

**Steve Ahern, *Making Radio* 3<sup>rd</sup> edition**  
*Supplementary reading*

**Radio and New Technology**  
Steve Ahern

Radio remains a powerful personal medium, with a direct connection to the hearts and minds of its audience, but it is being challenged by new technology.

The challenge is not unprecedented. Radio survived the earlier challenge of television by reinventing its business model and repositioning its content offering. It can do so again, but it takes careful planning by radio company executives to execute successful future-proof strategies.

Free to air terrestrial radio's business model is to give away its product free to listeners, then to make money by selling the ears of the listeners to its commercial or government funders. The cost of production is also a significant factor in the equation. Like all good businesses, survival depends on achieving the correct balance between income and expenditure.

New technology is disrupting the radio industry business model in many ways. Below are some of the trends you need to be aware of to help your broadcast business keep pace with the changes.

**Competition.** The internet is the biggest transmitter in the world. It crosses borders and brings more competition to stations that used to be protected by the limitations of terrestrial broadcast transmission range. It has allowed audiences to have more choice, bringing unprecedented competition to radio businesses. The cost of bandwidth can be a barrier, but, with data costs reducing in most countries, this is only a short term barrier to entry for audiences seeking more content choices.

**Portability.** In the days where computers and televisions were too big to fit in your pocket, the portable transistor radio had a unique position. Now, connected multi-media smart phones bring sound, vision and the power of the computer to your pocket. Radio companies must take advantage of the power of the pocket by making sure they can bring their content to the pocket of every listener through apps and other online tools. But the playing field has changed. Now television broadcasters, podcasters, YouTubers and other

multi-media content suppliers can also use the power of the smart phone to get their content into the pockets of the audience. Radio cannot be complacent; it has to fight for relevance on the audience's smart devices.

**Audio.** You can do other things while listening to the radio. The power of audio to accompany the audience as they go about their daily activities is still a unique position for radio, which gives it strength to compete against other screen dependent media. But radio no longer has this ground all to itself; there are new competitors.

**Music Streaming Services.** Music streaming services such as Pandora, Spotify, Deezer and others are reinventing the way audiences consume music. They have replaced our record and CD collections with a store-house of individual songs that can be accessed on demand wherever and whenever the audience wants. Listeners either pay a subscription to have access to the biggest music libraries in the world, or accept advertising in return for a free service. Pandora earned US\$600 million in 2014 by renting music to its millions of users. iTunes has just launched its streaming radio service called Beats 1. The music radio business model is being reinvented by these new services and is another challenge to the traditional radio business model.

**Social Connectedness.** Radio was the first social medium; back then it was called talkback. Radio has a natural advantage in the social media age if it is confident enough to use social media to its advantage. Radio producers and presenters already know how to generate and moderate talkback; they just need to apply these skills to the new social media, not just to read out messages, but to actively engage with the communities they build around their radio shows. A big social media fan base can bring large audiences and instant feedback to radio, but social media is a double-edged sword. Everything is public, so it can also be damaging if used unwisely.

**Studios and Transmission.** Free to air transmission is becoming digital and studios are embracing digital systems to improve production workflow. When moving to digital transmission stations must evolve to one of the digital radio standards available, such as DRM or DAB, to ensure that radio is able to transmit audio plus rich data, and be heard on all digital devices. A world radio receiver chip is well overdue, and broadcasters should champion universal receiver technologies so that, whatever transmission-standard is used, audiences will be able to receive all available signals.

**Smart phones.** They are not really just phones anymore, let's call them what they really are: the world's smallest, most powerful, personal, multi-media capture, edit and consumption devices. They are devices which put the

world's knowledge in your pocket and make everyone potentially a content creator. We really are living in the information age. Smart phones are becoming the most common receivers, so radio signals must be able to be received in smart phones. Phone companies should install and activate receiver chips in phones and radio stations must embrace the convenience of apps and responsive delivery so their audiences have choices about how to hear the broadcast signal on these amazingly powerful devices.

**Post broadcast innovations.** Radio stations are streamlining the creation, editing and output processes of the business to build efficient, cost-effective workflows from creation to multi-platform publication. But what happens when the program is delivered? We are just scratching the surface of how to effectively reuse content to take advantage of the search, sort, viral and long tail characteristics of the internet. Watch this space for more developments as radio businesses continue on their drive for efficiency. Products coming onto the market in this area include Rewind Radio and Omny.

**Social Media Superficiality.** Of all the billions of tweets, posts, grams and chats consuming the social mediascape at the moment, most of them are trivial, superficial or just plain wrong. There is still a demand for well-researched, trustworthy content that will rise above the dross of food photos, fan gossip and selfies. As established broadcasters with reputations to uphold, existing radio businesses can take the high ground when it comes to content by making sure what they publish on social media is just as credible as the content on their main broadcast outlets. But being credible doesn't mean being slow or boring. Credibility in the modern age also requires timeliness, relevance and engagement. Stations that are getting that mix right are succeeding in social media as well as broadcast media.

It is an exciting time for our industry: the race for success has never been so competitive or exciting. But this race has no finish line, we will need to continue running to stay ahead. Does your organization have the stamina for such a race? If so, good luck. If not, do something about it... now!

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