

Some guiding questions

- ⌘ How are mass media organizations structured?
- ⌘ What is the new media economy in the Information Age?
- ⌘ What is cultural imperialism, and how is it related to the globalized economy?
- ⌘ What are concerns about the concentration of media ownership?

MEDIA STRUCTURES

- ⌘ **MONOPOLY:** when a single firm dominates production and distribution in a particular industry, either locally or nationally
- ⌘ **OLIGOPOLY:** when a handful of companies dominate an industry, either locally or nationally
- ⌘ **LIMITED COMPETITION:** a media market with many producers and sellers but only a few differentiable products

Methods of collecting revenues

- ⌘ Direct payment: media products supported primarily by *consumers*
- ⌘ Indirect payment: media products supported primarily by *advertisers*

COSTS AND BENEFITS OF ADVERTISER SUPPORT

Advertisers defray costs to consumers *but ...*

- ⌘ Advertisers often influence media content
- ⌘ Advertising and content are sometimes hard to distinguish
- ⌘ Advertisers target certain audiences while neglecting others

From Industrial Age to Information Age

- ⌘ Centralized mass production → decentralized service economy
- ⌘ Emphasis on information distribution and retrieval

Business and Media Regulation

- ⌘ Reflects changing relationship between the U.S. government and big business
- ⌘ Based upon beliefs about the degree to which a government should be involved in a market economy

MAJOR ANTITRUST LEGISLATION

- ⌘ *SHERMAN ANTITRUST ACT of 1890*: passed by Congress; outlawed monopoly practices that limited free trade
- ⌘ *CLAYTON ANTITRUST ACT of 1914*: prohibited exclusive sales arrangements
- ⌘ *CELLER-KEFAUVER ACT of 1950*: limited corporate mergers

From Regulation to Deregulation

- ⌘ Since 1980s, spirit of deregulation has guided U.S. legislation, especially in communications industry.
- ⌘ Telecommunications Act of 1996 lifted most restrictions on media ownership.
- ⌘ Has led to *increased mergers, corporate diversification, and increased tendency toward oligopoly.*

CHARACTERISTICS OF OUR INFORMATION ECONOMY

- ⌘ Increased consolidation of media corporations: rise of megacorporations
- ⌘ Flexible markets -- an "elastic economy" -- that produces expanded product selection but increased percentage of failures
- ⌘ Rise of specialized "niche" markets
- ⌘ Economic "synergy" at international levels

Globalization

- ⌘ Global cooperation and the breakdown of economic trade borders
- ⌘ Globalization of corporations (multinational, transnational)

Why has AMERICAN MEDIA CULTURE gone GLOBAL?

- ⌘ Media technologies cheaper and more portable
- ⌘ Satellite technologies enabled global access
- ⌘ Cheaper manufacturing by moving U.S. plants outside U.S. borders, especially Third World nations
- ⌘ American media products (like TV shows) often cheaper than local products

The DISNEY Example

- ⌘ 1920s-1940s--era of cartoon creativity
- ⌘ 1950s-1960s--era of diversification
- ⌘ 1980s-1990s--era of consolidation and synergy
- ⌘ How does SYNERGY operate in the Disney media empire?

LIMITS OF ANTITRUST LAW

- ⌘ Antitrust law prohibits monopolies in particular industries
- ⌘ Media companies diversify holdings
- ⌘ Media diversification promotes oligopoly
- ⌘ Most media monopolies operate locally

CULTURAL IMPERIALISM

- ⌘ Spread of American media and popular culture globally
- ⌘ American styles and products dominating the global market
- ⌘ American cultural values shaping cultures and identities in other nations

Food for thought:

- ⌘ How is cultural imperialism an economic issue?
- ⌘ How is cultural imperialism an ethical issue?

- ⌘ **How does the consolidation of media ownership affect YOU?**
- ⌘ **Do more consumer choices mean that we hear from more "voices" and perspectives?**
- ⌘ **What types of perspectives, sounds and images are *not* represented by the media oligopolies?**

What are some promising signs regarding the relationship between media economics and democracy?