**Video Script**

**Lecture 35 – Conglomeration, Concentration & Narrowcasting**

**Fall 2020**

**Welcome**

Hello everyone! Today we’re going to be talking about some very corporate-sounding terms (conglomeration, concentration and narrowcasting). But as we try to bring our course in media history up to the concerns of the present day, the industrial structure and market strategies of the media industries become ever more important to understanding the big picture.

**Key Concepts**

Here are your key concepts for this lecture. So, first we’re going to define all of these terms, and then we’re going to look at a specific historical case study from the 1980s and 1990s to apply one or two of them.

**Timeline**

So, in our last lecture we looked at cable and how it increased programming options beyond the three major networks. All of a sudden, we audiences had new networks to watch that appealed based on narrower genres and demographics—options that included HBO, ESPN, CNN, MTV, Nickelodeon, and so on. Cable television moved us into an entirely new era of television history, **[ANIMATION]** from the network era to the multichannel transition. (We talked about this last time.)

Today, I want to think about the industrial and financial side of things. How do the media industries reorganize themselves in the 1980s and 1990s to grow and adapt to a landscape characterized by more choice?

**Conglomeration**

Two economic processes have characterized the media industries in the United States for the last few decades. The first of those is conglomeration **[ANIMATION]** which is when a media company is purchased by larger corporation, which owns a collection of other companies that operate in diverse business areas.

In other words, small media companies are bought by bigger media companies, which are owned by megacorporations.

**General Electric**

There’s no better example of conglomeration than the former structure of General Electric. They no longer own all of these segments, but for a time they were operating businesses as diverse as **[ANIMATION]** oil and gas production and **[ANIMATION]** the Bravo network, not to mention theme parks, and even a minority stake in the Penske trucking company. This enormous conglomerate was parodied on the NBC sitcom *30 Rock* **[ANIMATION]** in the character of Jack Donaghy, a GE executive with the title of Vice President of East Coast Television and Microwave Oven Programming.

**Concentration**

So, conglomeration refers to the structure of one company. **[ANIMATION]** The second economic process that has characterized the media industries over the last three decades is concentration. This term refers to the state of the whole media market. Concentration is the condition of just a few corporations (many of which *are* conglomerates) controlling the entire media industry.

**Cable**

The processes of conglomeration and concentration were accelerated by the **[ANIMATION]** Telecommunications Act of 1996. This was also a major turning point in the history of cable television, which is why you see it on a continuum with local transmission and growing pay options, topics we talked about in our last lecture.

The Telecommunications Act is an enormous bill with a lot of parts, but the first thing you really need to know is that it was the first major communications law since the Communications Act of 1934—that’s a long time! Think of all the changes that happened in media between 1934 and 1996!

The second thing you need to know is that it contained a section that deregulated the telecommunications industry, allowing for cross-ownership between different kinds of companies. After this law, a company that was both a content provider and a service provider was no longer considered a monopoly.

**Media Map**

What we end up with is a media landscape that looks sort of like this. This is a map of media ownership and value that the blog Recode periodically puts out—this is the most recent one I’ve been able to find, from about a year ago. Distribution is in purple, content is in turquoise, and streaming is in red. The text coming off of each circle lists companies owned by the circle; ABC is owned by Disney, for example.

I want to use this map to point out a couple of things. First, you see just a handful of huge dots: Disney/21st Century Fox, Comcast, Verizon, Charter, Netflix. The size of the dot is the market capitalization of the company. So, if the U.S. media landscape looks like a handful of big circles with lots of little lines coming off each one, that means that our media market is a) highly concentrated, meaning there are just a few big players, and b) those companies are highly conglomerated, meaning they have lots of branches.

The second thing I want to point out are the purple dots with turquoise rims. Those are companies that both distribute and create content. So, for example, Comcast is both a cable and a broadband company, but it also owns NBC and Dreamworks and Sky.

