

MASS MEDIA AND EVERYDAY LIFE

01



Zoran Mitich/Reuters

Today's mobile media, such as smartphones, have become essential elements of everyday life. On January 1, 2015, a group in New York's Times Square uses their new iPhone to take a "selfie" to mark the occasion.

What's Ahead?

- Mass Media Are Everywhere You Are
- Mass Communication Becomes Wireless
- How the Communication Process Works
- What Are the Mass Media Industries?
- Three Key Concepts to Remember
- Mass Media Are Profit-Centered Businesses
- Convergence Dominates the Media Business
- Why Media Properties Converge
- Advertisers and Consumers Pay the Bills
- Technology Changes Mass Media Delivery and Consumption
- Media Take Advantage of Digital Delivery
- How Today's Communications Network Operates
- Mass Media Both Reflect and Affect Politics, Society and Culture
- Why You Should Understand Mass Media and Everyday Life

“(The Internet of Things) is going to create disruption and opportunity in every imaginable field, and it’s entirely up to you whether you’re going to be one of the disrupted or the disruptors.”

—DANIEL BURRUS, CEO AND FOUNDER OF BURRUS RESEARCH, TECHNOLOGY FORECASTER AND INNOVATION EXPERT

You are interactive—connected to mass media in a more personal way than ever before. At the center of your personal, interactive connections today is the Internet, where mass media and social media are waiting to bombard you every waking hour. When was the last time you spent 24 hours without the media? From the moment you wake up until the time you go to sleep, mass media and social media overwhelm you with news and information, keep you entertained and—most importantly for the mass media industries—sell you products.

Mass Media Are Everywhere You Are

Online news offers national and local news with constant updates and alerts for breaking stories. Radio news gives you traffic reports on the freeway. Magazines describe new video games, show you the latest fashion trends and help plan your next hiking trip.

Should you power up your Kindle to read the latest romance novel or stream a video on your iPad from Netflix? Maybe you should grab your iPhone to check Facebook or use your CBS app to catch up on the latest episode of your favorite TV sitcom. Perhaps you should check Snapchat for the latest ten-second photo message from your friends or use Spotify to find the newest release from your favorite music artist.

According to industry estimates, adults spend an average of 12 1/2 hours each day using mass media—more

than three-fourths of their waking hours. (See **Illustration 1.1**, p. 4.) Some form of mass media touches you every day—economically, socially and politically. Mass media can affect the way you vote and the way you spend your money. Sometimes mass media influence the way you eat, talk, work, study and relax. This is the impact of mass media on you individually and, collectively, on American society.

The media’s wide-ranging global presence means today’s mass media capture more time and attention than ever. The media affect almost all aspects of the way people live, and the media earn unprecedented amounts of money for delivering information and entertainment.

Today’s American society has inherited the wisdom, mistakes, creativity and vision of the people who work in the mass media industries and the society that regulates and consumes what the mass media produce. Consider these situations:

- ▶ You are an executive with city government working with a limited budget, trying to expand access to the local public library. How can you use technology to help maximize the library’s reach? (See **Chapter 2**.)
- ▶ A friend texts you a link to new song from your favorite recording artist, which you download and use on your Web site. The music works great, but the artist’s licensing company sues you because you haven’t paid to use the song. Will you be prosecuted? (See **Chapter 5**.)

TimeFrame

3500 B.C.–Today

Three Information Communications Revolutions Form the Basis for Today's Digital Media



DeAgostini/A. Dagliori/Getty Images

* **3500 B.C.** The first known pictographs are carved in stone.

2500 B.C. The Egyptians invent papyrus.

1000 B.C. The First Information Communications Revolution: Phonetic Writing

200 B.C. The Greeks perfect parchment.

A.D. 100 The Chinese invent paper.

1300 Europeans start to use paper.

1445 The Chinese invent the copper press.

1455 The Second Information Communications Revolution: Movable Type

1640 The first American book is published.

1690 The first American newspaper is published.

1741 The first American magazine is published.

1877 Thomas Edison first demonstrates the phonograph.

1899 Guglielmo Marconi first uses his wireless radio.

1927 The *Jazz Singer*, the first feature-length motion picture with sound, premieres in New York City.

* **1939** NBC debuts TV at the New York World's Fair. On display are 5-inch and 9-inch television sets priced from \$199.50 to \$600.

1951 The Third Information Communications Revolution: Digital Computers That Can Process, Store and Retrieve Information

1980 The Federal Communications Commission begins to deregulate the broadcast media.

1989 Tim Berners-Lee develops the first Internet Web browser.

2007 Amazon introduces the Kindle e-reader. Apple introduces the iPhone.

2008 Internet advertising income reaches \$23 billion annually, more than twice what it was in the year 2000.

2010 Apple introduces the iPad tablet.

2013 Wearable technology, including the Smartwatch, debuts.

2014 Facebook has 1.4 billion users. Twitter reaches 300 million. Snapchat boasts 100 million.

2015 Internet advertising income reaches \$51 billion annually.

* **TODAY** Wireless digital technology is the standard for all mass media. Mass media are interactive and mobile.



Archive Photos/Getty Images



Andrew Harrer/Bloomberg/Getty Images

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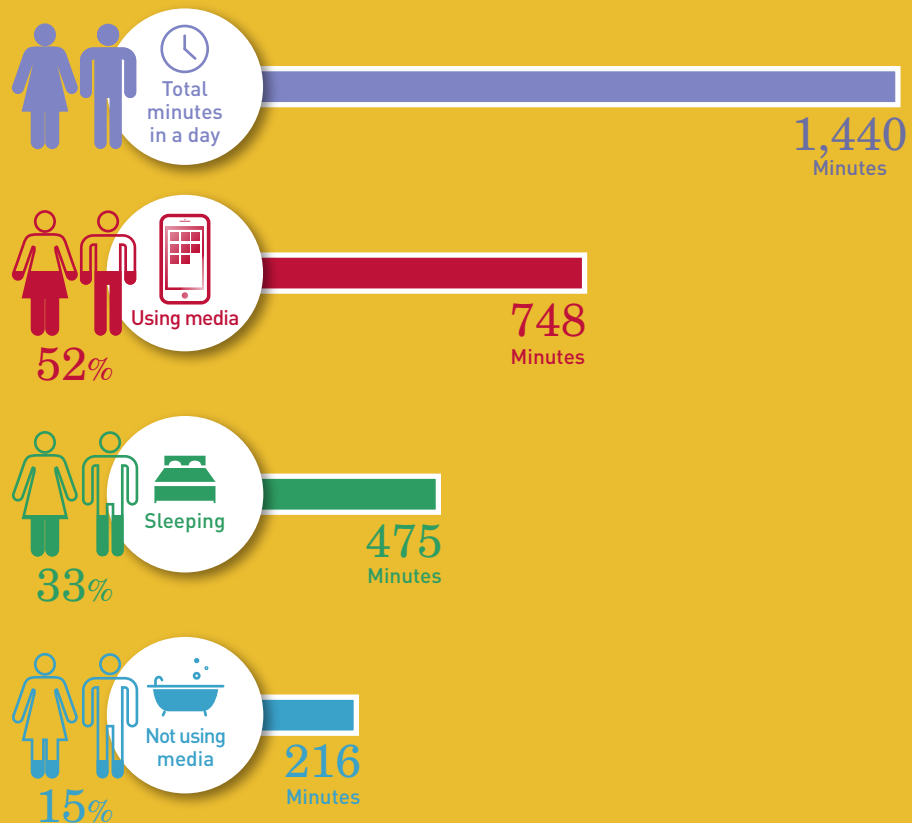
Society

ILLUSTRATION 1.1

Average Time Americans Spend Using Mass Media Each Day

On average, Americans spend more waking time each day with the mass media than without them.

Advertising Age Marketing Fact Pack 2015, "Time Spent Using Media," December 29, 2014, p. 17.



- ▶ You work for an advertising agency that wants to use Twitter to create enthusiasm for a new product. What would you recommend as the best way to be most successful on social media? (See **Chapter 10**.)
- ▶ You are an anchor for a major news organization. During several public appearances you exaggerate the danger you faced reporting from a war zone. How does your company respond when it learns what you've done? (See **Chapter 15**.)

People who work in the media industries, people who own media businesses, people who consume media and people who regulate what the media offer face decisions like these every day. The choices they make continue to shape the future of the American mass media.

Mass Communication Becomes Wireless

In the 1930s, for you to listen to the radio, your house needed electricity. You plugged your radio into an electrical outlet, with the furniture positioned near the radio

so the family could listen to the programs. In the 1950s, you had to add an antenna to your roof so you could watch your new TV set, which was connected at the wall to an electrical outlet and the antenna. To be wired was to be connected. In the 1990s, you still needed an electrical outlet at home and at work to be connected to your computer, and the furniture in your family room at home was arranged to accommodate the cable, satellite and/or telephone connection for your television set.

Today's technology makes mass media wireless (**Wi-Fi**, an abbreviation for *Wireless Fidelity*). New technologies give you access to any mass media in almost any location without wires. You can:

- ▶ Check Twitter for public officials' comments on news events.

Wi-Fi An abbreviation for *Wireless Fidelity*, which makes it possible to transmit Internet data wirelessly to any compatible device.

- ▶ Stream a first-run movie or a classic TV sitcom or download new and classic books—even your textbook—to a mobile device you carry with you.
- ▶ Play the newest video game on your smartphone with three people you've never met.
- ▶ Check your family ancestry to create an online family tree, leading you to connect with overseas relatives you didn't know existed.
- ▶ Stop on the street corner in a new town, use your smartphone to find the closest Italian restaurant, then order pizza ahead on the restaurant's Web site so it's ready when you arrive there.

