

The Bigger Picture: The Cycle of Media Dominance

Even with massive housecleaning over the last few years, the media landscape remains vastly cluttered. Dozens of network and cable television programming options compete with tens of thousands of newspapers, magazines and radio stations for the attention of American consumers. And even as this unruly mob occupies us, a new generation of engaging media is developing.

While a boon to consumers, members of the marketing community are forced to confront the issue of this increasingly cluttered media market. It has become difficult, if not impossible, to provide a simple answer to the question, "How do I reach my customers and prospects most efficiently and effectively?" Perhaps the answer to this question was never really simple. Still, solutions to media questions were certainly more clear when there were fewer media choices.

For years, media practitioners and scholars have sought to explain the behavior of media. Those who run the media have sought rational explanations for declining market shares. Most have failed to explain this behavior, however, because they have wrongfully assumed that a medium, once created, lasts forever. Recent study, on the other hand, recognizes that unlike diamonds, media are not forever. They evolve in accordance with changes in the marketplace just like other products and services.

Not only are even the most established media vulnerable to the whims of the marketplace, they also exhibit clearly identifiable life cycles and, within these cycles, similar phases of development, maturity and decline. In a 1991 address at Indiana University's School of Journalism, University of North Carolina Professor Donald L. Shaw made a series of telling observations about media based on his study of more than 200 years of American media history. As Professor Shaw is one of the most respected scholars in the field of journalism and mass communications, we took note of his remarks at the time, and believe they remain relevant today:

1. Media have life cycles like other products and services, with clearly identifiable stages associated with youth, maturity and decline.

Youth: In their youth, all media have been characterized by the presence of innovative leaders deftly using technological advances to hasten the spread of media to mass audiences. During this phase, the media themselves are as much the focus of attention as the news and information they convey. As they grow, media become increasingly democratic in terms of reaching all parts of society.

An interesting phenomenon among media innovators during the growth phase is the desire to use the power of their media to achieve influence in political, social and economic life. William Randolph Hearst is a good example of this obsession.

Maturity: In contrast to the growth phase, maturity is characterized by cracks in social cohesion. When media are new, and generally most expensive, people come together to use them and talk about them. As costs drop and technology advances, media are more likely to be used in private. At this stage, the media themselves become subservient to their programming and are most vulnerable to challenge from new and more engaging means of communication. While they are at their peak, however, the dominance of media—whether measured in influence or profitability—are greatest.

Decline: The stage at which a medium slips from maturity into decline is one of the most critical, yet least studied of all mileposts in the life cycle of media. It's also all but impossible to distinguish from any other perspective than hindsight. As in many fields, inflexible media managers tend not to acknowledge "topping out" until it has been incontestably verified by a subsequent decline. It is particularly common to hear the adage, "If it ain't broke, don't fix it" as the daze of complacency lulls some managers into believing that their medium will prevail indefinitely.

History has proven time and time again, though, that leaders rarely remain on top forever. As soon as decline is noted, there is usually a hysteric attempt to return to the top. Those who believe that users can be recovered by making "adjustments" to product or appearance are, in hindsight, generally acknowledged to have missed the point altogether. They have attacked symptoms while the real illness rages on. The newspaper industry, in its current race from one big idea for gaining incremental income to the other, serves as a good example of this phenomenon.

2. Most importantly, no medium, once it has lost its leadership position, has ever returned to the top.

There is no evidence to dispute this finding. Still, Professor Shaw suggests that most media can live long and profitable lives. He notes that when media are in decline, though, a new set of managerial skills are needed as technologies once used to reach mass audiences are redeployed to create profitable products for niche audiences.

3. The cycle of ascendancy and decline for each new medium is faster than the media that preceded it.

Viewed across the years, all of the media we know in the U.S. today can be seen to have shared similar stages of growth, maturity and decline. The only thing that has changed in two hundred years is the pace of this passage.

It took newspapers—a staple of the American media scene since the 1700's—more than two hundred years to achieve their greatest market penetration. Yet by 1986, the number of subscriptions per household had dropped to half the 1920 peak, showing that the decline in newspapers that many believe to be a recent phenomenon is instead the continuation of a seventy year trend.

By comparison, radio bloomed and faded in just two generations. Radio was America's window on the world from the Depression era through World War II. It played only minor role during the Korean War, though, and an even smaller one by the time of the war in Vietnam. Today, radio survives as a viable but highly fragmented news and entertainment medium.

It bears mentioning that another medium came onto the scene and virtually disappeared in the thirty or so years between the late 1920's and the Korea War. Few people under the age of fifty, including many media planners, have no sense of the key role that motion pictures—specifically newsreels, documentaries and serial features—once played as means of distribution of news and information. At their peak, motion picture theaters were not only entertainment palaces, but important gathering spots for consumers hungry for news and information. Today newsreels are gone, and motion pictures themselves are seen only occasionally as anything other than an entertainment medium. Movie attendance in 1991 was only a tenth of what it was in the peak year of 1946.

Worth mentioning also are magazines, which have played an influential but decidedly secondary role. News titles in particular have been important means of the distribution of news and opinion. Yet, they never achieved the dominance of newspapers or broadcast media. As long ago as 1992, there was talk in the industry that even the venerable *Time Magazine* was developing its endgame strategy.

