

WHY ARE AMERICAN MEDIA SO COMMERCIAL? An Historical Perspective

American mass media have deep roots in business. In the late 1800s and early 1900s, newspapers went to outrageous lengths to drive up readership. They used bold, shock headlines; ran sensationalist photo essays; and engineered outrageous publicity stunts. In one famous incident, the *New York Sun* ran a fake news series about mysterious moon men that it claimed scientists had discovered. Similar tactics persist today, of course, and are often associated with tabloids like the *National Enquirer* or perhaps the *New York Post*.

Radio broadcasting, which took off in the early 1900s, was originally intended to sell receivers and other equipment. Radio stars of the 1920s and 1930s were practically interchangeable with the products they plugged: Jack Benny brought fame and fortune to Jell-o (and vice versa); Ed Wynn was known as the “Texaco Fire Chief,” and musicians were wont to name their bands after their sponsors: The Lightcrust Dough Boys, the Lucky Strike Orchestra, etc. The same held true for the early days of television. Corporate sponsors produced not only the advertising, but the programming. TV shows bore titles such as “Camel Newsreel” and the “Chesterfield Supper Club.”

In other words, mass media in the United States have always been commercial. That is, they have always existed to turn a profit, while purposes such as educating children, informing voters, and communicating ideas have been secondary. But this is not to say that media has not changed. Several factors have in fact increased the commercialization and corporatization of media. We’re going to look at those factors over the next couple of weeks:

- I. The natural demands of capitalism (and advertising’s diminishing returns)
- II. Advances in technology
- III. Government regulation and deregulation
 1. Removing laws that limit media ownership, leading to the consolidation of media sources into fewer, larger companies
 2. Decline of the public interest standard in broadcasting
 3. Changes in copyright law

I. “GROW OR DIE” — CAPITALISM 101

In order to understand how media works in a capitalist system, you must first know something about capitalism systems. That something is succinctly captured in industry’s popular manta to “grow or die.” Businesses, that is, must continually expand in order to be considered successful.

The central goal of business is to turn a profit—to have income exceed expenses. If I own a book store, the money I make selling books and other things is my income. That income has to be more than enough to pay the rent, labor, advertising and other necessary expenses. It’s not considered good business to make just enough money to pay employees, keep the lights on, and the bills paid.

The more profits corporations earn, the more they *have* to earn.

That may be enough to keep me happy by my own, personal standards. But I need to make a profit to be considered a successful business.

This is also the case with large corporations. The people on the board of corporations can’t be satisfied with paying their staffs and covering costs; they have to earn profits for their investors. Corporations must continually grow in order to keep shareholders happy. Over time, then, pressure toward the bottom line increases. The more profits they earn, the more they *have* to earn. As a result, media companies—like other corporations—consolidate. Large companies buy out somewhat less large companies in order to increase efficiency. Divisions that aren’t profitable get cut. In the case of media companies, that means news, educational, and other noncommercial programming.

Large media companies have always tried to maximize profit, of course. Popular novels, movies and radio and TV were, practically from the start, devoted to sentimental, formulaic dramas. Yet it used to be common for large companies to fund programming or books that weren’t profitable, either to establish “good will” with the public, or

because a few influential individuals in the company were committed to getting them out. When television was first widely introduced in the 1950s, for example, the networks poured millions into unprofitable news divisions. Though they knew news lost money, networks considered it important for establishing good will. The networks used hit shows to subsidize the less profitable ones. As economic pressure has increased, however, networks can't afford such luxuries. News programs are required to turn a profit and, as a consequence, have become increasingly entertainment-driven. Whether news even has a place in the future of TV is subject for debate. Many predict that it will be replaced by entertainment programming, comedy shows like *Politically Incorrect* or *Late Night with David Letterman*. Similar trends have taken place in book publishing. Serious works of history and social or political thought are on the wane while publishers focus on more and more blockbusters.

Advertising's Diminishing Returns

Unfortunately for businesses, as they strive to increase profits, one of their key tools—advertising—becomes less and less effective over time. That's partly because the more businesses advertise, the harder it is for any individual advertiser to its message across. If company X buys 15 commercials on *Baywatch*, those commercials would have their greatest impact if they were the only spots during that hour. But if 20 companies advertise during that hour, viewers are unlikely to recall any of them. The more competing advertisements in any medium—whether television, radio, or print—the less likely consumers will notice any given one. This is known as advertising “clutter.”