My final point is that this map lists what it still sees as tech companies down in the right hand corner in grey, and that’s a choice that doesn’t necessarily reflect the reality of how media and entertainment has changed for us on the user side of things. Which do you watch more often: cable TV or YouTube?

**Pause and think**

I’d like you to pause for a moment now and think—it’s been a minute since we did this, right? So, 30 seconds on the clock: what are some of the benefits of having a concentrated media landscape full of large conglomerates? And what are some of the drawbacks? **[PLAY CLIP.]**

**Map + Answers**

Here’s a few that I can think of. **[ANIMATION]** In terms of benefits, megacorporations have (surprise, surprise) more money, which means they can produce both a greater volume of content and produce projects with astronomical budgets. Conglomerates can also take advantage of synergy—which isn’t just a made-up business word, it’s a real term that refers to the efficiencies gained by marketing your products across the many tentacles of your huge corporation.

The combined effect of these things is often the movement of media across different pipelines. Think about Disney’s ownership of *Star Wars*, for example. They didn’t just release new theatrical *Star Wars* features, they stream those features on Disney+, where they also debut a *Star Wars* episodic show.

You might also recognize big budgets and marketing capacity as the key ingredients of a blockbuster—and you’d be right! In terms of film more so than television, our media landscape is primed to produce surefire big-budget blockbusters, which have their benefits for the many fans who love them: elaborate world-building via effects and large casts; narrative complexity through sequels and ancillary storytelling like video games; and the presence of your favorite property everywhere you are, like Twitter, conventions, merchandise, and so on.

**[ANIMATION]** In terms of drawbacks, it can be difficult to tell when you’re being sold to in an environment that’s marked by endless cross-promotion. Think of how many times personalities from one Netflix show pop up on another one, for example. Another drawback is homogenization and the continuation of that “blockbuster syndrome” described by Dr. Shatz in your reading a few weeks ago. Big companies tend to be conservative with their money, so they will only produce content that is a safe bet. This means franchises, franchises, franchises, and doubling-down on popular properties. You’re not going to lose money with a *Star Wars* story, but you might lose it with a weirder, one-off film. And in this highly conglomerated, highly concentrated media environment that thrives on big-budget blockbusters, it can be hard for independent creators, different kinds of projects, and new voices to break in.

**Viacom & CBS**

This map also changes *all the time*. Though the pandemic has seemingly slowed the churn of companies temporarily, a highly conglomerated, concentrated, and deregulated media market means big players are a) constantly consuming smaller companies and b) entering new relationships with each other as the changing tides demand.

The relationship between CBS and Viacom is a great example. CBS, as you now well know, is a network, one of the oldest. Viacom is a company that makes programs. In the words of one media reporter, CBS and Viacom have been married and divorced three times now.

In the 1970s, the FCC forced CBS to spin off the company that would be Viacom, because at the time it was illegal for networks to have a financial stake in the shows they aired.

Viacom then rebought CBS in 1996, given the deregulatory effects of that Telecommunications Act.

Seven years later, Viacom sold CBS again. In the early 2000s, owning a big old legacy television network seemed like owning a Betamax player. It was too out of date to be useful!

…and yet last year, Viacom and CBS merged *again*. The market had changed. As Google, Amazon, and Netflix have amassed more power, both Viacom and CBS had become small fish and needed each other to compete. Plus, CBS’s streaming service, CBS All Access, had made it a much more attractive partner in an increasingly digital media environment.

**Timeline**

All of this is just to say that the media environment since the 1980s-1990s has become increasingly concentrated, conglomerated, deregulated, and marked by the shift toward digital technology and the internet (and we’ll talk more about that in the lectures coming up).

**[ANIMATION]** Let’s think about the effect of all of this on television, specifically. Dr. Amanda Lotz says that these economic forces help push us from the multichannel transition era, into the post-network era.

