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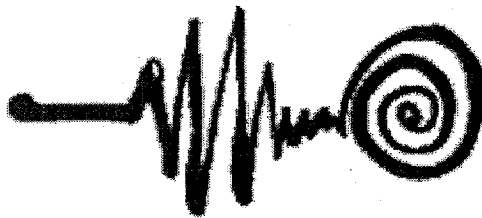
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**Beyond Policy:
Re-Inventing the Future of Commercial Radio in Canada**



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ABSTRACT

Keywords: terrestrial commercial radio, policy, music exhibition, emerging technologies, emerging artists, content portability, long-tail economics, mobility, social shaping of technology, advertising

This thesis presents an analysis of how the Canadian commercial radio sector operates under the concurrent pressures of regulation, economics, innovation, and cultural development, in the context of emerging technologies. Specifically, it examines the most significant changes taking place in the commercial radio sector, those brought about by both tech aficionados and the dynamic nature of the technological environment.

Two main theoretical postures buttress this paper: a) The social shaping of technology helps make better sense of how individuals can affect the development and the impact of a technology; b) Long-tail economics provides an opportunity to analyze the positioning of radio in the cultural market as well as how the explosion of cultural products and distribution platforms are combining to reconfigure the dominance of radio as a source of audio content, given the increased accessibility of digital technology and ensuing plethora of specialized audio content. Both of these models allow us to capture better the essence of the transformations currently affecting the Canadian radio industry.

The methodology used to organize the presented data and analysis is that of qualitative research. Existing academic literature pertaining to radio and the digital society is reviewed, while an array of congruent and more mainstream sources are presented to provide accounts of recent and pertinent industry changes. This qualitative research is further complemented by a series of face-to-face interviews conducted with various commercial radio executives.

Overall, this thesis highlights the importance for private radio broadcasters of developing more exclusive and innovative content through programming that offers various levels of audience interactivity, effective risk management, and content migration across technological platforms. Furthermore, it suggests that commercial radio broadcasters not look strictly to public policy for securing a relevant future as a medium. This thesis proposes a redefinition of the term *emerging artist*, and argues that Canadian content development contributions are merely symbolic unless they are accompanied by an increase in airplay for emerging Canadian artists. Finally, this thesis recommends that private radio differentiate itself as much as possible from other emerging audio technologies, such as MP3 players and Internet radio, by focusing on terrestrial radio's unique offerings: local programming, the development of host personalities, more exclusive non-musical content, product placement and exposing listeners towards new music and emerging artists.

As a final observation, while the radio and technology industries appear to be concerned with identifying the next "killer" application that will upset the domination of one technology over others, we are missing an opportunity to reflect on deeper questions of identity. Technology, in how we use it and shape it, points to revealing movements in our cultural and social growth.

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-Anonymous student-

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"If I had more time, I would have written a shorter letter".

Marcus T. Cicero

I-Introduction

The central research question that guides this study is the following: Within the context of emerging technologies, how do private radio broadcasters “operationalize” the present and, more specifically, the future of their industry, given the dynamic tension between public policy and private financial benefits?

The main hypothesis of this study is that there is indeed a way for commercial radio stations to secure their position as competitive, thriving industry players in Canada, while remaining a pertinent entertainment and information medium for the general public. It is the view of the researcher that this goal is attainable while still meeting the Canadian Radio-television and Telecommunications Commission’s (CRTC) commercial radio policy objectives.

The CRTC’s current private radio policy framework remains an important part of this thesis because it presents regulation concerned with the promotion of Canadian culture and, specifically, of emerging Canadian artists and their music. This study is based on the idea that the CRTC should continue to regulate the radio industry to ensure that Canadian content is more widely distributed on commercial radio airwaves. This is not to say that the study assumes that these goals are currently being met to the best of the CRTC and commercial broadcasters’ ability. It is nonetheless important to state that the following research has been written in the spirit of promoting Canadian culture and finding ways to support emerging Canadian talent. In fact, Konrad von Finckenstein, the chairman of the CRTC, has recently given indication that in the coming years, a greater

effort will be directed towards reaching balanced and functional regulation: "We now feel that there is a need for some rebalancing. We must avoid suffocating the forces of the market. In fact, we must give fuller play to the energy and creativity of market forces."

(Robertson, 2007:B1)

This thesis investigates why CRTC policy should not be the end point of commercial radio's reflection on the changes needed in their industry. Certainly, regulation has major implications for private radio's operational plan, but the radio industry is already in a good enough position to exploit emerging technologies to explore previously unimagined and impracticable programming strategies. It is such an innovative approach to programming and operations, rather than policy itself, that can help the commercial radio sector to re-invent its business model and identity so that it may be better positioned to cater to listeners who may otherwise be tempted to leave traditional radio in favour of other competing diffusion platforms. As well, this thesis suggests that it is also possible for stations to work within the CRTC's regulatory framework, despite current or possibly higher Canadian Content quotas and Canadian Talent Development initiatives, and to compete successfully with the offerings of other emerging technologies. In fact, recent comments made by the chair of the Commission can be taken as "a signal from the regulator that it is willing to reshape the industry through negotiating with the broadcasters. That is, if they are willing to uphold their support of Canadian programming, then the regulator might be willing to bend on concessions such as ownership restrictions" (Robertson, 2007:B1).