You and your mass media are totally mobile. Today's digital environment is an intricate, webbed network of many different types of communications systems that connects virtually every home, school, library and business in the United States and around the world. Most of the systems in this digital environment are invisible. Electronic signals have replaced wires, freeing people to stay connected no matter where or when they want to communicate.

This global communications system uses broadcast, telephone, satellite, cable and electronic technologies,

and eventually this communications system will be accessible and affordable everywhere in the world.

How the Communication Process Works

To understand mass media in the digital age, first it is important to understand the process of communication. Communication is the act of sending messages, ideas and opinions from one person to another. Writing and talking to each other are only two ways human beings communicate. We also communicate when we gesture, move our bodies or roll our eyes.

Three ways to describe how people communicate are

- ▶ *Intrapersonal communication*
- ▶ *Interpersonal communication*
- ▶ *Mass communication*

Each form of communication involves different numbers of people in specific ways. If you are in a grocery store and you silently debate with yourself whether to buy an apple or a package of double-chunk chocolate chip cookies, you are using what scholars call *intrapersonal communication*—communication within one person.

To communicate with each other, people rely on their five senses—sight, hearing, touch, smell and taste. This direct sharing of experience between two people is called *interpersonal communication*. **Mass communication** is communication from one person or group of persons through a transmitting device (a medium) to large audiences or markets.

In *Media/Impact* you will study *mass communication*. To describe the process of mass communication, scholars use a communications model. This includes six key terms: *sender*, *message*, *receiver*, *channel*, *feedback* and *noise*. (See **Illustration 1.2**, p. 6.)

Pretend you're standing directly in front of someone and say, "I like your Detroit Tigers hat." In this simple communication, you are the sender, the message is "I like your Detroit Tigers hat" and the person in front of you is the receiver (or audience). This example of interpersonal communication involves the sender, the message and the receiver.

In mass communication, the *sender* (or *source*) puts the *message* on what is called a *channel*. The sender (source) could be a local business, for example. The channel (or



Jason LaVeris/FilmMagic/Getty Images

On February 8, 2015, British singer Sam Smith collected four Grammys. If a friend texts you a link to Smith's latest hit song, and you use it on your Web site without permission, can you be prosecuted for violating music copyright?

Mass Communication Communication from one person or group of persons through a transmitting device (a medium) to large audiences or markets.

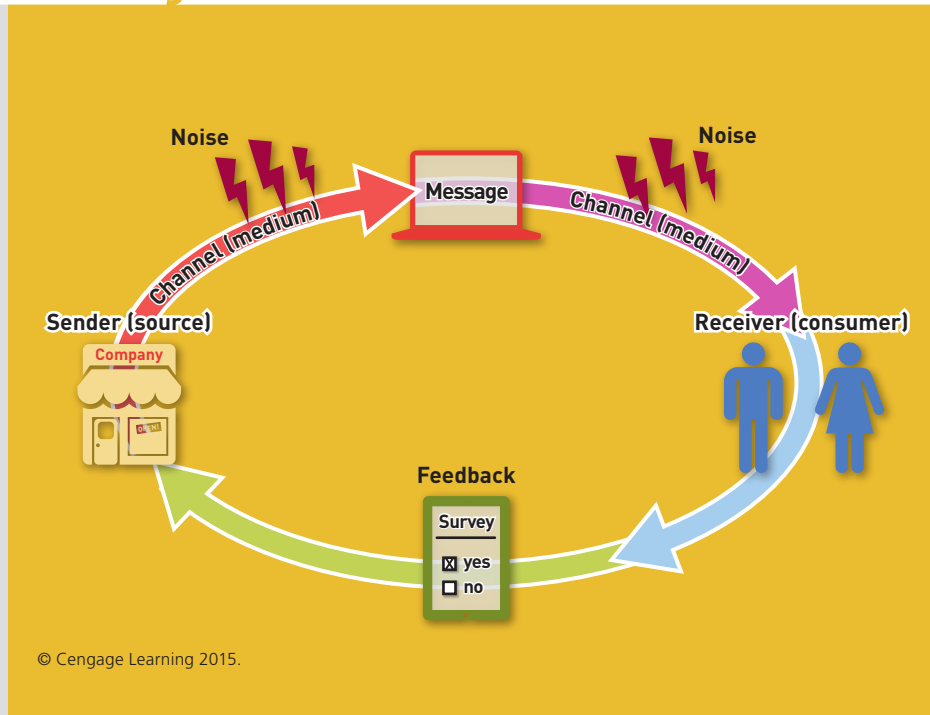
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Society

ILLUSTRATION 1.2

Elements of Mass Communication

The process of mass communication works like this: A *sender* (source) puts a message on a *channel* (medium) that delivers the message to the *receiver*. *Feedback* occurs when the receiver responds, and that response changes subsequent messages from the source. *Noise* (such as static or a dropped connection) can interrupt or change the message during transmission.



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medium) delivers the message (electronic signal). The channel could be the cable, satellite or Internet provider. A medium is the means by which a message reaches an audience. (The plural of the word *medium* is *media*; the term **media** refers to more than one medium.) Your television set, computer or mobile device is the medium that delivers the message simultaneously to you and many other people.

The *receiver* is the place where the message arrives, such as you, the consumer. **Noise** is any distortion (such as static or a briefly interrupted signal) that interferes with clear communication. **Feedback** occurs when the receiver processes the message and sends a response (such as a survey) back to the sender (source).

As a very simple example, say your satellite company (sender/source) sends an ad for a new movie release (the message) through the signal (channel) into your TV set (medium). If you (the receiver) use the controls on your TV remote to stream the movie, the order you place (feedback) ultimately will bring you a movie to watch. This entire loop between sender and receiver, and the resulting response (feedback) of the receiver to the sender, describes the process of mass communication.

Using a general definition, mass communication today shares three characteristics:

1. A message is sent out on some form of mass communication system (such as the Internet, print or broadcast).
2. The message is delivered rapidly.
3. The message reaches large groups of different kinds of people simultaneously or within a short period of time.

So a telephone conversation between two people does *not* qualify as mass communication, but a message from the president of the United States, broadcast simultaneously by all of the television networks and streamed live via the Internet, would qualify because mass media deliver messages to large numbers of people at once.

Medium The means by which a message reaches the audience. Also, the singular form of the word *media*.

Media Plural of the word *medium*.

Noise Distortion (such as static) that interferes with clear communication.

Feedback A response sent back to the sender from the person who receives the communication.



Nicolas Asfour/AP/Getty Images

Wireless technology means you can carry your media with you and send and receive messages globally. In Queenstown, Singapore, people use their cell phones to try to get a picture of Britain's Prince William and his wife, Catherine, the Duchess of Cambridge, during their visit to the country on September 12, 2012.

What Are the Mass Media Industries?

The term **mass media industries** describes eight types of mass media businesses. The word *industries*, when used to describe the media business, emphasizes the primary goal of mass media in America—to generate money (see **Illustration 1.3**, p. 8).

The eight mass media industries are

- ▶ Books
- ▶ Newspapers
- ▶ Magazines
- ▶ Recordings
- ▶ Radio
- ▶ Movies
- ▶ Television
- ▶ The Internet

Books, newspapers and magazines were America's only mass media for 250 years after the first American book was published in 1640. The first half of the 20th century brought 4 new types of media—recordings, radio, movies and TV—in fewer than 50 years. The late-20th-century addition to the media mix, of course, is the Internet. To understand how each medium fits in the mass media industries today, you can start by examining the individual characteristics of each media business.

Books

Publishers issue about 200,000 titles a year in the United States, although many of these are reprints and new editions of old titles. Retail bookstores in the United States account for one-third of all money earned from book sales, but the majority of books are sold online. The rest of book publishing income comes from books that are sold in college stores, through book clubs, to libraries and to school districts for use in elementary and high schools.

U.S. book publishing, the country's oldest media industry, has been revived recently by the introduction of e-books (downloaded copies of traditional books), transforming the book publishing business from print-only sales to print-and-digital online sales.

Newspapers

Newspapers today are struggling to make a profit. Advertising revenues in the last ten years have plummeted, primarily because newspaper readers have migrated to other sources for their news. Between 2008 and 2010, eight major newspaper chains declared bankruptcy, and many laid off reporters and cut salaries.

Advertising makes up more than two-thirds of the printed space in daily newspapers. Most newspapers have launched Internet editions to try to expand their reach, and a few newspapers have converted to online-only publication, but increased Internet ad revenue has not compensated for advertising declines in the printed product.

Magazines

According to the Association of Magazine Media, 75 percent of magazine readers still prefer the printed magazine, although 16 percent read their magazines on a computer and 9 percent read the magazine on a tablet or smartphone. To maintain profits, magazines are raising their subscription and single-copy prices and charging for online access.

Many magazines have launched Internet editions, and a few magazines (such as *Slate*) are published exclusively online. Still, magazine subscriptions and newsstand sales are down. Magazine income is expected to decline over the next decade, primarily because a

Mass Media Industries Eight types of media businesses: books, newspapers, magazines, recordings, radio, movies, television and the Internet.

