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Título: FM and Internet. Digital world and new radio models.

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Resume

This communication is based on a depth analysis of digital and online radio trends, developing a reflection on how the integration of new expressive models and multivariate apparatus change the message of the radio, and tracing paths and forms for emerging new radio models. One main objective is to understand the way online broadcasting, new online music services, portable music players, digital receivers, mobile phones and podcasts can change radio as we used to know it and how the market has shifted the balance of power away from radio as tastemaker toward consumers' ability to select, hoard and arrange his own music . This digital trends are integrating new expressive models and multivariate apparatus in media platforms, changing radio programming and communication, turning media business dynamics inside out, with new media industry assuming that consumers will be active participants in the new media landscape.

Keywords

Radio, Terrestrial Radio, satellite Radio, Online broadcasting, online music services, portable music players, digital receivers, mobile phones,podcasts, MP3, DAB, DRM, HD.

Resumen

Esta comunicación se basea en una análisis de las tendências para radio digital. Se presenta una reflexión sobre la integración de nuevos modelos expresivos e aparatos multimedia que están cambiando la comunicación de la radio e creando formatos para un modelo emergente de radiodifusión. Uno de los principales objectivos es la comprensión de la forma como la radio online, servicios de música online, lectores digitales de música, comunicaión movil y podcasts pueden cambiar la radio que hoy conocemos. También se procura estabelecer una conexión entre estes nuevos dispositivos y la mudança en el equilibrio de fuerzas entre la radio como fabricante del gusto musical hacia la capacidad de los consumidores de seleccionar, de amontonar y de arreglar su

propria música
Este câmbio digital está integrando los nuevos modelos expresivos y el aparato digital en plataformas de los medios, cambiando la programación y la comunicación de la radio, dando vuelta a dinámica del negocio de los medios, con la nueva industria de los medios asumindo que los consumidores serán participantes activos en el nuevo paisaje de los medios.
Palabras clave
Radio, radio tradicional, radio satélite, radiodifusion digital, adio online, servicios de música online, lectores digitales de música, comunicaión movil y podcasts, MP3, DAB, DRM, HD.

FM AND INTERNET. DIGITAL WORLD AND NEW RADIO MODELS.

One of the oldest and more important communications medium is under assault by a raft of new technology choices and finds itself struggling to expand, keep up, and hold on to its still existent audience. Terrestrial radio industry faces today one of its greater challenges, result of some outstanding new technologies. Radio is no longer just AM and FM, and music shifts from radio to new devices and promotion platforms.

Online broadcasting, new online music services, portable music players, digital receivers, mobile phones and podcasts are developing new ways to access music and entertainment. All these new platforms represent a whole new scenario for media and forces radio to create new business and communication model, changing the concept we used to know. MP3 players and a slew of new technologies just now coming on the market are shifting the balance of power away from radio as tastemaker toward consumers' ability to select, hoard and arrange his own music

Seems like if terrestrial radio no longer could have much to explore on AM or FM, having huge opportunities with digital multiple platforms, combining FM with online, mobile phones and podcasts. U.S. traditional radio companies are making a major push into new channels in order to let them better compete for listeners with a greater range of channels and higher sound quality. Wireless broadcasting networks, as well as services that provide radio listening on PCs or download radio wirelessly are also rushing into the market, offering consumers a slew of new listening options, more compelling than any other entertainment option.

Entertainment arrives to the consumer in different ways. Mobile content, ring-tones and aplications have an important role in this industry, as mobile content consumption is strongly using multimedia capabilities of handsets, with increased levels of audio listening, messaging, gaming, watching video and downloading new content for personalization of handsets. The mobile phone has already turned into a portable music device. Special music phones were released as dozens of 3G music services were launched, making mobile downloads widely available. This is an important fact to terrestrial radio, as people get bored of digital music players and return to radio, and as cell phones allow to listen to music on broadcast radio, through analog, digital or satellite. In terms of what people are actually doing now with cell phones, music seems to be the most important feature, followed by games, graphics and animations.

