.S. economy. But it also reflects the lack of any mandate or other real incentive for listeners to convert to the new system: The HD Radio technology embeds a standard analog program in an existing AM or FM signal, allowing listeners to continue to tune in on existing analog receivers with no interruption or apparent change in service ("Audio-HD Radio," 2010). Barring the emergence of a compelling reason to switch over, it seems likely that HD Radio may follow the same slow path to market penetration that characterized FM radio into the 1970s.

Over the decade that satellite and HD Radio interests have wrestled with each other to command the attention of radio listeners, audiences have gained access to a variety of other options for audio programming. Using existing wired and wireless communication networks, smart phones and other receivers, consumers now enjoy streaming services like Pandora, and broadcast audio portals like Public Radio Player anywhere – especially in vehicles, where radio has long been the exclusive audio provider. These customizable, on-demand platforms represent a serious challenge to radio broadcasters in the coming years ("The Infinite Dial," 2010).

## Commerce

In the years since the government eliminated limits on the ownership of radio properties in 1996, controlling interests have become more concentrated and less numerous. This consolidation is characterized by a handful of companies. The largest is Texas-based Clear Channel Communications, founded in 1972 by Lowry Mays and Red McCombs. Over three decades of aggressive expansion, the company grew to more than 1,200 radio stations, with additional interests in television, outdoor advertising, live entertainment, and a variety of overseas holdings (Foege, 2009). The company was already experiencing financial difficulties when the circumstances of the 2008 recession helped to push Clear Channel close to bankruptcy. The corporation survived through a combination of asset sales, restructuring, and acquisition by a private equity firm. In 2009, the company held the licenses for 844 radio stations, and reported total revenues of $5.6 billion (49% from radio), down more than 22% from the previous year ("Top Audio Companies," 2010). While Clear Channel remains the dominant radio broadcaster in many markets, the company continues to experience debt and profitability challenges (Hendricks, 2009). Other major radio broadcasting companies include Cumulus Broadcasting, licensee of more than 300 stations, and Citadel Broadcasting Corporation, holder of more than 200 licenses. Both companies experienced operating losses in 2009, and Citadel filed for bankruptcy after being delisted by the New York Stock Exchange ("Top Audio Companies," 2010).

While some radio operators, including CBS and Entercom, have returned to modest levels of profitability, the steep downward trend in industry revenue that began with the 2008 recession continued in 2009, even as listening levels remained steady. Compared to 2008, overall revenue for American radio decreased 18% in 2009. More problematic for an industry driven by advertising dollars, local advertising revenues fell by 19%, and national advertising revenues by 20% ("Audio-Traditional Broadcast," 2010). With national and local sources accounting for more than 80% of total industry advertising revenues, it seems clear that the traditional clientele for radio advertising is moving away from the medium in search of more targeted channels, especially those available through the Internet. Radio broadcasters have responded to some degree through their own presence on the Internet, but rising revenues from digital advertising have not offset the losses on the broadcast side. Analysts expect the overall decline in revenue to continue across the industry in the near term, as other forms of advertiser-supported audio delivery and reception become more pervasive across consumer markets.

One of the few bright spots in the area of commerce has been the performance of the U.S. public radio sector, most closely associated with the stations of National Public Radio [NPR]. As the nation's largest noncommercial network and one of the largest radio news operations, NPR has seen its audience grow to some 34 million listeners (Kafka, 2010). Looking to expand its reach and provide additional services to its slightly older, wealthier, more educated and more technically engaged audience, over the past two years NPR has attracted new leadership from the digital media industry. These new leaders are focusing their attention on several Internet-based initiatives that are intended to improve the company's digital infrastructure and technical operations, and enhance the network's local, regional, and national programming (Huntsberger, 2010).

## Culture

With its emergence as a widely available utility in the 1920s, radio quickly moved to the forefront of American popular culture. In its earliest years, radio played a pivotal role in revealing marginalized African-American culture to white Americans by playing jazz records and broadcasting live performances of African-American musical artists. In the 1930s and 1940s, the great national calamities of the Depression and World War II came directly into American homes and businesses, narrated in the dramatic, authoritative and reassuring voices of President Franklin Roosevelt, CBS reporter Edward R. Murrow, and hundreds of other icons of "the golden age" of radio. Radio provided the national stage for baseball games, boxing matches, horse races, and other sporting events that commanded public attention and boosted public morale in good times and bad. And in the 1950s, radio was the primary channel for the dissemination of rock’n’roll music, which mixed melodic and harmonic elements from the traditional music of rural whites with the powerful rhythms and styles of African-American blues and gospel. Through radio, rock’n’roll came directly into the bedrooms and private spaces of young Americans, bypassing parental gatekeepers and opening marketing channels directly to millions of young, impressionable, enthusiastic consumers. Radio provided a focal point for the culture of celebrity, and made stars out of newsmakers, athletes, performers, and common citizens (Douglas, 1999).