**Post Network Era**

That era begins around 2000 and continues through today. It’s characterized by:

* Technology which allows viewers control over when and where they watch, like cable on demand and streaming services
* Multiple options for financing TV production, like co-productions with other countries, Amazon studies, all that tech money that’s floating around, which expands the range of programming
* Advertising strategies like product placement and product integration, so television is not so reliant on the traditional commercial break
* And new economic models like the subscription, so television isn’t so reliant on advertisers at all.

This is a world away from the origins of television, right? When everything was live, everything was controlled by a sponsor, and there were few program choices.

**Broadcasting**

That technique of the old networks is called *broadcasting*—a term I’m sure you all know, **[ANIMATION]** but which comes from the agricultural idea of sowing seeds widely. From that, we get the media idea of broadcasting **[ANIMATION]** or transmitting audiovisual material from one source to an audience of many. When we think about the old networks and their so-called lowest common denominator, that’s broadcasting—getting as many eyes on your stuff as possible.

**Narrowcasting**

Media conglomerates operating in our concentrated media landscape have embraced an alternative strategy to broadcasting that arose during the multichannel transition and remains with us today **[ANIMATION]** and that’s called narrowcasting. Narrowcasting is “serving the needs of smaller, specialized audiences by rejecting the constraints imposed by commitment to a monolithic mass-appeal broadcast approach.”

Conglomerates can embrace narrowcasting because they have the resources to speak to many narrow audiences simultaneously. One narrowcast might not be enough to keep you in business in our media landscape, but owning a whole bunch of well-targeted narrowcast networks can be a profitable strategy.

**Cable**

You see examples of narrowcasting all over cable television. Here are just a handful of cable networks that have specific, narrowcast audiences. Some are interest-based, like ID Discovery for fans of cold-blooded, unsolved murder. And some are identity-based, like Logo, which is aimed at LGBTQ audiences.

Which narrowcast niches do you belong to? It can be strange to think of yourself that way…but that’s how marketers see you, so it’s not a bad exercise. In TV astrology, I’d call myself an MSNBC with an HGTV moon and a Food Network rising. I’m married to a Game Show Network—but we make it work.

**Fox**

For the rest of this lecture, I want to think about one case study on narrowcasting that helps move our class from the 1980s into the 1990s. We’re going to be looking at the launch of the Fox television network in 1986. This is related to your reading for this lecture, by Kristal Brent Zook, as well as the screening I’ve assigned to you for this week.

Fox is a fascinating case study because it launched as a free, over the air broadcast network like NBC or CBS in an era when all new channels were launching on cable. But unlike NBC or CBS, it used a narrowcasting strategy to gain a foothold in the market. As your reading puts it:

*“In the 1980s, middle-class white audiences began to replace standard network viewing with cable subscriptions and VCRs. Since working-class African American and Latino audiences in general did not yet have access to these technologies, they continued to rely on the “free” networks—NBC, CBS, and ABC. Consequently, “urban” audiences suddenly became a key demographic…”*

**Television**

Zook goes on to describe Fox’s narrowcast strategy as “targeting a specific black viewership…and ‘counterprogramming’ against other shows to suit that audience’s taste, Fox was able to capture large numbers of young, urban viewers.” She says that by 1993, the fourth network was airing the largest single crop of black-produced shows in television history. And their strategy worked: by 1995, Black viewers made up 25% of Fox’s audience—a much higher share than other networks.

**Color By Fox**

Your reading specifically looks at these Black-produced shows aired by Fox in its bid to gain young viewers of color and asks the question: what makes Black-produced shows unique? She finds that they share four key characteristics:

* **[ANIMATION]** Autobiography, what she calls “a tendency toward collective and individual authorship of Black experience, which reveals group memories as well as individual ones. By autobiography, she means that the shows have a sense of collective experience.
* **[ANIMATION]** Improvisation, or the practice of inventing and ad-libbing unscripted dialogue or action. She finds that even scripted sitcoms by Black creators tended to incorporate some degree of improvisation.
* **[ANIMATION]** Aesthetics, meaning that these shows took pride in displaying visual signifiers of Blackness and Black culture, like specific hairstyles or artifacts like a sweatshirt emblazoned with the name of an HBCU
* **[ANIMATION]** And finally, drama. By this, Zook means a desire for nuanced characters and emotionally challenging material, even in the context of comedy. Black creators took pains to make even their goofiest characters fully human.