Is common knowledge that new medium creates new media and in the future, we'll certainly see new kinds of content. Higher consumption of data services is also reflected in proportionately higher propensity to download ring-tones and games. Although 3G users account for a low percentage of mobile phones users overall, these are as much as five times more likely to use the multimedia capabilities. Several surveys report that mobile phone users and 3G subscribers are more likely to download a ring-tone and a game than others. Concerning this fact, and even though we still can't predict the future of this market segment, one can already say that ring-tone purchase is now considerably important to mobile industry and starts to be a promotion channel to music industry. In Portugal, for instance, 2005 biggest announcer was Total Tim, a ring-tone company which invested almost 8 million euros in ring-tone advertising.

Ring-tone represents one of the most mature applications markets, with still room for growth, as analysts say. Surveys show that although the United States is still behind Europe and Asia in total ring-tone purchases, the change is going to come sooner than expected. Over the last quarter of 2005 US consumers led the way in ring-tone acquisitions, specially for those with 3G delivery platforms. Ring-tone is in many ways thought as a youth focused market segment, but subscribers in the 18 to 34 year-old range are responsible for most of the ring-tone downloads, as expressed in M:Metrics wireless review special report[1], fact may lead to new developments in this market, due to larger investment from the music industry. Music industry recognizes the growing importance of ring-tones, that along with other cell phone music products are changing the way music companies market music to consumers.

Music promotion is finding new ways to reach digital consumers. There are now so many different ways to get music, like peer-to-peer network downloads or music services subscription, that traditional formats will soon become obsoletes, as some analysts say. Warner Music, for instance, has already introduced some changes as the ring tone is becoming a central part of the marketing strategy for an album or single. The way people listen and consume music is changing along with the music industry approach to consumers, depending less on radio to promote new artists.

Digital beat is growing, as declining CD sales mean major digital gains. Last January, sites offering music achieved to top the list of most popular entertainment sites. Some 420 million tracks were downloaded in 2005, up more than twenty times on two years ago, number that excludes the business of music on mobile phones. Music dominates online activity among 15 to 24 year olds, European Interactive Advertising Association[2] reports. For this age group, with the Internet providing a cheaper and more convenient means of purchasing and downloading tracks, a quarter of

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1 «Wireless Review Special Report», M:Metrics (October, 2005), Telephony Wireless Review, http://telephonyonline.com/wireless/mag/wireless_often_wireless_apps/

2 «Pan-European Media Consumption Study », European Interactive Advertising Association (June, 2005), EIAA, http://www.eiaa.net/news/eiaa-articles-details.asp?id=66&lang=1
Details: The EIAA Pan-European Media Consumption Study interviewed 7,000 people in 8 countries and was undertaken by leading global research agency Millward Brown in late 2004. The study was designed to quantify how people allocate their time across media in Europe and to gauge consumer perceptions of the internet and the role it plays within their media selection.

them are now buying music online having previously purchased it in the shops. Almost half of those questioned (47%), would be prepared to pay for music download services, while 52% of youths now listen to music online instead of elsewhere.

France consumers show to have taken this trend line, with CD sales dropping and digital downloads rising. Music acquisition habits are also about to change into a file utilization scheme. New market approach for digital music tries to follow tastes and consumer preferences, developing niche or even smaller markets, only possible in this online business model.

For the large majority of people in Europe, digital music is a totally new concept. CD sales still represent the lager percentage of major record label revenue (less than 5% of European Internet users buy online) and legal download is in an early stage, but French music recent study[3] states the need to adjust and develop new business models, offering innovative ways to buy music, since digital downloads are making singles more popular than entire CD albums, and since consumers are increasingly turning to legitimate ways of downloading music. Although digital album sales levels remain modest when compared to physical discs and digital singles, these sales continue to show strength. According to figures recently published by Nielsen Soundscan, US-based paid download levels crossed 332 million, while IFPI global levels show 420 million legal downloads. This erosion of the CD format also has to be perceived by artist and music producers, who keep on working in an album format logic, with future consequences to music industry. If a record company can upload an artist's music to an online store, why can he do it himself, relating directly to online channel distribution and costumers?

This developing trend will certainly influence terrestrial, online and satellite radio. Listening habits are already changing and listening choices growing. The music industry problem with digital music is the same radio has with digital platforms. Downloads won't kill this industry, but poor management that fails to adapt end mine niches for business probably will, as it will for radio.