The advent of television in the early 1950s profoundly reshaped the content of radio programming and the nature of radio listening. Because early television was developed and controlled primarily by the same companies that controlled the radio industry, most popular stars and programs of radio in the 1940s moved en masse to television in the 1950s. Prior to the emergence of television, American radio existed as a program medium, with each station offering a variety of music, news, sporting events, comedy, drama, and content throughout the schedule of a single day. The centerpiece of the schedules was generally the network programming of NBC, CBS or the other national chains. Beginning in the late 1940s, the networks moved their most popular programs to television, leaving radio without the situation comedies, domestic and crime dramas, game shows, and other content that drove the medium to popularity. American radio responded by becoming a format medium, with each station turning most or all of its daily schedule over to a single type of music, news, or other programming.

This re-conceptualization of the medium placed responsibility for success or failure squarely in the hands (or ears) of program directors, who were responsible for selecting on-air personnel, choosing and sequencing music, and creating a unified flow to the program and advertising content in a manner that encourages the audience to keep listening and not "tune out." The most successful of these programming executives, including Gordon MacLendon and Lee Abrams, became some of the most important individuals in the radio industry (Foege, 2009). Into the present day, the vast majority of American radio follows this format-driven model, which tends to segment audiences into groups based on demographics, values, lifestyles, and other cultural characteristics. Because the format model tends to emphasize these differences and mask commonalities across audiences, American radio has become more of an agent of cultural differentiation and less one of social unification.

Though the public has a growing number of options in the field of audio media services, overall listening to American radio has held steady. For 2009, over 235 million Americans tuned in to some form of radio for at least 15 minutes each week. According to Arbitron Inc., a leading research source for American radio broadcasters, this equates to more that 90% of Americans over the age of 12 ("Radio Today," 2010). But the data are in dispute: In its State of the Media 2010 report, the Pew Centers' Project for Excellence in Journalism [PEJ] indicates that less than 80% of Americans may tune into broadcast radio. The PEJ study also reports that the majority of listening takes place in automobiles or other locations outside the home. Less than 40% of listening occurs at home, and less than half of this listening is to broadcast radio, the balance being given over to audio streaming services, podcasts, or other customizable listening channels.

Arbitron reports on listening habits or “shares” for more than 50 radio formats. The top format in American radio is Country Music, a broad category that includes traditional music from the rural white south and highly produced, rock’n’roll influenced “new country” created by icons of pop culture in some of the nation’s largest recording studios. The audience for country music radio splits almost evenly between males and females, and covers all ages, reaching 15% to 20% of all listeners in cohorts between 25 and 65 years of age. The country audience is predominantly white, split evenly across all income categories, and dominated by persons without college degrees. Country music listening is especially prevalent in the nation’s less urbanized areas, from Virginia and the Carolinas in the east to the Midwestern states. Some form of country music programming is available on more than seventeen hundred stations, located mostly on the FM band (“Radio Today,” 2010).

Nearly as popular is the News/Talk/Information format, a category characterized by partisan political “talk radio” programming, hosted by high-profile opinion leaders. Conservative commentators including Rush Limbaugh and Sean Hannity dominate the format, though programs offering more moderate and liberal viewpoints have taken hold in some markets. However, the left-leaning Air America Network declared bankruptcy and ceased operation in 2009 (“Audio–Summary Essay,” 2010), and conservative talk radio has been criticized recently as a source of angry and divisive political rhetoric (Krugman, 2011). The talk radio audience skews toward males and older listeners, capturing more than 20% of the audience between the ages of 45 and 64, and more than 30% of the audience over the age of 65. Spread throughout the United States, talk radio listeners are overwhelmingly white, of modest to moderate incomes, and more than 75% attended or completed college ("Radio Today," 2010).

Beyond these top formats, radio serves a wide variety of audiences. Contemporary Hit Radio, targeted primarily at young white audiences, and the Urban Contemporary format, reaching young non-whites, continue the traditions of the 1950s and 1960s by using radio as a platform to focus the attention of young people on the most popular musical artists of the day. All Sports stations serve an overwhelmingly male audience with a steady stream of sporting events, news, and commentary. The growing population of Latino-Americans can receive a variety of Spanish-language formats, especially in the states across the southwest and along the west coast ("Radio Today," 2010). This variety of radio services exemplifies the diversity of American culture and society, and demonstrates the challenges inherent in the task of providing media content for "the American people."

In contrast to these entertainment formats, broadcast journalism has struggled to maintain a place on the commercial radio dial. While Arbitron, the leading American radio research firm, reports 75 all news stations in the U.S., the Project for Excellence in Journalism reports fewer than 30 self-identified news stations, and comments that such expensive and labor-intensive operations are now "viable only in the largest markets" ("Audio –Summary Essay," 2010). During the years of ownership consolidation and corporate restructuring, news departments were often reduced or eliminated in order to reduce operating expenses and boost net profits. The remaining news programming consists primarily of brief top-of-the-hour headline summaries from national providers. With commercial radio largely abandoning its historic commitments to local coverage, the responsibility for broadcast journalism on radio now rests primarily with America's public radio providers.