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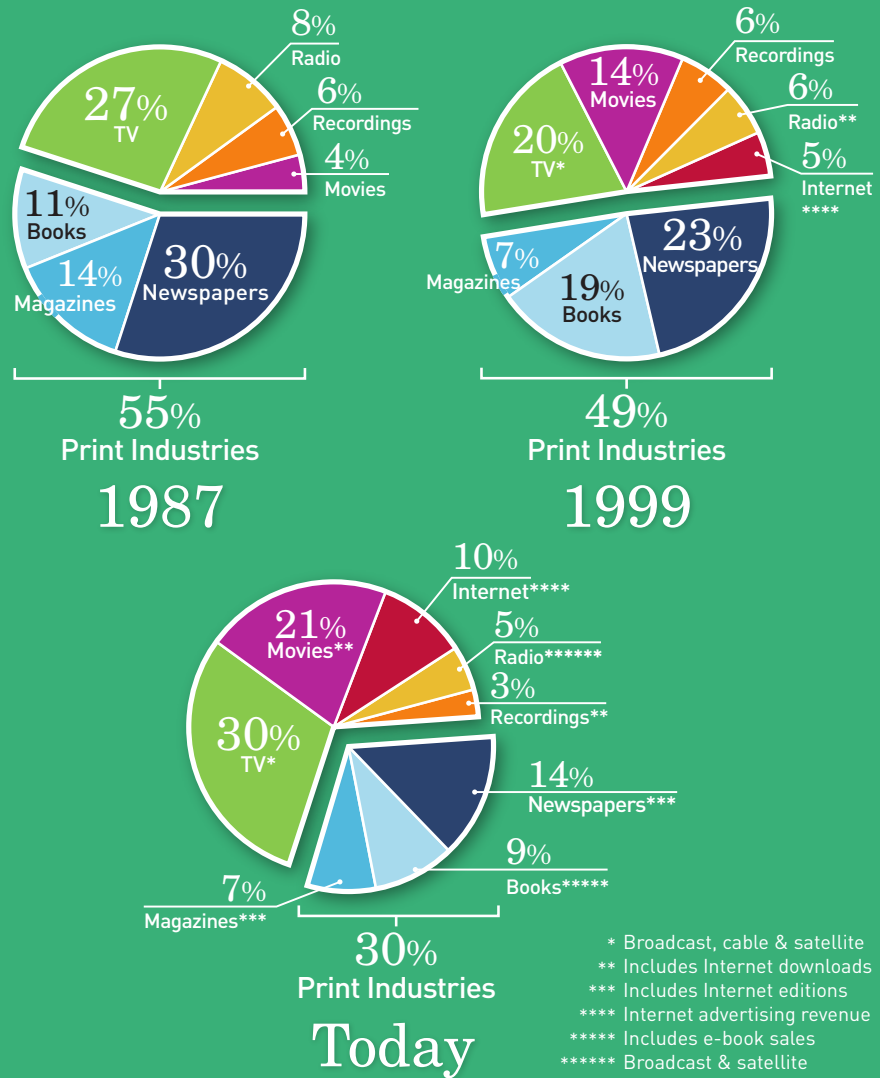
Money

ILLUSTRATION 1.3

U.S. Mass Media Industries Annual Income 1987–Today

This historical graphic shows how the distribution of media industry income since 1987 has shifted from print media (books, newspapers and magazines) to television and the Internet.

Sources: *U.S. Industrial Outlook 1987*; *McCann-Erickson Insider's Report 1987*; *The Veronis, Suhler & Associates Communications Industry Forecast, 1997–2001*; *Advertising Age Marketing Fact Pack*, December 29, 2014; publishers.org; mpaa.org; naa.org; adage.com; riaa.org; iab.org.



significant portion of magazine advertising revenue has migrated to the Internet.

Recordings

Recording industry revenue overall is declining. CDs account for one-third of industry revenue, while digital downloads, subscriptions and streaming account for the rest. Industry income has been declining sharply because new technologies allow consumers to share music over the Internet rather than pay for their music. Instead of selling albums, as in the past, artists must rely on sales of singles, which of course bring in less revenue.

Radio

About 15,000 radio stations broadcast in the United States, with fewer AM stations than FM. About 4,000 radio stations are public stations, most of them FM. The satellite radio service Sirius XM generates revenue through subscriptions, offering a variety of music and program choices without commercials.

As a result, broadcast radio revenue from advertising is declining because the price of a commercial is based on the size of the audience, which is getting smaller. To expand their audience, many traditional radio stations distribute their programs online. The Internet radio

services Pandora, Rhapsody and Spotify have also stolen younger listeners from traditional radio stations.

Movies

There are about 40,000 indoor movie screens in the U.S., and, surprisingly, about 600 outdoor screens still exist. The major and independent studios combined make about 500 pictures a year. The industry is collecting more money because of higher ticket prices, but more people watch and stream movies at home rather than go to theaters, so the number of movie theaters is declining.

Fewer people are buying DVDs and instead are getting movies through Redbox and streaming them through services like Netflix. The increased income to the U.S. movie industry has been primarily from overseas movie sales and streaming. Overall movie industry income began declining in 2005, and that trend continued until 2012. Since then industry income has stabilized.

Television

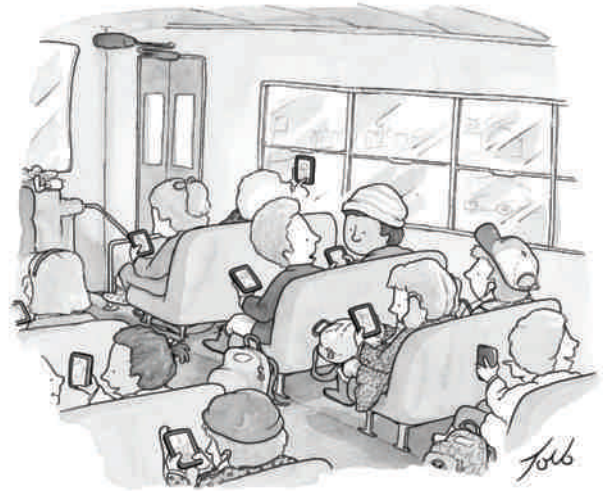
About 1,700 television stations operate in the U.S. One out of four stations is a public station. Many stations are affiliated with a major network—NBC, CBS, ABC or Fox—although a few stations, called *independents*, are not affiliated with any network. More than 90 percent of the homes in the United States are wired for cable or satellite delivery. To differentiate cable and satellite TV from over-the-air television, cable and satellite television services are now lumped together in one category, called **subscription television**.

TV network income is increasing while income to cable operators and satellite companies for subscription services has stabilized. Recently, the television networks have all invested heavily in subscription TV programming. The nation's largest cable operator is Comcast Corp. In 2014, Comcast bought Time Warner Cable. AT&T began offering subscription television services through its U-verse system in 2008, and in 2015 AT&T bought satellite provider DirecTV. Total television industry revenue—including cable, satellite and fiber delivery—continues to grow steadily.

The Internet

The newest media industry also is growing the fastest. About 80 percent of all U.S. adults have Internet access, and the amount of money businesses spent for Internet advertising, which totaled \$8 billion in 2000, is projected to reach to \$51 billion in 2015.

Internet media have become a new mass medium as well as an integrated delivery system for traditional print, audio, video and interactive services (such as streaming). The Internet also offers access to many other consumer



Tom Torc/The New Yorker Collection/Cartoon Bank.com

"Apparently they hand out awards for something called 'television.'"

services, such as shopping and social networking, and a place for businesses to sell their products using advertising and product promotion.

Three Key Concepts to Remember

The mass media are key institutions in our society. They affect our culture, our buying habits and our politics. They are affected in turn by changes in our beliefs, tastes, interests and behavior. Three important concepts can help to organize your thinking about mass media and their impact on American society:

1. The mass media are profit-centered businesses.
2. Technological developments change the way mass media are delivered and consumed.
3. Mass media both reflect and affect politics, society and culture.

Mass Media Are Profit-Centered Businesses

What you see, read and hear in the mass media may tease, entertain, inform, persuade, provoke and even confuse you. But to understand the American mass media, the first concept to grasp is that the central force driving the media business in America is the desire to make money. American media are businesses, vast businesses.

Subscription Television A new term used to describe consumer services delivered by cable and satellite.



Kristy Sparrow/Getty Images Entertainment/Getty Images

American mass media are very popular overseas, representing substantial income potential for U.S. media companies. On February 15, 2015, the *SpongeBob SquarePants* movie premiered at the Cinema Gaumont Capucines in Paris, France.

The products of these businesses are information and entertainment that depend on attracting an audience of media consumers to generate income. Of course, other motives shape the media in America: the desire to fulfill the public's need for information, to influence the country's governance, to disseminate the country's culture, to offer entertainment and to provide an outlet for artistic expression. But American media are, above all, profit-centered.

To understand the mass media industries, it is essential to understand who owns these important channels of communication. In the United States, all media are privately owned except the Public Broadcasting Service (PBS) and National Public Radio (NPR), which survive on government support, private donations and corporate sponsorship. The annual budget for all of public broadcasting (PBS and NPR combined) is less than 2 percent of the amount advertisers pay every year to support America's commercial media.

In some media industries, the same number of companies control ownership today as in the 1950s. There are five major movie studios today, for example, compared to the same number of major studios in the 1940s. The number of broadcast stations and the number of magazines has increased since the 1940s, but the number of newspapers and recording companies has declined.

Overall, American media ownership has been contracting rather than expanding. This is because large companies are buying small companies. The trend is for media companies to cluster together into big groups, which means that a small number of companies now control many aspects of the media business. This trend,

called **concentration of ownership**, takes four different forms: chains, broadcast networks, conglomerates and vertical integration.