Over time, clutter generally

increases. A company that needed to run a commercial, say, 30 times on national TV in 1970 may find that it needs to run 200 commercials in 2002 *to have the same impact*. An increase in advertisements, then, leads individual advertisers to need even more ads, which only makes the clutter worse. Advertiser then need to find new ways of getting their message across. These ways are quickly copied, creating more clutter, requiring new forms of advertising to emerge. We will look more at this process more closely when we study advertising.

II. NEW TECHNOLOGIES

Entire books could be written on this topic and barely scratch the surface. The important point here is that technology has allowed media companies to reach their target audiences much more efficiently. In the print era, selling entertainment required producing and distributing tangible, physical products—books, magazines, and newspapers. Things had to be packaged and shipped across the country. This is still the case in certain industries, of course. Publishers have to deal with printers, distributors, and retailers, all of who take a cut of their profits. Print media faces limits as well: the prospective audience is restricted to the *literate*, people who can read.



In the early days, radio broadcasting featured live orchestras.

Technology has allowed media companies to reach their target audiences much more efficiently.

The relationship between media producers and audiences was radically altered by broadcasting. Radio eliminated the burden of physically distributing a product. Getting a message out to listeners required neither trains nor boat (which is to say, no shipping costs) and no real middlemen. Radio also made it possible to reach huge groups of people simultaneously. While people read books and periodicals at their own pace, on their own time, radio was (and remains) simultaneous — listeners experience it at once.

Radio was perhaps the first truly national mass media. Though today we think of radio as regional—with New York's stations differing from those in, say, Kansas—early radio was dominated by networks (such as ABC and NBC) that broadcast nationally as well as regionally. Radio transcended class, regional and ethnic differences and led to the creation of a national culture. The only thing needed to understand it was a familiarity with the English language. Radio allowed a huge body of Americans to share the same media; they heard the same music, the same news, the same personalities and the same commercial messages. This, naturally, made it much easier for companies in their efforts to create national markets.

But if radio had few barriers to listening, television had fewer still. And understanding of English was no longer required. And television's visual nature made it an infinitely stronger selling tool. (Seeing is believing, as they say.) Moving images confer their own sort of reality. They made images of consumer living not only easier to imagine but nearly impossible to escape.

The second half of the twentieth century brought many new technological wonders: VCRs, photocopying machines, cable and satellite television, digital cameras, computer databases, personal computers, PDAs, pagers, video games, DVDs, electronic kiosks, and web portals. While these devices can make life easier for consumers, they also extend the powers of marketers. Computers, for example, make target marketing possible. Companies have wanted to segment demographic groups since at least the 1920s, but only recently have they developed the tools to do so on a large scale.

New technologies have multiplied exponentially the number of ads beamed at Americans every day.

- Video monitors fueled by advertising dollars can be seen in stores, elevators, doctor's offices, and baseball games.
- Digital printing has made it possible to create enormous billboards that cover whole buildings. Unlike billboards of decades past, these wallscapes can be put up or taken down in a few hours.
- Television broadcasters use digital editing devices to insert advertising messages and products into programs, whether they be sports events or old sitcoms.
- A company called Digiscents (which may now be defunct) was developing a technology that synthesizes fragrances for use by marketers in their messages.

The digital revolution has not only benefited marketers, of course. While technology has enabled mass marketers to transmit messages in new ways, it has also been a boon for independent media. Personal computers and word processing software allows people—teenagers, retirees, you name it—to create their own newsletters and zines. The internet gives activists a powerful new tool for operating cheaply and efficiently. The WTO protests in Seattle in 1999 were largely organized by email.

III. GOVERNMENT REGULATION AND DEREGULATION

Over the past few decades, the relationship between government and the media has shifted, eliminating regulations in some areas (ownership, public interest standard) and expanding regulation in others (copyright, First Amendment). Both regulatory trends have favored the interests of media industries. We will look at the hows and whys of these trends over the next few weeks