## The Future

While radio in the United States remains a primary channel for mass media content serving millions of listeners, the industry faces challenges to every aspect of its continued well being. While the "hands-off" approach to regulation, introduced by Mark Fowler and continued by his successors, has allowed some of the largest ownership interests to grow even larger and maintain profitability, the lack of symmetry between the public and private spheres has generally removed citizens from the public service equation. Public interest has been equated with consumer interest: That which sells must by definition be that which satisfies. Fewer, more distant, corporate owners have left communities with fewer, less meaningful ties to their local radio stations, and fewer reasons to care when those stations change personnel, formats, or controlling interests. While this may make the business of owning radio stations more efficient and profitable, that efficiency does not contribute to greater levels of listener interest or loyalty. Where radio stations used to provide unique programs available only in their communities of service, today's radio stations offer a less personalized, more formulaic brand of programming. These circumstances make it harder for the industry to continue its claim to any particular or exceptional status, as in the case of music performance rights and royalties. After decades in the center of the telecommunications policy arena, the American radio industry is now being pushed aside by broadband and other interests.

It is too early to tell if HD Radio technology will capture the attention of the listening public. As the technology evolves, receivers will require less power, allowing the units to become smaller, more sensitive, and more affordable. But there is no HD receiver that fits comfortably on the chassis of a smart phone, and smart phone providers such as Apple and others have their own audio streaming services, like iTunes, that compete directly with broadcast radio programming. Similarly, manufacturers are now developing mobile broadband receivers for automobiles that will allow drivers and passengers to access the wealth of streaming audio services, including those from radio stations around the globe, in the comfort and privacy of their vehicles. Similarly, mobile wireless audio streaming poses a serious threat to the future of Sirius/XM satellite radio. Finally, the HD Radio system operates only on the North American continent. It remains to be seen if HD Radio, DAB, Radio Mondiale, or any other standard for digital broadcast radio will succeed in the marketplace, or if the competition between systems will cause listeners to move away from the jumble of standards and gravitate toward broadband audio services.

The looming presence of Internet-based advertising poses another serious challenge to the future of the commercial radio industry. Lacking coupons or other hard evidence of influence on consumer behavior, radio has always depended on the ability to sustain “top-of-mind awareness” from its muscular presence in the mass media market. But at a time when radio is losing this special status and becoming just one of several audio content alternatives, advertisers are looking for more effective and dependable ways to target their messages at particular groups, or even individual consumers. Customer reviews, referrals, and “liking” behaviors provide these capabilities to Internet advertisers where radio cannot. This leaves broadcasters in the position of leveraging their broadcast signals as portals to their own web sites, where listeners may become involved in more customizable and traceable consumer experiences. This reality forces radio broadcasters to retool their business practices and procedures, adapting radio to the emerging realities of online commerce.

Nowhere are these emerging realities more pressing for radio broadcasters than in the arena of popular culture, where the most fundamental dynamics of mass communication are changing rapidly. As the unchallenged provider of audio content, radio put its imprint on daily life by setting the news agenda, creating celebrities, and driving public attention to a small selection of highly popular musical artists. The appeal of radio depended on big "stars," such as Arthur Godfrey, Jack Benny, Joe DiMaggio and Walter Winchell, and the most popular "hits" by Bing Crosby, Elvis Presley, the Beatles or the Eagles. This gatekeeping capacity forced the public to pass through the portals of the radio business in order to gain access to the content of the day. The public understood that advertising was the price of admission: Every program needed a sponsor, and every artist needed the promotional power of radio to reach an audience. The tools of radio formatting allowed program makers to bring the lens of popular opinion into ever-sharper focus, until just a handful of musicians, or athletes, or political figures, or commentators dominated the consciousness of the audience.

The era of one-to-many media channels and powerful gatekeepers is now receding. It is being replaced by Anderson's (2006) "long tail." In the age of the Internet, audiences are no longer dependent on a handful of powerful media enterprises to provide them with a limited selection of channels and content. Now content exists as bits of code on servers, and the capacity to store and distribute that content is limited only by the number of servers and the speed of the connections. All of these servers co-exist together, in a web of networks that can communicate easily with each other in strings of zeroes and ones. Portals can help the citizen/listener/consumer gain access to this practically infinite network, and specialists and opinion leaders can help these free agents to focus their attention on particular channels or packages of content. But individuals exercise a far greater degree of control over what they will or will not peruse, sample, acquire or believe than at any time in human experience (Anderson, 2006).

Nothing in the history, business, or culture of radio informs broadcasters as they face these new realities. While radio is clearly able to deliver the voice of one artist or politician or commentator to millions, the future of markets depends on identifying and serving smaller and smaller niche audiences with ever-deeper and more diverse content inventories. The contest on the leading edge of the market is fierce: Every news and entertainment provider now faces an unending, rolling deadline in competition with every other broadcaster, or newspaper, or web site, or blogger. The opportunity for new services, new products and new markets resides outside of this brutal arena. As in radio's early days, the enterprise may need to return its attention to providing unique services for local audiences in order to regain its distinctive position in the American consciousness.

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