CHAINS. Benjamin Franklin established America's first newspaper chain in the 1700s, when he was publishing his own newspaper, the *Pennsylvania Gazette*, as well as sponsoring one-third of the cost of publishing the *South Carolina Gazette*. (He also collected one-third of the *South Carolina Gazette's* profits.) William Randolph Hearst expanded this tradition in the 1930s. At its peak, the Hearst newspaper chain accounted for nearly 14 percent of total national daily newspaper sales and 25 percent of Sunday sales. Today's U.S. newspaper chain giant is Gannett Co., with 82 daily newspapers, including *USA Today*. The word *chain* is used to describe a company that owns several newspapers.

BROADCAST NETWORKS. A broadcast network is a collection of radio or television stations that offers programs during designated program times. Unlike newspaper ownership (which is not regulated by the government), the Federal Communications Commission (**FCC**) regulates broadcast station ownership and operations. The FCC is a government regulatory body whose members are appointed by the president.

The four major TV networks are ABC (American Broadcasting Co.), NBC (National Broadcasting Co.), CBS (originally the Columbia Broadcasting System) and Fox. NBC, the oldest network, was founded in the 1920s. NBC and the two other original networks (CBS and ABC) first were established to deliver radio programming across the country and continued the network concept when television was invented. Fox is the youngest major network, founded in 1986, and delivers only television programming.

Broadcast networks can have as many **affiliates** as they want. Affiliates are stations that use network programming but are owned by companies other than the networks. No network, however, can have two affiliates in the same geographic broadcast area, due to government regulation of network affiliation.

In 2006, the TV networks announced they would offer shows on demand. Apple and Disney agreed to make series programming available through video downloads. One month later, CBS and NBC announced they planned to offer series programs on demand through Comcast

Concentration of Ownership The current trend of large companies buying smaller companies so that fewer companies own more types of media businesses.

FCC Federal Communications Commission.

Affiliates Stations that use network programming but are owned by companies other than the networks.



CBS Photo Archive/Getty Images

CBS is one of the original U.S. broadcast networks and earned an early reputation as the nation's best TV news operation, beginning in the 1960s. In 1968, CBS news anchor Walter Cronkite reported on the Tet Offensive in Vietnam.

and DirecTV. Today broadcast network programming is available by streaming on all mobile media, such as smartphones and tablets. To generate revenue, the broadcast networks today take the programming to their viewers instead of waiting for viewers to come to them.

CONGLOMERATES. When you watch a Sony Pictures Entertainment film or listen to Sony music, you might not realize that Sony also owns Micronics, a medical diagnostics company. Sony is a **conglomerate**—a company that owns media companies (Sony Pictures Entertainment, Sony Music Entertainment and Sony Electronics) as well as other businesses that are unrelated to the media business.

VERTICAL INTEGRATION. Another widespread trend among today's media companies is **vertical integration**—a business model in which one company controls several related aspects of the media business at once, with each part of the company helping the others. Many media companies own more than one type of media property: newspapers, magazines, radio and TV stations, for example.

Gannett, which owns the nation's largest chain of newspapers, also owns television and radio stations, so

Gannett is a newspaper chain that is also a vertically integrated company.

The media company Viacom owns MTV, Comedy Central, Nickelodeon and Black Entertainment Television (BET). The Walt Disney Co. owns Disneyland amusement parks, Walt Disney Motion Pictures Group, the ABC TV network, the ESPN cable network and *ESPN: The Magazine*. Time Warner owns Warner Bros. Pictures, HBO, Turner Broadcasting, CNN, TNT, TBS and the Cartoon Network.

Convergence Dominates the Media Business

To describe the financial status of today's media industries is to talk about intense competition. Media companies are buying and selling each other in unprecedented numbers and forming media groups to position themselves in the marketplace to maintain and increase their income. Since 1986, all three original TV networks (NBC, CBS and ABC) have been sold to new owners—sometimes more than once—making each of the three original networks smaller parts of giant publicly owned media companies.

Fox Broadcasting Co. is part of a larger international media company, Rupert Murdoch's News Corp., which also owns *The Wall Street Journal*, TV stations, magazines and Twentieth Century Fox Film Corp. In 2013, the leading cable operator Comcast acquired full ownership of NBC Universal, with its cable channels, theme parks and the NBC broadcast network. Since shares in most of today's media companies are publicly traded on the nation's stock exchanges, they face heavy pressure to deliver hefty profits to their shareholders.

Media companies today also are driven by media **convergence**. The word *convergence* describes two developments taking place simultaneously. First, it means the melding of the communications, computer and

Conglomerates Companies that own media companies as well as businesses that are unrelated to the media business.

Vertical Integration An attempt by one company to simultaneously control several related aspects of the media business.

Convergence The melding of the communications, computer and electronics industries. Also used to describe the economic alignment of the various media companies with each other to take advantage of technological advancements.



Kiyoshi Ota/Bloomberg/Getty Images

The Walt Disney Company is a vertically integrated media corporation—a company that owns several different types of media businesses, with each part of the company contributing to the others. On April 15, 2013, Mickey, Minnie and Goofy helped celebrate the 30th anniversary of Tokyo Disneyland.

electronics industries because of advances in digital technology. Second, *convergence* also means the economic alignment of different types of media companies with each other so they can offer the variety of services that technical advancements demand.

The people who manage U.S. media companies today want to make money. As in all industries, there are people who want to make money quickly and people who take the long-term view about profits, but certainly none of them wants to lose money. One way to expand a company to take advantage of technological and economic convergence is to acquire an already established business that's successful. Such media acquisitions have skyrocketed for two reasons—public ownership and deregulation.

PUBLIC OWNERSHIP. Most media companies today are publicly traded, which means their stock is sold on one of the nation's stock exchanges. This makes acquisitions relatively easy. A media company that wants to buy another publicly owned company can buy that company's stock when the stock becomes available.

The open availability of stock in these public companies means any company or individual with enough money can invest in the American media industries, which is exactly how Australian Rupert Murdoch, owner of Fox Broadcasting, joined the U.S. media business and was able to accumulate so many media companies in such a short time.

DEREGULATION. Beginning in 1980, the Federal Communications Commission gradually deregulated the broadcast media. *Deregulation* means the FCC withdrew many regulatory restrictions on broadcast media ownership. Before 1980, for example, the FCC allowed a

broadcast company to own only five TV stations, five AM radio stations and five FM radio stations. Companies also were required to keep a station for three years before the owners could sell it.

The post-1980 FCC eliminated the three-year rule and raised the number of broadcast holdings allowed for one owner. Today, there are very few FCC restrictions on broadcast media ownership.

Why Media Properties Converge

Ownership turnover is highest in the newspaper and broadcast industries. Six factors have affected the economic alignment of these properties:

1. Media properties can be attractive investments. Many broadcast companies have historically earned profits of 10 percent or more a year, for example, which is about double the average amount that a U.S. manufacturing company earns.
2. Newspapers and broadcast stations are scarce commodities. Because the number of newspapers has been declining and the government regulates the number of broadcast stations that are allowed to operate, a limited number of established media outlets are available. As with all limited commodities, this makes them attractive investments.
3. Newspapers and broadcast stations have moved past their early cycle of family ownership. If the heirs to the founders of a family business are not interested in running the company, the only way for them to collect their inheritance is to sell the business, and the only companies with enough money to buy individual media businesses are large corporations and investment companies.
4. Newspapers and broadcast stations are easier businesses to buy than to create. Because these businesses require huge investments in equipment and people, they are expensive to start up. In broadcasting, the major factor that encouraged ownership changes, beginning in the 1980s, was deregulation. This allowed investors who had never been in the broadcast business before to enter the industry, using bank loans to pay for most of their investment. Some new owners of broadcast media companies see these

Deregulation Government action that reduces government restrictions on the business operations of an industry.

companies the way they would look at any business—hoping to invest the minimum amount necessary. They hold onto the property until the market is favorable, planning to sell at a huge profit.

5. In the 1990s, the introduction of new technologies, especially the Internet, changed the economics of all the media industries. Each industry had to adapt to the Internet quickly, and the fastest way to gain Internet expertise was to buy a company or to invest in a company that already had created an Internet presence or a successful Internet product.
6. The economic downturn that began in 2007 hit the newspaper business especially hard. Heavily dependent on real estate advertising and classifieds and challenged by the dynamics of the Internet, many publicly owned newspaper companies began losing money at an unprecedented rate. This fall in profits drove their stock prices to new lows, which made them vulnerable to takeovers and buyouts as the companies struggled to survive. Several newspaper companies, such as the Tribune Company (which publishes the *Chicago Tribune* and the *Los Angeles Times*), filed for bankruptcy protection, and in 2013 the investors who owned the Tribune Company put it up for sale.

Supporters of concentrated ownership and convergence say a large company can offer advantages that a small company could never afford—training for the employees, higher wages and better working conditions.

The major arguments against the concentration and convergence of group ownership are that concentration of so much power limits the diversity of opinion and the quality of ideas available to the public and reduces what scholars call **message pluralism**. More than 40 years ago, Ben H. Bagdikian, dean emeritus, Graduate School of Journalism at the University of California, Berkeley, described how the loss of message pluralism can affect every aspect of communication:

It has always been assumed that a newspaper article might be expanded to a magazine article which could become the basis for a hardcover book, which, in turn, could be a paperback, and then, perhaps a TV series and finally, a movie. At each step of change an author and other enterprises could compete for entry into the array of channels for reaching the public mind and pocketbook. But today several media giants own these arrays, not only closing off entry points for competition in different media, but influencing the choice of entry at the start.

Today, ownership concentration is an ongoing trend in the media business.

Advertisers and Consumers Pay the Bills

Most of the income the American mass media industries collect comes from advertising. Advertising directly supports newspapers, radio and television. Subscribers actually pay only a small part of the cost of producing a newspaper. Advertisers pay the biggest portion. Magazines receive more than half their income from advertising and the other portion from subscriptions. Income for movies, recordings and books, of course, comes primarily from direct purchases and ticket sales.