Traditional radio industry is being influenced by new broadcasting systems and all these new digital gadgets. Traditional media continues to be an entertainment source despite the new media options available, but audience ratings indicates less younger audiences to terrestrial radio, reflecting an erosion from this broadcasting system to digital media, including devices as MP3 players, Internet Radio, satellite radio and compact disc. Some data research also indicates that although there's less time spent listening to terrestrial radio, there's an increase in time spent with traditional radio listeners who own digital players. This might indicate that this growing segment of MP3 users, after some time immersed in their new technology, do return to terrestrial radio among other sources of audio entertainment. New users do decline the time spent listening to terrestrial radio, but the longer people own these devices, the less reduced is their listening to traditional radio.

3 «Les Marchés Numériques de la Musique», Observatoire de la Musique (December, 2005), Obercom, http://www.obercom.pt/2004/uploads/ficheiros/marches_numeriques.pdf

Radio audience migration is being tracked by Bridge Ratings «Audience Erosion Study» since 2004 and shows that the time spent with traditional radio is returning to higher listening levels, result both of commercial policies that introduce less commercial adds in programming, and the returning of digital MP3 players users to this medium. The same study reveals increased use of traditional radio due to MP3 utilization boredom and the perception of fewer commercials among 12 to 24 and the 25 to 49 year-old range; it also shows that listening locations have changed, like more time in car or more listening in office in the 12 to 24 year range; and the ideia that there are new stations or even better radio, specially among the 25 to 49 and 35 to 64 year range[4] . This data drives us to the assumption that the question is no longer if people will substitute terrestrial radio with digital devices or digital radio, but why are people still apart from radio.

We've been watching audience decline in radio all over Europe and in U.S. markets. The time spent listening to terrestrial radio has declined over the past three years[5], but if people are returning to radio after some time 'gadegtering', audiences breakdown as certainly more to do with terrestrial radio programming than its broadcasting system. And if many MP3 players allow users to listen to their favourite FM radio stations, so why don't they? In many cases, it's a signal problem. In others, it's related to radio stations programing.These small devices don't offer a continuous quality audio reception from FM radio stations signal. Due to this, people get bored from listening with interferences and annoying pop, moving from listening to terrestrial radio on MP3 players to new media. If we add to this technical question the poor programming being offered by most stations, we find two perfectly good reasons for change.

Recent surveys, show that youngsters would choose their MP3 player over traditional radio mainly for their preferred option for music. These results show clearly that radio is facing some real problems with listeners between 18 to 34 years old, even if trying to understand and reach this emerging generation. According to the European Interactive Advertising Association, 15 to 24 year olds across Europe are spending less time watching TV and listening to the radio as a result of using the Internet. Almost half are watching less TV, preferring instead to browse the web, while 22% are listening to less radio. A third of those questioned are even reading less, choosing to consume information over the Internet. To these important aspects, we should join other important aspect to media consumption, which the fact that consumers want to have media at their own schedules, in a variety of formats, and at a low price.

Henry Jenkins[6] states in his new book, «Convergence Culture: Where Old and New Media Collide», that consumers are going to be much more accepting of sponsorship arrangements if they

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4 «Bridge Ratings Audience Erosion Study 2005 - Q4 Update» (December, 2005), Bridge Ratings,

5 According to a study conducted by Research Director, Inc., time spent listening to radio in the top 12 markets averaged nineteen hours and fifty-five minutes. This represents a 3.4% decline in the past three years.

6 JENKINS, Henry, *Convergence Culture: Where Old and New Media Collide* , to be published next August. See brief description at Media Literacy – Who Needs It?, http://projectnml.org/yoyogi

feel there is an alternative and if they can opt to pay themselves rather than consume advertising.

Media industry as to be able to deal with all these new facts, develop simple programming, inexpensive and legal to download. For terrestrial radio, the way is to find how to make programming more appealing, as Bridge Ratings reports[7]. Too many commercials, too much talk and dislike for the songs playing, are virtually tied as the main reasons the total sample of this study stated as reasons for zapping between radio stations. More than a half of this study sample says that there is not a radio station in their area that plays their favourite music. Also says that primary reasons for listening to the radio are to hear their favourite and new music. It is easy to find that to connect with this new generation, radio has to add variety, new music and reduce repetition. Also should embrace all the technology available and provide what the MP3 player cannot, which is emotion, surprise and reliable personalities who can interact with this age group.