The media scene was changed forever with the introduction of network television. But even television, which has surely changed the social fabric of our world more rapidly and dramatically than any other medium, is not immune to the certainty of the cycle of growth, maturity and decline.

Introduced commercially in the late 1940's, television captured the passion of Americans faster than had any other known medium. It took television little more than a decade to surpass newspapers, newsreels, radio and magazines as the most used news medium. Television's power was so great that many considered network television to be the mass medium whose dominance could not be shaken. That was, of course, before cable.

Cable television transmission had been around since the 1950's, when it was used to bring network television to mountainous, sparsely populated and other difficult-to-reach regions of the nation. The industry did not really mature, though, until the late 1970's. Since that time, cable lines have passed a majority of the nation's homes and succeeded in fragmenting the formerly cohesive network television viewing audience. Though it seems almost inconceivable that cable television as currently defined could achieve the kind of dominance once held by network television, the extent to which cable programming has stolen network share and split the viewing audience for news and entertainment into hundreds of pieces cannot be disputed.

Yet even cable is not safe from erosion. Industry observers formerly thought that addressable satellite technology would overtake "wired" television first. In fact, household addressable satellite receivers—small, inexpensive and unobtrusive "dishes" capable of receiving up to 300 or more stations from various domestic and international satellites—did come into use and are part of the media landscape. But they have never grown to a dominant position and, given the prospect of widespread "wi-fi," may be skipped over in the longer term.

The medium that caught everyone by surprise was the Internet. Proprietary online systems have been tested since the 1970s. But it was not until the commercialization of the Internet that the online community has truly taken off. In little more than ten years, the Internet went from being an obscure military and educational medium to being the first, truly global community. The Internet and related wireless technologies have allowed for the distribution of news, the dissemination of thought, and connectivity between individuals, organizations and nations on a level never before imagined.

One last word on cable operators: Cable operators cannot be faulted for failing to recognize the vulnerability of their medium. Some of the nation's more forward thinking cable operators are already using their systems to develop data transmission services that provide serious threat to the nation's telecommunications giants. Perhaps more realistically than any medium before, today's cable leaders have recognized the potential for decline in their mainline industry and have sought ways to map out a profitable future in categories where their technology continues to offer them opportunity.

4. Consumer appetite for media does not grow as new media come on the scene.

All of the foregoing observations would be moot were one to accept the assumption that consumer demand for media expands with supply. Through the years, expenditures for media have been studied by countless researchers hoping to determine the legitimacy of this assumption. In 1959, Charles Scripps found that the amount of money spent on media was fixed. In 1968, Max McCombs of Syracuse University confirmed Scripps' work, finding that the amount spent on media has remained constant (4-5% of GNP) since 1929.

5. With only so much room, when something new comes in, something old must go.

What becomes clear from the work of Scripps and McCombs is that the market grows only slightly to accommodate new media. In the end, increased market penetration by new media is invariably balanced by declining penetration among older media. As noted earlier, despite rational assumptions to the contrary, most attempts to redesign media products - especially those involving cosmetic updates - are unsuccessful in regaining readers or viewers after they have left.

6. The concept of "mass" media is obsolete.

A fundamental assumption of media through the years has been that all media initially reach for mass audiences. In recent times, however, modern technology has made it possible for people to tailor media mixes to match their personal lifestyles and schedules. Similarly, those developing new media seem interested in targeting niche rather than mass audiences. There remain, quite simply, no true mass media. Some observers go so far as to suggest that there will never again be individual media with the clout that the nation's networks and leading newspapers once wielded.

There are also fewer and fewer advertisers interested in mass audiences. The concept of niche marketing came on strong following World War II, and has only become more focused with every passing year since that time.

In the end, the only certainty is that there will be change. Every day, new media pioneers are hard at work. During the last year, Whittle Communications' Channel One defined a new media battlefield - the school classroom - just as Whittle attacked physicians' waiting rooms with its *Special Reports* some years before. The Prodigy online service has established a beachhead among computer users, claiming to be "the next big ad medium." Elsewhere, a telephone network that will trade access to free long distance service for occasional commercial interruption is in development.

While the introduction of new media isn't different from what we have experienced in the past, the pace of change in the media in the coming years will require a new media perspective. If nothing else, it seems likely that the time cost of the traditional reluctance of some media planners to accept new media before they are "proven" will become unacceptable, a sign of

backwardness rather than a badge of fiscal responsibility. Certainly we can expect to see more experimentation among the more forward thinking as advertisers hustle to be part of the growth curve of new media.

Historians know that leaders in war invariably have more options than challengers. The same is true among media. Clearly, the ability of media to survive is largely dependent on their ability to recognize and evolve in accordance with changing marketplace conditions. At the very least, media managers and media users must learn how to assess their position in the cycle of media life and take appropriate steps to manage each stage to their best advantage. They must similarly know when to let go of losing positions. Doing such need not be seen as a sign of weakness. Indeed, it is merely the first step in the process of making the transition into a prolonged and profitable future.

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