This means that companies that want to sell you products pay for most of the information and entertainment you receive from the Internet, TV, radio, newspapers and magazines. You support the media industries *indirectly* by buying the products that advertisers sell. General Motors Corp. and AT&T each spend more than \$3 billion a year on advertising. Multiply the spending for all this advertising for all media, and you can understand how easily American media industries accumulate \$200 billion in annual revenue.

You also pay for the media *directly* when you buy a book or a video game or go to a movie. This money buys equipment, underwrites company research and expansion, and pays stock dividends. Advertisers and consumers are the financial foundation for American media industries because different audiences provide a variety of markets for consumer products.

Technology Changes Mass Media Delivery and Consumption

The channels of communication have changed dramatically over the centuries, but the idea that a society will pay to stay informed and entertained is not new. In Imperial Rome, people who wanted to find out what was going on paid professional speakers a coin (a *gazet*) for the privilege of listening to the speaker announce the day's events. Many early newspapers were called *gazettes* to reflect this heritage.

The history of mass communication technology involves three information communications revolutions: phonetic writing, printing and computer technology. (See Time-Frame, p. 3.)

Message Pluralism The availability to an audience of a variety of information and entertainment sources.

Phonetic Writing: The First Information Communications Revolution

Early attempts at written communication began modestly with **pictographs**. A pictograph is a symbol of an object used to convey an idea. If you have ever drawn a heart with an arrow through it, you understand what a pictograph is. The Sumerians of Mesopotamia carved the first known pictographs in stone in about 3500 B.C.

The stone in which these early pictographic messages were carved served as a medium—a device to transmit messages. Eventually, people imprinted messages in clay, and then they stored these clay tablets in a primitive version of today's library. These messages weren't very portable, however. Heavy clay tablets don't slip easily into someone's pocket.

In about 2500 B.C., the Egyptians invented papyrus, a type of paper made from a grasslike plant called sedge, which was easier to write on, but people still communicated using pictographs.

Pictographs as a method of communication developed into **phonetic writing** in about 1000 B.C. when people began to use symbols to represent sounds. Instead of drawing a picture of a dog to convey the idea of a dog, scholars represented the sounds d-o-g with phonetic writing. The invention of phonetic writing has been called *the first information communications revolution*. "After being stored in written form, *information could now reach a new kind of audience, remote from the source and uncontrolled by it*," writes media scholar Anthony Smith. "Writing transformed knowledge into information."

About 500 years later, the Greek philosopher Socrates anticipated the changes that widespread literacy would bring. He argued that knowledge should remain among the privileged classes. Writing threatened the exclusive use of information, he said. "Once a thing is put in writing, the composition, whatever it may be, drifts all over the place, getting into the hands not only of those who understand it, but equally of those who have no business with it."

In about 200 B.C., the Greeks perfected parchment, made from goat and sheep skins. Parchment was an even better medium on which to write. By about A.D. 100, before the use of parchment spread throughout Europe, the Chinese had invented paper, which was much cheaper to produce than parchment. Europeans didn't start to use paper until more than a thousand years later, in about A.D. 1300. The discovery of parchment and then paper meant that storing information became cheaper and easier.

As Socrates predicted, when more people learned to write, wider communication became possible because people in many different societies could share information among themselves and with people in other parts of the world. But scholars still had to painstakingly copy the information they wanted to keep or pay a scribe to copy



Two folios from the Gutenberg Bible, printed in the workshop of Johannes Gutenberg, 1455 (parchment). German School, 15th century / Universitätsbibliothek, Göttingen, Germany / Bildarchiv Steffens / Bridgeman Images

The Gutenberg Bible, published by Johannes Gutenberg in Germany in 1455, was the first book printed using movable type. Although the printing was done mechanically, hand-colored decorative drawings (called **illuminations**) often were added to artistically enhance the text.

for them. In the 14th century, for example, the library of the Italian poet Petrarch contained more than 100 manuscripts that he himself had copied individually.

In Petrarch's day, literate people were either monks or members of the privileged classes. Wealthy people could afford tutoring, and they also could afford to buy the handwritten manuscripts copied by the monks. Knowledge—and the power it brings—belonged to an elite group of people.

Printing: The Second Information Communications Revolution

As societies grew more literate, the demand for manuscripts flourished, but a scribe could produce only one copy at a time. What has been called *the second information communications revolution* began in Germany in 1455, when Johannes Gutenberg printed a Bible on a press that used movable type.

More than 200 years before Gutenberg, the Chinese had invented a printing press that used wood type, and the Chinese also are credited with perfecting a copper press in 1445. But Gutenberg's innovation was to line up individual metal letters that he could ink and then press onto paper to produce copies. Unlike the wood or copper presses, the metal letters could be reused to produce new pages of text, which made the process much cheaper.

The Gutenberg Bible, a duplicate of the Latin original, is considered the first book printed by movable type (47 copies survive today, 559 years later). As other countries

Pictograph A symbol of an object that is used to convey an idea.

Phonetic Writing The use of symbols to represent sounds.

adopted Gutenberg's press, the price for Bibles plummeted. In 1470, the cost of a French, mechanically printed Bible was one-fifth the cost of a hand-printed Bible.

The second information communications revolution—printing—meant that *knowledge, which had belonged to the privileged few, would one day be available to everyone*. The key development of printing was one of the essential conditions for the rise of modern governments, as well as an important element of scientific and technological progress.

Before the Gutenberg press, a scholar who wanted specialized information had to travel to the place where it was kept. But once information could be duplicated easily, it could travel to people beyond the society that created it. The use of paper instead of the scribes' bulky parchment also meant that books could be stacked end to end. *For the first time, knowledge was portable and storable.*

Libraries now could store vast amounts of information in a small space. And because people could easily carry these smaller, lighter books, all different kinds of people in many different cities could read classical works simultaneously. Another benefit of the development of printing was that societies could more easily keep information to share with future generations. *Knowledge now was accessible to many; knowledge no longer belonged to just the chosen few.*

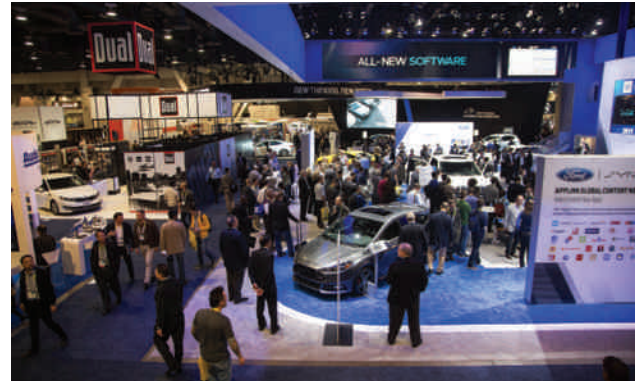
This effort to communicate—first through spoken messages, then through pictographs, then through the written word and finally through printed words—demonstrates people's innate desire to share information with one another. *Storability, portability and accessibility* of information are essential to today's concept of mass communication. By definition, *mass communication is information that is available to a large audience quickly.*

Computer Technology: The Third Information Communications Revolution

Today's age of communication has been called the *third information communications revolution* because computers have become the electronic storehouses and transmitters of vast amounts of information that previously relied on the written word.

Electronic technology, which processes and transmits information much more efficiently than mechanical devices, is driving the majority of changes affecting today's media. This has become possible with the development of digital computers, beginning around 1950. Digital delivery means that changes in today's media industries happen much faster than in the past. Satellite broadcasts, digital recordings and the international electronic network called the Internet are just three examples of the third information communications revolution.

Although each medium has its own history and economic structure, today all of the media industries compete for consumers' attention. Digital technology is



Michael Nagler/Bloomberg/Getty Images

The introduction of digital delivery represents the third information communications revolution and affects every aspect of politics, society and culture. The interconnectivity of all types of digital products is on display at the 2015 Consumer Electronics Show in Las Vegas, where car manufacturers showcase how they have integrated mobile media into their latest designs.

transforming the media business more than we can foresee—enabling faster transmission of more information to more people than ever before.

Media Take Advantage of Digital Delivery

The economics of the communications industries makes digital delivery very important. All the industries involved in building and maintaining this interconnected network—broadcast, cable, telephone, computer, software, satellite and the consumer electronics industries—want a piece of the estimated \$1 trillion in global revenue that digital delivery represents.

Leaders of the media industries in the United States are among the central driving forces in this network because many of the companies that are developing digital products—such as Apple, Microsoft, Intel and Facebook—are based in the U.S.

Because the U.S. already contributes so many of the digital environment's necessary elements, it has become logical—and very profitable—for the media industries in this country to drive converging technologies that package and deliver information worldwide.

One-Way Versus Two-Way Communication

The classic model of mass communication (see **Illustration 1.2** on p. 6) describes a process that begins with a *sender* (or source), who puts a *message* on a *channel* (a medium).

Illustrations Hand-colored decorative drawings used to enhance printed text.

The channel then delivers the message to the *receiver*. This is the equivalent of a one-way road—sender to receiver.

Digital delivery begins in the same way. The *channel* carries information and entertainment (*messages*) from many different sources (*senders*) to many different people (*receivers*). The messages that return from the receiver to the sender are called *feedback*. In the digital environment, messages and feedback can occur almost instantly because the sender and the receiver can communicate with each other simultaneously. This makes digital systems *interactive*.