Two years ago, OFCOM published «The iPOD Generation» conducted by The Knowledge Agency[8] and clearly demonstrated that young people between 18 to 30 years old still want radio. Has it says in this report, radio provides company in a way music alone cannot, and serves specific functions as mood management (in the morning or as a stress relief) and information (news, traffic, gigs and events). This study also revealed that radio provides the opportunity to hear new music and other stimulating content, but the problem this focus group mainly found on radio, is exactly the same that more recent studies found: this new generation want radio to give them added value over MP3 player, more control, free service with no ads, or ways to avoid them.

People are no longer happy to consume whatever radio serves. Music is now a commodity, available from a rapidly growing number of sources. Consumers are experiencing over choice, and a certain control on what they consume. Several surveys also report that power is shifting from program suppliers to program consumers. The strong link between music, consumer and radio should be used to develop terrestrial radio audiences, who could, this way, find on the stations website the information, download services and music sales they might be interested in, developing strong bonds between the radio station and individualised music tastes, as XM Sattelite Radio is already doing for online audiences, involving them with the music they love, speeding up online music sales through the partnership with Napster.

Cell phone keeps on getting bigger for entertainment usage and arises as the real wild card in the next generation of competition for terrestrial radio listenership, but the future radio market potential seems to arrive from digital radio and podcasting.

Digital Audio Broadcasting is an exciting opportunity to radio, offering many consumer

7 «How to make Music Radio more appealing to the next generation», Bridge Ratings (December, 2005), Bridge Ratings, http://www.bridgeratings.com/press_120105-12-24%20Listening.htm

8 «The iPOD Generation», OFCOM, July 2004, OFCOM, http://www.ofcom.org.uk/research/radio/reports/ipod_gen/ipod.pdf

benefits such as a high quality sound, more stations, additional data services and interference-free reception. Although DAB services are growing worldwide and UK digital receiver sales now exceed analogue, some European countries don't find this broadcasting system sufficiently interesting. Sweden and Finland, for instance, have turned down DAB mainly for the expensive cost of the switch off and the difficulty to see the real benefit in it. In Portugal, the situation is undefined and switch off is predicted but unofficial. Digital Radio Mondiale is in Portugal DAB's competitor and an analogue switch off possibility.

Digital Radio Mondiale is an open standard digital radio system for short-wave, AM/medium-wave and long-wave, with near-FM quality sound. The system has the capacity to integrate data and text with this additional content displayed on DRM receivers to enhance the listening experience, similar to DAB system. Some broadcasters have already begun transmitting DRM broadcasts. The list includes international broadcasters, as well as national radio networks and local radio stations, commercial and public broadcasters. In Portugal there are already nearly 100 radio stations broadcasting in DRM. Although is still a AM standard, DRM consortium has announced that by 2008 the system will be available for FM, an interesting opportunity for AM radio stations which, with improved sound quality, may find new and younger listeners that for years have been apart from this broadcasting system.

Over the Atlantic, satellite radio is developing fast. United States have two companies operating satellite broadcasting services with 9 million paying subscribers between them, three times as many online music subscriptions services. Satellite radio is hype radio right now, due to many reasons, but mainly it's strategic targeted genre channels and radio personalities helped to make it some how compelling. Satellite radio's 100 channels of music are attracting millions of listeners and service providers are going beyond the car into portable market and Internet, in order to reach even more subscribers. Satellite companies are facing new challenges since they first introduced their subscription audio services. Although their exclusive licensing deals with major car manufacturers, MP3 players can hold thousands of songs and can be hooked up to car stereo systems and be carried to where the car stereo can't.

Over the Internet, the number of online radio stations has jumped into the thousands and recent data finds that online radio audience have tripled from October 2004 to October 2005. During that time, average quarter hour audiences increased 177% for Yahoo!'s LaunchCast Radio, America Online's Radio@AOL Network and Microsoft's MSN Radio. Windows Media Network. Live365 joined ratings in January 2005 and experienced a 67% increase in its weekday individual listeners[9].

[9] MARLOWE, Chris, «Online Audience Triples» (03, February, 2006), Billboard Radio Monitor, http://www.billboardradiomonitor.com/radiomonitor/news/business/digital/article_display.jsp?vnu_content_id=1001956950

Internet radio's 20 million weekly listeners main seem nothing compared to those 230 million traditional radio weekly listeners, but these growing audience is willing to find on Internet the difference from terrestrial radio's rigid and restrictive formats. Digital channels restore musical variety to free radio but still haven't brought back the successful model from the late sixties and seventies that satisfied popular and minorities interests.