**In Living Color**

It’s important to understand that these comedy shows were meant to speak to Black audiences specifically. They weren’t just using *rap music* and *graffiti-style graphics,* which was a 1980s-90s aesthetic choice you saw co-opted everywhere, most notably on MTV where these things signified modernity, not Black culture.

And it’s important to remember that these shows were also different than mainstream sitcoms like *Family Matters*, which did feature a Black cast, but was written to appeal to that same audience the big three networks have always courted: the white, middle-class family.

So, Fox’s strategy of establishing an over-the-air network by appealing to the young Black audiences ABC, NBC, and CBS were ignoring was a very successful one. Shows like *The Sinbad Show*, *Martin,* and the sketch show *In Living Color* were extremely popular.

**Living Single**

Perhaps the flagship Fox sitcom of the early 1990s was *Living Single*, which began in 1993 and ran until 1998. It was a story of a group of young professionals working and living and dating in the city…

**Friends**

…a format that was replicated almost exactly—except for the race of the cast—one year later by NBC, as a little show you may have heard of called *Friends.*

**Friends Fan Art**

The relationships between these two shows has been noted by fans (this is some fan art that you see here) and creators since they debuted.

**Queen Latifah**

Queen Latifah, a star and producer of *Living Single*, noted recently in an interview that the creators and cast of her show were in fact privy to conversations by network executives about taking the formula of their show and reproducing it, minus its Blackness. She notes that an executive of NBC told the press at the time that he wished he had *Living Single* on his network, and *Friends* debuted a year later.

Your screening for this week will further demonstrate the influence of *Living Single* on *Friends.*

**Must See TV**And in fact, NBC’s “Must See TV” juggernaut of the 1990s—which, if you’ve never heard of it, was just a very successful Thursday night lineup of its most watched shows—borrowed many of Fox’s strategies. But Fox was “narrowcasting,” and Must-See TV was “mainstream.”

**Keenan**

Both lineups capitalized on creator/star personalities. Fox had Keenan Ivory Wayans, whose brainchild was *In Living Color…*

**NBC**

…while NBC had the unique voice of Jerry Seinfeld, which was amplified by writer Larry David.

**Martin**

Both lineups featured young, urban people, and the sit-coms in which these characters were featured rarely focused on the family. Instead, they were set in workplaces, neighborhoods, or between groups of friends. Here, you see the cast of *Martin,* which involved this bunch of friends and Martin’s career radio and television*…*

***Suddenly Susan***

…and here is the cast of NBC’s *Suddenly Susan*, which revolved around a magazine office.

Both Fox and NBC also mixed comedy and drama. On Fox, as your reading points out, comedies tackled dramatic topics, too.

***ER***

On NBC, they accomplished that not at the level of the individual show, but by integrating medical melodrama *ER* into the otherwise comedy-focused Thursday-night lineup.

**NFL**

And while some of Fox’s legendary Black sitcoms ran through the 1990s, several were canceled in 1994 when the young network inked a deal with the NFL—a move that signaled their pivot to the “mainstream” audience, and away from the Black audiences which made it a viable network in the first place.

This is a note I hate to end a lecture on, but it is an important point. As passionately as we may feel about our cultures, whether they are based on identity or interest, from the perspective of a media company these cultures are *markets*, not *communities*. They are potential sources of profit, not potential sources of strength, kinship, and connection through a shared media experience.

That said, I think the early history of Fox’s Black sitcoms speaks to the endless resourcefulness of creators (particularly marginalized ones) to find avenues to get their work in front of audiences, just as it speaks to the endless ingenuity of audiences (particularly marginalized ones) to find and champion the television shows that make them laugh *and* reflect their sense of themselves.