To take advantage of this interactivity, today's delivery system has evolved from a communications system that works like an ordinary television (sending messages and programming one way from the sender to the receiver) into a two-way, interactive system that can send and receive messages simultaneously and that works more like a combination television, telephone and computer.

Dumb Versus Smart Communication

A standard television set is a “dumb” appliance; it can only deliver programming. You can change the channel to receive different programs, but you can't talk back to the people who send the programming to your television set to tell them when you'd like to see a particular program.

You can record something to watch later or pick a specific program to watch. But you can't rearrange a television network schedule to show all your programs exactly when you want to see them. You also can't add anything to the programs on your TV, such as your personal commentary about a football game or a bad movie. This type of mass communication—in which the programs are sent to you on an established schedule with you as a passive receiver (a couch potato) for the program—is *one-way*.

As communications devices, however, telephones are smarter. When you talk on the telephone, the person on the other end of the conversation can listen to you and talk back right away (and, in the case of a teleconference, this can involve several people at the same time). This makes telephone communication interactive, giving you the ability to talk back—to transmit as well as to receive messages. Telephone communications are *two-way*.

To communicate rapidly, telephone communication uses a system of digitized information. When you talk, the telephone system uses electronic signals to transform your voice into a series of digits—ones and zeroes—and then reassembles these digits into an exact reproduction of your voice on the other end of the line. This method of storing and transmitting data is called *digital communication*.

Like telephone communications, computers operate using digitized information and are interactive. Written words, audio and video are translated and stored as *bits*. These bits can easily be transmitted, using two-way communication. This is the reason that someone can, for



Mick Stevens/The New Yorker Collection/Cartoon Bank.com

instance, connect to the Internet on a computer and receive and send information. To communicate via the Internet, a computer uses a *modem* to connect to a telephone line or a cellular signal, making two-way communication possible.

And, unlike television and telephones, computers can store digital information for future use. This ability to store information makes the computer different from broadcast, cable, telephone and satellite communications.

How Today's Communications Network Operates

Today's communications network combines many different elements from existing media industries. The broadcast industry produces content and delivers one-way communication by antenna and satellite; the cable industry delivers one-way communication and two-way communication by underground (or overhead) cable; the telephone companies deliver digital two-way communication using fiber, satellite and cellular technology; and the electronics industry offers digital storage capability.

A digital communications network combines all these elements: content, two-way digital communication and digital storage. **Illustration 1.4** on page 17 shows how this global communications network operates.

The Receiver (You, the Subscriber)

A digital network begins with you, the receiver/subscriber. For example, you use your smartphone and

Interactive A message system that allows senders and receivers to communicate simultaneously.

Digital Communication Data in a form that can be transmitted and received electronically.

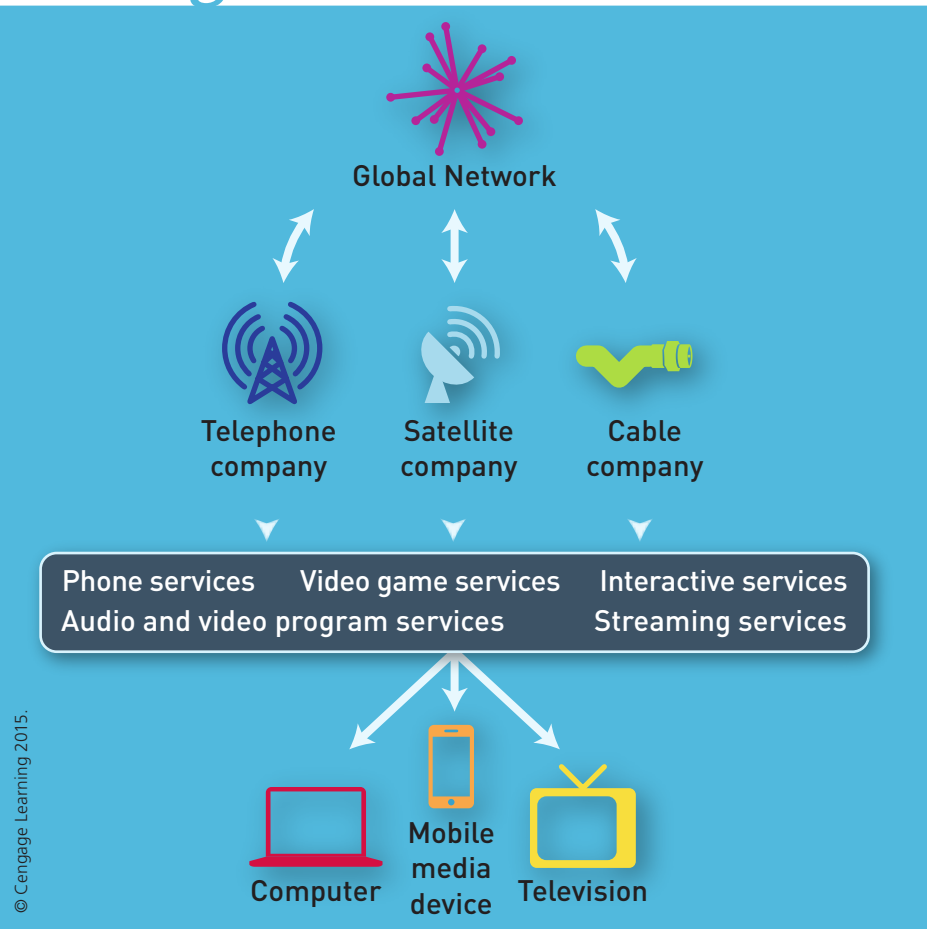
IMPACT

Convergence

ILLUSTRATION 1.4

How the Global Communications Network Works

Today's communications network combines different elements of broadcast, cable, telephone, satellite, cellular and computer technology to create a global digital communications service.



seamlessly shift between texts, video, music and news. You can, for example, choose

- ▶ First-run movies, TV episodes and music concert streaming
- ▶ Worldwide video news feeds, including access to overseas channels in a variety of languages
- ▶ Newspaper and video services, offering live access to today's stories from news and sports outlets around the globe on topics you've preselected
- ▶ Internet video games and gaming sites
- ▶ Twitter feeds, social networks, blogs and YouTube videos.

As you glance through the offerings of each service and make your choices, you can use various services at the same time. For example, you can check your bank balance while you play poker online and read your text messages while you watch an overseas soccer match.

All these simultaneous services, which you take for granted today, weren't available 15 years ago. The Internet's digital communications network makes all this possible.

The Channel (Cable, Telephone, Satellite and Cellular Companies)

Cable, telephone, satellite and cellular companies provide Internet communications delivery, acting as a conduit—gathering all the services from national and international networks. Some companies offer only specific services, or they package services together (local, national and international news services, for example), or they offer an unlimited menu of all the available services and let you choose what you want. Cable, telephone, satellite and cellular companies are competing today for consumers' Internet business.

You can choose the type of service you want based on each company's offerings and pricing. Some services are billed as pay-per-use (a \$6 charge to view a first-run movie, for example) or per retrieved item (to use a newspaper's archive to retrieve a single research article, for example).

This international communications network and the satellite system to support it already are in place—long-distance carrier networks run by a communications

company such as AT&T or a satellite service such as DirecTV or Dish Network. The **Internet**, as an international web of electronic networks, forms the backbone of this communications network, which is available to any consumer who has a screen and a cable, satellite, cellular or telephone connection to the system.

The Sender (Internet Service Providers)

Internet service providers (**ISPs**), such as AT&T, offer a way of organizing the information to help you find what you want. Today's broadcast networks, as well as cable and satellite channels, essentially are video program services, offering a group of programs for a specific subscription fee. Telephone companies also are beginning to compete to deliver programs directly to consumers.

Program services are moving toward a different model, however, which eventually will make it possible for you to choose programs from NBC and ABC and not CBS, for example, or pick ten channels from a list of available channels, rather than having to accept a large number of channels—many that you don't necessarily want to watch—packaged together as they are now. When the complete communications network is in place, the ISP will offer customized **bundles**, and you will be able to select the specific bundle you want.

The Message (Content)

All text, audio and video that are digitized into bits are potential content for an electronic communications system. In a world of networked, rapid, digitized communications, *any* digitized textbook, novel, movie, magazine article, recording, video segment or news story, for example, qualifies as content.

Information and entertainment that already have been produced, stored and digitized form the basic content for this communications network. Companies that hold the copyrights for information and entertainment can quickly and easily sell the content they already own as products, along with the ongoing information-entertainment they are producing, because they own the rights to their content and don't have to buy the rights from someone else.

Today, media companies that traditionally have produced content, such as newspaper publishers, book publishers, TV program producers and movie producers, are busy creating and buying more "inventory" for the online world. "Movie companies have been increasing production," says *The Wall Street Journal*, "because there is a general feeling that as 'content providers' they will be big winners."

Once information and entertainment products are digitized, they are available in many different formats. This is the reason a music video of Disney songs is available online as soon as—even before—Disney releases a new movie; a

profile of a well-known musician, complete with video, can be made available on the musician's Internet site during the musician's worldwide concert tour; and a publisher can assemble excerpts and photos from a new book, along with a video interview with the author, and make them available on the Internet to promote the book before it hits the bookstores. With convergence, the availability of digital content means all the mass media industries have become technologically interdependent and interconnected.

Mass Media Both Reflect and Affect Politics, Society and Culture

The media industries provide information and entertainment, but mass media also can affect political, social and cultural institutions. Although the media actively influence society, they also mirror it, and scholars constantly strive to delineate the differences.