Nowadays one can find specific music channels and explore the infinite sounds of the digital world, but no real compelling formats. These online channels are still developing new radio concepts and although digital audiences are growing, they are still too small to justify spending money on Djs and personalities, leaving these online channels filled with uninterrupted music. Although these new formats respond to the listener's desire for more music and less talk, and these initiatives should recapture some of the audience lost to MP3 players, in Portuguese terrestrial radio, since content variety gave way to tight playlist under the applied slogan «more music, less talk», many listeners are feeling alienated by traditional radio. More radio stations on different channels do not necessarily mean more choice for listeners. The majority of stations in Portugal, as in Britain, France or even the U.S., follow a very similar format dominated by music: Not rarely, the only way to distinguish them is through station jingles and promos.

High Digital radio attempts to solve this dilemma through HD2 multicasting which gives stations the ability to broadcast multiple channels on the same bandwidth allotted for their analog signals, appearing to offer increased choices for listeners. Once again: more stations do not necessarily bring more choice. Second channel's programming can't be managed has jukeboxes. It has to be even more appealing, providing real entertainment, combining radio personalities, local news or other community connections. Haven't business and programming managers noticed that even on Internet people link to and through communities?

The promise of High Digital radio is that stations will be able to offer more channels with completely new formats designed to appeal to more narrow and eclectic niches. Radio listeners get to have a lot more entertainment, news and other content with digital quality for free. Few doubt the potential of HD radio, which brings radio into the digital age. Listeners only need to buy a new radio to get new program channels in addition to the old ones. No consensus exists as to whether the HD transmitting standard will ever be implemented permanently or whether listeners will buy enough receivers to make business sense for radio advertisers. Although there are still few questions with no answer, this technology that brings multicasting to terrestrial bands seems to be the next big thing. In the United States, eight of the nation's largest radio groups found a consortium to develop the digital radio technology and multicast side channels that are being offered commercial-free, competing directly with satellite radio. Broadcasters are converting stations at a pace of more than one per day and 6 in 10 Americans already had access to HD radio broadcasts[10]. Last February, HD radio technology provider iBiquity Digital counted seven hundred compliant station with almost two hundred broadcasting an additional HD2 signal.

In this digital lifestyle having and iPOD or other MP3 player is no longer being part of some kind of subculture. These small gadgets seem to be the next icon status. Even though mobile phone is positioned to be the dominante device for multimedia content, MP3 players and specially iPOD are already an icon and starts expanding from music to multimedia. It came from a niche gadget to industry leader, from a digital music player to a mobile digital device.

According to Bridge Ratings data[11], men are more likely to have iPODs or MP3 players than women and more than a half of teens have these devices (24% from 18-24 year olds and 14,5% of 25-54 year olds have them). Other survey conducted by Bridge Ratings[12], to understand music preferences, found that a significant portion of traditional radio's listener has driven to alternative digital entertainment choices by lack of musical diversity on traditional radio. If we consider what other reports have found about radio and music listening, we may consider this as the push to podcast.

Podcast is a new content delivery platform that debuted in 2004 and has already made few changes on listening behavior and content distribution. Popular content on podcasts include radio programs that can be played back anytime, anywhere. Other Bridge Ratings[13] analysis concerning digital media estimates that by 2010 podcast audience growth is expected to reach a conservative 45 million user who will have ver listened to a podcast. The survey shows that currently approximately 20% of users who have ever downloaded and listened to a podcast do it on a weekly basis. Also found that on average less that 20% users listen to their podcast downloads on an MP3 player or other digital device, and that of those who listen to more than six podcasts per month served by a radio station, 27% tun-in to the station more frequently. These results suggest that the more podcasts a radio station can get its listeners to listen to, the higher incidence of tune. One other survey, led by MediaSpan[14], found that local radio station website visitors are actively accessing their local sites to stream music and download podcasts.

