Is Over-the-Air Radio Dying? November 2, 2015.

A. Michael Noll
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by William Dutton

November 2nd, 2015

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Does the Internet and streaming mean that broadcast over-the-air radio is dying? History tells us that a new medium does not mean the death of old media. There usually is room for all, although some evolutionary morphing usually does occur. The challenge is understanding and predicting that change – and benefitting from it.

What is radio? Is it the radio waves and modulation technique of amplitude modulation AM) or frequency modulation (FM)? Does it mean the content that is packaged and transmitted to a broad audience? Does it mean the ability to listen almost anywhere at any time?

Today downloading and streaming over the Internet offer individualized content for each listener. But content that is shared and heard by many creates a collective experience.

There are about half-a-billion radio receivers in the United States. During times of emergencies, they are frequently the only way to receive news and know what is happening.

Late at night, unable to sleep, I would listen to my radio. But I now listen over the Internet on my iPod or iPad over Wi-Fi in the house. The FM radio signal became too weak to receive for the classical station I usually listened to. But there was ease to the radio that is not there using the Internet. And the Internet allows me to have access to stations all over the US — and the world.

So how will over-the-air evolve? How will it synergize with the Internet? Clearly there is a market for listening to what someone else prepares and decides to broadcast. The broadcast model offers great economies of scale, yet some individuals seem willing to pay for individualized content. But business models might need to be adjusted for fewer more focused audiences and advertisers, and different delivery mechanisms.

A. Michael Noll

One thought on “Is Over-the-Air Radio Dying? by A. Michael Noll”

Ben Compaine says: November 2, 2015 at 5:00 pm A few thoughts on Michael’s radio thoughts. First, I would add that in addition to the challenge of understanding and predicting that change – and to benefit from it–is the challenge of adapting the business structure and business model. As newspapers have had to downsize, offer fewer sections, some not publishing daily, of course adding digital versions and trying to make up some advertising revenue that way and in a few cases successful paywalls, so radio broadcasters may need to make adjustments to smaller audiences and fewer advertisers. Second, in your final sentence, “…yet individuals seem willing to pay for individualized content.” My mantra is the word “some.” SOME individuals seem willing to pay. In aggregate the some may be a large sum, but, so for at least a time, so are the sum of those who prefer a flavor of “free” (to them) radio. The trick is always how large the “some” for anything is or will be. But you ‘re certainly right about old media surviving. So far no information technology has totally wiped out older technologies (devices, yes, e.g., Walkman, 8 tracks–but not the medium itself). They just morph (as radio broadcasters did with the advent of TV) and find new niches. Michael’s comments, by the way, were stimulated by a seminar of the Columbia Institute for Tele-Information (CITI) Fellows about NextRadio. One tid-bit reported: The market valuation of Spotify is 3x the valuation of the entire U.S. radio. broadcast industry. How’s that for context? Reply
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