Current news events often focus attention on the role of mass media in society. For example, when President Obama announced in February 2015 that he planned to move ahead with immigration reform despite Congress' objections, the public conversation about the relationship between Congress and the presidency played out through public events scheduled by both sides in the debate. If you were a scholar studying the role of the mass media in public policy, how



Saul Loeb/AFP/Getty Images

Current news events often focus attention on the role mass media play in the development of public policy. On February 4, 2015, President Obama invited media coverage of his meeting with a group of young immigrants at the White House to bring public attention to the need for immigration reform.

Internet An international web of computer networks.

ISP Internet service provider.

Bundle The combination of telecommunications services that the media industries can offer consumers.

would you analyze the role that mass media play in setting the agenda surrounding public topics such as immigration?

This example shows the difficulty scholars face when analyzing mass media's political, social and cultural effects. Early media studies analyzed each message in the belief that once a message was sent, everyone would receive and react to the message in the same way. Then studies proved that different people process messages differently—a phenomenon described as **selective perception**. This occurs because everyone brings many variables—family background, past experiences, interests and education, for example—to each message.

Complicating the study of mass media's political, social and cultural effects is the recent proliferation of media outlets and social networks. The multiplying sources for information and entertainment today mean that very few people share identical mass media environments. This makes it much more difficult for scholars to analyze the specific or cumulative effects of mass media on the general population.

Still, scholars' attempts to describe mass media's political, social and cultural roles in society are important because, once identified, the effects can be observed. The questions should be asked so we do not become complacent about the role of mass media in our lives, so we do not grow immune to the possibility that our society may be cumulatively affected by mass media in ways we cannot yet accurately quantify.

Advertising also is often the focus of media analysis—does advertising cause you to buy products you don't need? Is there a one-to-one relationship between how much money a company devotes to advertising a product and the success of that product? And, if so, how does an advertiser reach a specific customer for a product when mass media delivery today is so diffused? “Marketers used to try their hardest to reach people at home, when they were watching TV or reading newspapers or magazines. But consumers' viewing and reading habits are so scattershot now that many advertisers say the best way to reach time-pressed consumers is to try to catch their eye at literally every turn,” reports *The New York Times*.

The market research firm Yankelovich reports that a person living in a city 30 years ago saw up to 2,000 ad messages a day, compared with up to 5,000 today. According to *The New York Times*, about half the people surveyed by Yankelovich said they thought marketing and advertising today were “out of control.” How does advertising affect your buying choices?

Why You Should Understand Mass Media and Everyday Life

In the United States, Europe and Asian countries that have encouraged technological advancements, communications changes are moving faster than ever before.

For the media industries, this means increasing costs to replace old equipment and expand to meet demand. For consumers, this means a confusing array of products that need to be replaced soon after purchase—video streaming replacing Blu-ray Disc players, which replaced DVD players, which replaced VCRs; curved HDTVs replacing flat-screen HDTVs, which replaced conventional TVs; and smartphones replacing iPods, which replaced CD players, for example.

Forecasters today envision an even bigger technology imprint on people's everyday lives. They describe a future called the **Internet of Things (IoT)**, where all aspects of consumers' lives—from media, to medical information to fitness to home security to the temperature of their air conditioners—will be managed through their connection to the Internet. (see **Impact/Convergence**, p. 20.)

The development of communications technology directly affects the speed with which a society and culture evolve. A town with only one telephone or one radio may be impossible for people in the United States to imagine, but there still are many countries in which ten families share a single telephone, and people consider a television set to be a luxury.

By today's standards, the earliest communications obstacles seem unbelievably simple: how to transmit a single message to several people at the same time and how to share information inexpensively. Yet it has taken 5,500 years to achieve the capability for instant communication that we enjoy today.

After you understand how each type of media business works, you can examine why people who work in the media make the business decisions they do and the effects these decisions have on the United States and the global economy. With a better grasp of technology's role in the evolving mass media landscape, you can see how technological change affects the media business.

Once you understand the history of mass media development, you can consider the mass media's present-day effects on you and on society as a whole. Only then—once you understand the mass media's evolutionary path from 3500 B.C. to today—can you truly begin to analyze the **impact** of mass media on your everyday life.

Internet of Things (IoT) A computing concept that envisions a society where all electronic devices are interconnected through the Internet and, in turn, can process and share information and interact globally.

Selective Perception The concept that each person processes messages differently.

IMPACT

Convergence

The Internet of Things Is Far Bigger Than Anyone Realizes*By Daniel Burrus, Wired*

When we truly consider the ramifications of connecting a vast array of data-gathering sensors, devices, and machines together, what's important to realize is that information will be translated into action at a rate that we have never seen before. We are closing in on a world with infinitesimal reaction times, immediate responses to changing conditions, and unparalleled control in managing assets and resources.

The key is not to think small. The Internet of Things (IoT) is not merely about creating savings within current industry models. It's about upending old models entirely, creating new services and new products. There is no one sector where the Internet of Things is making the biggest impact; it will disrupt every industry imaginable, including agriculture, energy, security, disaster management, and healthcare, just to name a few.

How do you make this intelligence useful? Take a look at your own home. What parts can you make smart? Here's a simple one. I once observed a video conferencing system that allowed a dog owner to actually talk to his dog, call it over, and feed it remotely through a smart appliance. Think bigger. A house that knows when you're coming home because it's connected to a sensor in your car or smartphone. A home that links smoke alarms,

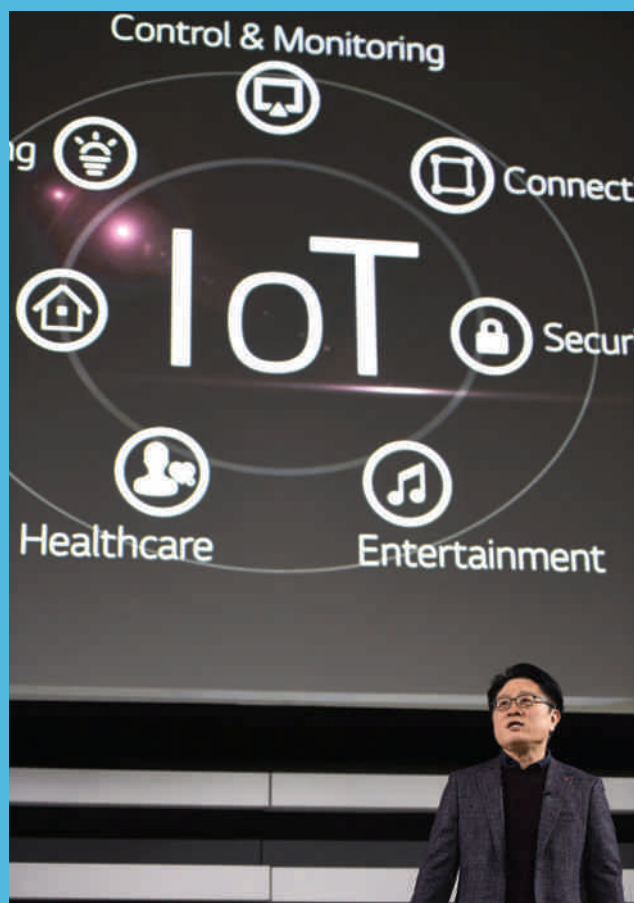
security systems, and infotainment consoles to your phone.

This is a huge and transformational shift. It won't stop with intelligent homes and businesses. We're going to end up with intelligent highways and vehicles, intelligent factories and farms, intelligent utility and power grids. This is not some flight of fantasy, or one of many potential outcomes (what I call a soft trend). This is a hard trend: it's a projection based on measurable facts, facts that cannot be changed.

I haven't even come close to listing all the ways this technology is going to impact us. It's going to create disruption and opportunity in every imaginable field, and it's entirely up to you whether you're going to be one of the disrupted or the disruptors. Because this is going to happen. It's time to learn about it now.

Daniel Burrus, CEO and President of Burrus Research, is a leading technology forecaster and innovation expert.

Excerpted from Daniel Burrus, "The Internet of Things Is Far Bigger Than Anyone Realizes," Part 2. Wired.com, November 26, 2014.



Robyn Beck/AFP/Getty Images

Skott Ahn, president and chief technology officer at electronics manufacturer LG, discusses the Internet of Things at the 2015 Consumer Electronics Show in Las Vegas.

REVIEW, ANALYZE, INVESTIGATE

CHAPTER 1

Mass Media Are Everywhere You Are

- Adults spend three-fourths of their waking lives with the media.
- Some form of media touches your life every day—economically, socially and politically.

Mass Communication Becomes Wireless

- Historically, to be connected to media meant that you had to be near an electrical outlet.
- Because of the development of digital communication, most of today's mass media is wireless.
- Electronic signals have replaced wires, freeing people up to stay connected no matter where or when they want to communicate.

How the Communication Process Works

- Communication is the act of sending messages, ideas and opinions from one person to another.
- *Intrapersonal* communication means communication within one person.
- *Interpersonal* communication means communication between two people.
- Mass communication is communication from one person or group of persons through a transmitting device (a medium) to large audiences or markets.
- By definition, mass communication is information that is made available to a large audience quickly.

What Are the Mass Media Industries?

- There are eight mass media businesses: books, newspapers, magazines, recordings, radio, movies, television and the Internet.
- Books were the first mass medium.
- The Internet is the newest mass medium.

Three Key Concepts to Remember

- Mass media are profit-centered businesses.
- Technological developments change the way mass media are delivered and consumed.
- Mass media both reflect and affect politics, society and culture.