Online usage is growing faster than any other media around Europe. The EIAA Mediascope Europe Study[15] reveals that the amount of time spent using the internet is growing at a faster rate

10 According to recent news published by iBiquity. More on http://www.ibiquity.com/hdradio/hdradio_hdstations.htm

11 «Bridge Ratings American MP3 Player/iPOD Use», Bridge Ratings (January 2006), Bridge Ratings, http://www.bridgeratings.com/press_1232006-iPod%20use.htm

12 «Bridge Ratings Industry Essay : iPod Research - First Look», Bridge Ratings (January 2005), Bridge Ratings, http://www.bridgeratings.com/press_1032005-iPods.htm

13 «Bridge Ratings Podcasting to Hit Critical Mass in 2010», Bridge Ratings (November 2005), Bridge Ratings http://www.bridgeratings.com/press_11.12.05.PodProj.htm

14 «Radio station website interaction grows with podcasts», MediaSpan (October, 2005), MediaSpan, http://www.mediaspangroup.com/pr051024.htm

15 «Europe Averages 10+ Hours a Week Online» European Interactive Advertising Association (November, 2005), EIAA, http://www.eiaa.net/news/eiaa-articles-details.asp?id=79&lang=1

than other media. The increased time average European internet user spends online was about 17% more in 2005 than the year before. In the same period radio use increased by 14% and Internet has become the preferred media throughout the day. Between 10am and 5.30pm, the internet comes just behind radio in terms of most used media, representing new chances for radio to explore this channel.

Podcasting is rapidly spreading and seems to be an opportunity for those who can offer an alternative channel to listen to radio stations, using podcasting to brand the station, strengthening their relationship with audiences. Following this point of view, MediaSpan[16] survey advises broadcasters to offer integrated online programming via innovative features such as podcasting and streaming to meet audiences demands and develop strong loyal bonds with listeners. The survey found that despite the interest in podcasts, streaming is still the highest used interactive feature for online radio station sites. Nearly half said they would visit the local radio site if a quality streaming service was offered, which represents a big opportunity for local stations to continue to extend their brand and stop online erosion from streaming portals.

No agreement as yet been reached concerning podcast future and impact on terrestrial radio. Due to it's youth, no one can truly say what the future for podcasting will be, and the driven consequences to radio. In fact, digital services are changing the way consumers listen to radio, representing a new, fragmented audience between satellite, online, HD radio and podcasting.

Some analysts are concerned with the profitable opportunity that podcasts represent for radio. The money making potential is there, but still a slew of issues to iron out. Podcasts still can't be measured because there's still no way to track who actually listens to podcasts, which is for the moment, the biggest problem to get commercial revenues.

The so called «podsphere» is now filled with amateurs that will soon became «podfaded» and podcast will grow based on a corporate production programming. The podcast format is now quickly being adopted by major media institutions and commercial and public radio stations are trying to figure out how they can make money with this. Many big media companies are now offering podcasts, repurposing material from offline programming, which isn't the best way to make money from it. Podcast should be embraced as a way to make radio more meaningful, using original, unique and short content to easier downloads and listening process. U.S. National Public Radio (NPR), for instance, is developing podcasts with content from various radio shows on the same topic, selling it to underwriters interested in a particular topic. An already interesting case study is the «Story of the Day» podcast, which runs from four to eight minutes, highlighting the editorial pick from NPR as the most important and unique story that NPR produced that day. It has occupied the No. 1 slot at iTunes for very long time proving that shorter content is the preferred

16 «Radio station website interaction grows with podcasts», MediaSpan (October, 2005), MediaSpan, http://www.mediaspangroup.com/pr051024.htm

content for podcasts download.

Radio is no longer just terrestrial radio or a blind medium as Crisell noticed, with present tense programming within a geographical area. Changes come from online broadcasting, online music services, portable music players, digital receivers, mobile phones and podcasts that are developing new concepts for programming and content delivery. In short, we are clearly moving down the path toward digital broadcasting and new models will arise using the best radio's ever had: the appeal to our imagination.

Audiences and consumer behavior. What's left for terrestrial radio?

Radio listening has changed and the audience erosion from terrestrial radio seems to be an irreversible path, within a global change of the relation between audiences and media. Radio must adjust to new behavior models and recreate programming to make it more compelling to a new generation that don't find radio sufficiently attractive, and also to an old one, that don't find on radio whatever used to. Niche content is now being delivered through subscribing services, like online music services or satellite radio that provide somehow compelling content to small audiences who find this, the only way to receive their favourite kind of programming.

Radio has to face with it's inherent problems and processes of change as well the changing face of traditional media. Multimedia provides new speech and richer profiles for radio communication, but this media convergence is also available for press and television, developing new competition scenarios between online media.