Mass Media Are Profit-Centered Businesses

- All U.S. media are privately owned except the Public Broadcasting Service and National Public Radio, which survive on government support and private donations.
- Overall, American mass media ownership has been contracting rather than expanding, with fewer companies owning more aspects of the media business. This trend is called *concentration of ownership*.
- Concentration of ownership takes four forms: chains, broadcast networks, conglomerates and vertical integration.
- Above all, the major goal of the American mass media is to make money. Except for National Public Radio and the Public Broadcasting Service, all U.S. media operate primarily as profit-centered businesses.

Convergence Dominates the Media Business

- Media acquisitions in the U.S. have skyrocketed because most conglomerates today are publicly traded companies and because, beginning in 1980, the federal government deregulated the broadcast industry.
- The economic downturn that began in 2007 made publicly owned newspapers especially vulnerable to takeovers and acquisitions.
- The trend of mergers and acquisitions is expected to continue as changing technology expands the global market for media products.

Why Media Properties Converge

- U.S. media industries continue to prosper, but the share of profits is shifting among the different types of media industries.
- Supporters of concentrated ownership and convergence say a large company offers advantages that a small company can never afford; critics say concentrated ownership and convergence interfere with message pluralism.

Advertisers and Consumers Pay the Bills

- Most of the income the mass media industries collect comes from advertising.
- People who want to sell you products pay for most of the information and entertainment you receive through the American mass media.
- Consumers support the media indirectly by buying the products that advertisers sell.

Technology Changes Mass Media Delivery and Consumption

- The invention of phonetic writing in 1000 B.C. was considered the *first information communications revolution*.
- The invention of movable type in 1455 marked the *second information communications revolution*.
- The invention of digital computers in 1951 ushered in the *third information communications revolution*.
- The new world of mass media uses wireless communications technology, an intricate webbed network of many different types of communications systems.
- The development of communications technology directly affects the speed with which a society evolves.
- Storability, portability and accessibility of information are essential to today's concept of mass communication.

Media Take Advantage of Digital Delivery

- Today's information network includes the broadcast, cable, telephone, computer, software, satellite and consumer electronics industries.
- The traditional delivery system for information and entertainment is primarily a one-way system.
- The ability to talk back—to transmit as well as receive messages—makes the telephone interactive.
- Today's communications network is a two-way, interactive system.

How Today's Communications Network Operates

- The communications network needs content, two-way digital communication and digital storage.
- Cable companies, satellite services, telephone companies and cellular companies deliver services on the new communications network.
- Many Americans already have all the tools that a digital communications system requires—television, telephone, cellular, cable and satellite services and electronics.

- Information and entertainment that already have been produced, stored and digitized provided the first content for the communications network.
- Many motives shape the American mass media, including the desire to fulfill the public's need for information, to influence the country's governance, to disseminate the country's culture, to offer entertainment and to provide an outlet for creative expression.
- Media industries expand and contract in the marketplace to respond to the audience.

Mass Media Both Reflect and Affect Politics, Society and Culture

- The media are political, social and cultural institutions that both reflect and affect the society in which they operate.
- Multiplying sources of information and entertainment mean that, today, very few people share identical mass media environments.

Why You Should Understand Mass Media and Everyday Life

- In the United States, Europe and Asian countries that have encouraged technological advancements, communication changes are moving faster than ever before.
- For the media industries, this means increasing costs to replace old equipment. For consumers, this means a confusing array of products that need to be replaced soon after you buy them.
- The development of communications technology directly affects the speed with which a society and culture evolve.
- It has taken 5,500 years to achieve the capability for instant communication that we enjoy today.
- Forecasters predict that eventually all electronic devices will be connected in an Internet of Things.

Key Terms

These terms are defined in the margins throughout this chapter and appear in alphabetical order with definitions in the Glossary, which begins on page 361.

Affiliates **10**

Bundle **18**

Concentration of Ownership **10**

Conglomerates **11**

Convergence **11**

Deregulation **12**

Digital Communication **16**

FCC **10**

Feedback **6**

Illuminations **15**

Interactive **16**

Internet **18**

Internet of Things (IoT) **19**

ISP **18**

Mass Communication **5**

Mass Media Industries **7**

Media **6**

Medium **6**

Message Pluralism **13**

Noise **6**

Phonetic Writing **14**

Pictograph **14**

Selective Perception **19**

Subscription Television **9**

Vertical Integration **11**

Wi-Fi **4**

Critical Questions

1. Discuss the differences between one-way and two-way communication, and explain why two-way communication is important for the new communications network.
2. Identify the three communications revolutions and discuss how each one drastically changed the world's mass media.
3. Summarize the advantages and disadvantages of the concentration of ownership in today's mass media business.
4. In traditional media, advertising aimed at consumers pays for delivery of entertainment and information. How has digital delivery changed the way people pay for mass media?
5. What do technology forecasters mean when they talk about The Internet of Things? List and explain three advantages and disadvantages you can foresee if the Internet of Things becomes a reality.

Working the Web

This list includes both sites mentioned in the chapter as well as others to give you greater insight into mass media and everyday life.

AOL (formerly America Online)

aol.com

Originally part of AOL/Time Warner, AOL provides online digital content in partnership with The Huffington Post Media Group, as well as several other pay advertising platforms such as Adtech, Pictela and Studio Now.

CBS Corporation

cbscorporation.com

CBS operates in every field of media and entertainment, including CBS Radio, Showtime, Simon & Schuster Publishers, The CW, Pop, CBS Sports Network, CBS Television Studios, CBS Interactive and CBS Films.

Comcast Corporation

comcast.com

Comcast Corp. has two primary businesses—Comcast Cable and NBC Universal. Comcast provides cable, Internet and landline phone service throughout the United States under the Xfinity brand. NBC Universal operates news and basic cable networks, including the NBC and Telemundo broadcast networks, Universal Pictures and Universal Parks and Resorts.

Gannett Company

gannett.com

Gannett publishes 82 daily newspapers, including *USA Today*, and operates 46 television stations, G/O Digital (CareerBuilder.com and 120 online mobile applications), and Newsquest, a regional community news provider in the U.K.

News Corporation and 21st Century Fox

Formerly known as News Corporation (a combination of major newspaper publishers and the Fox media networks), in 2013 the company was split off into two companies, News Corporation and 21st Century Fox.

News Corporation

newscorp.com

News Corporation is comprised of Fox News Corp., News U.K., Dow Jones, *The New York Post*, Harper Collins Publishers, Amplify, News American Marketing, Storyful and Move.

21st Century Fox

21cf.com

21st Century Fox is made up of basic cable networks (Fox News, Fox Deportes and Fox Sports 1) filmed entertainment (20th Century Fox, Fox Searchlight and 20th Century Fox Television), and the SKY Satellite Network.

Sony Corporation of America (SCA)

sony.com

The U.S. subsidiary of Sony Corp. is located in New York City. A large manufacturer of audio, video and information technology products, SCA's primary businesses include Sony Electronics, Sony Pictures Entertainment, Sony Computer Entertainment America and Sony Music Entertainment.

Time Inc.

timeinc.com

Spun off from Time Warner, Inc. into a private publishing company in 2014, the company currently consists of both online and print versions of major magazine publications such as *People*, *Sports Illustrated*, *InStyle*, *Time*, *Real Simple*, *Entertainment Weekly* and *Fortune*.

Time Warner Inc.*timewarner.com*

Time Warner Inc.'s primary businesses include cable and broadcast television networks and film and television entertainment companies (CNN, HBO, Cinemax and Warner Brothers). In 2014, Time Warner spun off its magazine division (including *Sports Illustrated* and *Time* magazines) into a separate company called Time Inc. (TimeInc.com).

Tribune Media Company and Tribune Publishing

Formerly known as The Tribune Company, Tribune was split into two companies in 2014.

Tribune Media*tribunemedia.com*

Tribune Media is comprised of television and digital companies, including 42 television stations (including WGN America), Tribune Studios, Gracenote and WGN-Radio.

Tribune Publishing*tribpub.com*

Tribune Publishing is now comprised of *The Chicago Tribune*, *The Los Angeles Times*, *The Orlando Sentinel*, *The Sun Sentinel* and *The Baltimore Sun*.

Twitter*twitter.com*

Headquartered in San Francisco and claiming more than 500 million users, Twitter is an online social networking

company that allows subscribers to send and receive 140-character messages or “tweets” from anywhere in the world via a cell phone.

Viacom Incorporated*viacom.com*

Viacom Inc. has two large entertainment divisions—Viacom Media Networks and Paramount Pictures Corporation. Viacom Media Networks is comprised of MTV, Comedy Central, Nickelodeon and BET. Paramount Pictures includes Paramount Pictures, Paramount Vantage, Paramount Animation, Insurge Pictures, MTV Films and Nickelodeon Movies.

The Walt Disney Company*thewaltdisneycompany.com*

The Walt Disney Company operates family entertainment and media companies under five different business operations: Media Networks (Disney/ABC Television Group and ESPN Inc.), Parks and Resorts, Walt Disney Studios, Disney Consumer Products and Disney Interactive.

YouTube*youtube.com*

Owned and operated by Google Inc., YouTube allows people to watch videos online from around the world about any subject, including comedy, news and politics, pets and animals and sports. In early 2015, the company announced plans to launch a separate online channel just for children.



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MindTap® Log on to MindTap for *Media/Impact* to access a variety of additional material—including learning objectives, chapter readings with highlighting and note-taking, **Impact/Action Videos**, activities, and comprehension quizzes—that will guide you through this chapter.

BOOKS

REARRANGING THE PAGE

02



Layne Murdoch/NBAE via Getty Images

Russell Westbrook of the Oklahoma City Thunder reads to children on February 23, 2015, at Martin Luther King Elementary in Oklahoma City, as part of the Russell Westbrook Why Not? Foundation's literacy initiative.