Online press is already incorporating video and sound creating truly multimedia projects. Traditional press is also improving its online presence providing podcasts, interviews and, most interesting, speech, as El Mundo has now the possibility to listen to their news, something that may transform the online reading into an online listening experience. This together with the ability to produce and deliver online content may radicalize the relationship between citizens and media. Now that any individual as the ability and technical opportunity to be heard or read, what does this mean for the future of traditional media? Will this self production model lead to new business models? In fact, these technologies that help people create content, helping them to comunicate and connect with others is sticky, meaningful and an interesting business opportunity. Although these new technologies available on the market are shifting the balance of power away from radio as tastemaker and toward consumer's ability to select and arrange his own music, and even if people like to have a soundscape of their own, they joyfully use radio to discover new sounds.

Younger listeners feel they should have the power to make their one media choices and choose their portable player over radio. But as many surveys are relating, after some time portable

MP3 players can't compete with radio's unpredictability or it's inherent part that provides listeners the novelties they can't find for themselves. For as many changes audiences listening behavior and music consumption may experience, there will always be a place for radio, as long as the medium keep on reinventing itself, developing new strategies in this fast spinning world.

Radio should use new techniques for audience research in order to chase new listeners, develop niches, retain old listeners and please this new self-made generation. This year will know more fragmentation on an already fragmented medium, crying out for improved measurement and better research. New audience data is to be released this year. Arbitron delayed until summer 2006 reporting satellite radio and Internet radio in its surveys, but by that time, accurate information on what people are actually listening will be available for the market will several consequences for terrestrial radio.

In the U.S, audience ratings samples will also consider cell phone users. Beginning in 2008, Arbitron will recruit diarykeepers by calling cell phones, a significant development if we consider the increasing percentage of people that relay exclusively on it. Portable People Meter is another Arbitron measuring system. It's an electronic audience measurement system that represents significant improvements for audience research. The Portable People Meter is a pager-sized device that consumers wear throughout the day, tracking what consumers listen to on the radio. Tests have already been made around the world and the adoption of Arbitron's new measuring system in Portugal is depending only on its financial viability.

Today's youth consume a wider variety of artists through ad-free, genre-specific marvels like satellite radio and Internet radio. On demand broadcast is popular and mainly represented by podcast, this new form of broadcasting information and music that opens up tremendous opportunities for disseminating information, entertainment and news. Podcasting is a fairly new technology and people are building up refined applications to use this medium effectively. Content is king and high quality creative content is instantaneously rewarded by the podcasting community which can be measured by the number of subscribers. Most traditional radio formats stand opposite to this trend of personalization, where media content is tailored individually on platforms such as the iPod, Internet and digital channels on satellite or HD radios. Terrestrial radio isn't presenting innovative programming. Most interesting development is this recent U.S. corporate initiative for HD implement that follows the digital trend. Media are now shifting their programming to similar new platforms. Just as magazines and newspapers created web editions, radio stations are launching out podcasts, record companies are offering excepts as cellphone ring tones, and TV networks have started selling downloads and delivering some programming free on the Internet with ads.

New broadcasting platforms are offering specialized content to a range of interested and loyal listeners who are willing to pay for the content they're interested in, as it happens for satellite radio. Already the biggest play in convergence now depends on fees, not advertising and earlier than expected, the public will increasingly be paying for the content they want, and advertising will be media's secondary support. Terrestrial radio's rigid and restrictive formats look positively quaint next to what you can find on satellite radios. Today is easier to find stations and manage our choices, since we no longer have to choose from a number of proprietary players. Consumer behavior is providing new opportunities for terrestrial radio when turning digital. Radio is going digital, just as radio listeners have already gone. The sound quality improvement and the programming choices will soon become an over choice problem, just as the consumer is now experiencing it with digital listening options. Traditional radio is coping with the fundamental shift in consumer choices by embracing a multiplatform radio model, a trend that is likely to accelerate this year.

Media and entertainment companies are turning their business dynamics inside out. The so called «anything, anytime, anywhere» paradigm some media companies leaders predicted, is really shifting the world of media. New media industry is assuming that consumers will be active participants in the new media landscape. Last year, consumer took control of the Internet and consumer generated content stopped being a trend and became mainstream, with personal blogs and podcasts increasing day-by-day, as broadband grows and diminishes the line between content creators and consumers. In result of bandwidth, more storage, more devices and more people creating content which is inherently digital, media companies have to adopt this new model and it's philosophy. There are already people who are building information and entertainment in new hybrids formats that could be more compelling than what traditional media still has to offer. This shifting of programming from one format to another is a necessary first stage in the development of converged media, meaning the the flow of stories, sounds, images, ideas, brands and communities across media channels. The distinction between personal and mass media is fast cutting edges into a dominant mix model. MySpace users easily venture into communities and share photos, journals, music, videos and other interests in some tremendous growing network of mutual, and often virtual, friends, that represent the ability of consumers to archive, annotate, appropriate, and recirculate media content. A recent study from the Pew Center for Internet and American Life[17], found that more than half of all teens had created and circulated new content online and that 19 percent remixed content borrowed from other sources. By all means, this is surely a new cultural stage that merges mass culture and mass media, using creativity to innovate and create revenue streams from content originated within this new culture.

[17] «Youth are leading the transition to a fully wired and mobile nation», Pew Internet and American Life Project (July 2005), PIP, http://www.pewinternet.org/pdfs/PIP_Teens_Tech_July2005web.pdf

Radio's rigid playlist format is about to die due to this consumer generated content trend, finally making possible Brecht's predictions. Although analogue world as higher regulation and format rigidity, less capability to adjust to concentrated audiences and change than digital world, this old, brand new medium is hopefully beginning to reinvent itself. In future, radio will offer greater choice for listeners as radio becomes increasing digital. Whether is DAB, DRM, Satellite, Online, High Definition or through mobile handsets, the number and choice of stations will increase. The doubt for traditional media is how to manage all these options or what audiences barraged from all sides actually want.

Nowadays, traffic and weather reports, combined with news seems to be whatever is left for traditional radio, but there's still a lot for terrestrial radio, specially within weekend's programming. Portuguese radio, for instance, don't care much for weekends. Between infinite hours of music, top 40 presentations and sports, there are few other choices. And sports programing is facing television competition due to sports channels on cable TV.

From all my readings, I found that as in Portugal, in some European countries and specially in the United States, commercial radio is dealing with a strong negative opinion from listeners. In most cases, FM stations play music of all sorts and station formats seem to be copies of each others, playing the same songs over and over again.

In U.S., satellite radio could be an interesting option, but besides it's lack of sound quality, programmers seem to bem perfecting existing broadcast radio formats. Even with famous radio personalities, satellite music streams, while diverse, can also be as repetitive as any other FM station. The U.S. Radio industry is now betting on this new digital system called High Definition (HD) that, for now, only provides FM programming as we know it with digital audio quality. FM stations can simulcast a digital signal in addition to the analog one, but for as long as they don't improve their commercial programming, it won't represent any particular advantage to listeners who still have to buy a new receiver to get these digital channels. What's been said is that, for now, people can listen to mediocre sounding digital music streams of the same FM stations programming.

Music programming is nowadays using two main strategies for terrestrial and digital radio. One is playing the hits and the other seems to be programing as narrow as possible, both trying to follow the natural divergence between the general desires of the population and the specific desires of smaller groups. However broader musical tastes the listener may have, each broad taste in music is different and the make-up of each mix is also different, explaining, in a certain way, not only the huge success of portable player but also the radio listening absence, as well why extremely broad radio stations are rarely successful and why extremely narrow niche-type radio stations have a very limited cume. Since music became a commodity as easy to find as to burn CD's, radio's utility is the only way to recover its importance. For terrestrial radio as for digital platforms, listeners are compelled by unique and independent programming that appeals to them and allows to develop a relationship that they can't forge with mainstream programming. Even musical radios have to step forward and develop new communication standards using whatever multimedia has to offer. Thanks to the spread of high-speed Internet connections, better compression technologies, digital broadcasting systems and the development of efficient ways to deliver high-quality content, online and off-line media performance as also much improved. Although radio can provide common tunes and information for large population groups, having stable broadcasting models with relevant social influence, Internet broadband access and navigation habits are inevitably progressing. Online radio audiences have triplicated last year, and radio can't keep ignoring that media convergence creates a new communication stage that will push terrestrial radio into an entirely new direction. The worst part for terrestrial radio stations is that, until recently, they didn't think they had to worry about satellite radio, online radio or with all the new digital channels that are emerging.

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