To that end, this paper posits that commercial radio stations in Canada must consider emerging technologies as complementary technologies to their traditional platforms rather than as competitors only. It analyzes obtained evidence that provides support for the hypothesis. The purpose of this introduction is to present the context in which Canadian commercial radio currently finds itself. It situates the commercial radio policy debates in relation to technological developments that have spurred a concern with maintaining relevance with the lifestyle and habits of media consumers. The structure of the thesis is then outlined.

1. Contextualization

The radio industry has evolved considerably since the Canadian Radio-Television and Telecommunications Commission's (CRTC) 1998 review of the policies governing the sector in Canada. In January 2006, after an eight-year period marked by significant social and technological changes, as well as consolidation, the CRTC announced, in January 2006, a long-awaited public hearing in May to convene on the future of commercial radio broadcasting in Canada.

This hearing is of particular interest to a large number of groups since its objective is to determine the future policy environment of private radio. Many would argue that, in doing so, it is also shaping the competitiveness of the commercial radio industry on the one hand, and the future of emerging Canadian music on the other. A variety of stakeholders, from the Friends of Canadian Broadcasting to the Society of Composers, Authors and Music Publishers of Canada (SOCAN) and the Canadian Association of Broadcasters (CAB), responded to the invitation to express their views on the next

iteration of Canada's commercial radio policy, which would finally be released later that year on December 15.

Throughout the policy review process, in addition to reviewing the effectiveness of its policies implemented in 1998, the CRTC clearly expressed that its key areas of concern and interest were:

- to ensure that the policies continue to support the objectives of the Canadian Broadcasting Act;
- to develop a competitive and thriving radio economy;
- to guarantee the promotion of emerging Canadian talent;
- to encourage cultural and musical diversity;
- to provide a vehicle for local programming; and finally
- to develop radio as a sector capable of exploiting opportunities presented by emerging digital technologies. (CRTC, 2006: a)

The CRTC's review of commercial radio policy was timely. Emerging digital technologies are transforming the way Canadian audiences interact with entertainment and information content. Specifically, technologies increasingly facilitate the time and place shifting of programming, and consumers are making use of these technologies in a variety of ways. Furthermore, consumers are now more capable of customizing their technological devices to ensure that the content they access corresponds to their personal preferences. In fact, this trend towards personalization is epitomized by *Time* magazine's 2006 *Person of the Year* feature: "for seizing the reins of global media, for founding and framing the new digital democracy, for working for nothing and beating the pros at their own game, TIME's Person of the Year for 2006 is you" (Grossman, 2006:15).

This new reality is altering the relationship between audiences and content. The audience's rapport to radio is not immune to this evolution. Perceptions may vary on the exact impact of emerging technologies on the radio industry, specifically in terms of its capacity to attract advertising revenues or to increase the time audiences spend listening. However, radio industry players generally agree that changes must be monitored, and that their industry is facing an increased amount of competition, not only from within the radio sector, but more importantly from without: "In the face of technological change, radio and TV broadcasters have been arguing for changes to the regulations governing the sector. In radio, some broadcasters want Canadian content requirements reduced, saying it hinders their ability to compete against iPods and Internet radio." (Robertson, 2007:B1)

The private radio industry's concerns generally amount to lobbying the CRTC for more deregulation, for preventing an increase in Canadian content quotas, and for encouraging the government to recognize that the responsibility of fostering Canadian talent should not solely fall on the shoulders of the commercial radio industry. At the same time, artists, public interest groups, and artist associations remind the CRTC of its role in safeguarding and heartening the development of Canadian culture and, specifically, of emerging Canadian music: "Any changes to regulation must fit within the Broadcasting Act, which requires support for domestic programming and access to the broadcasting system for all Canadians" (Robertson, 2007:B1).

In the history of the CRTC radio policy hearings, these contrasting interests have made for important debates, which have resulted in the past and current iterations of Canadian commercial radio policies. Individual broadcasters, while being monitored by the CRTC, must then apply these latter policies. Furthermore, commercial radio policy does not exist in a vacuum. Rather, it is applied to a sector that is dynamic in nature, one that is itself part of a larger and continuously evolving socio-technological environment. In this sense, radio policy is not an end point in itself. It is but one of the beams buttressing the state of Canadian commercial radio. The industry is also bolstered by other supports that cross over and interconnect, such as a radio conglomerate's capacity to monitor changes in the technology sector. Such is the case when a radio group perceives changes in technology and acts upon them while remaining within the boundaries set by CRTC policies. It is thus important to reiterate that this thesis is based on the premise that commercial radio policy is not an end in itself, but rather one of a number of means and strategies to an end.

No matter what policy is set by the CRTC, it represents but a framework. This skeletal structure must then be filled out with the private radio industry's innovative approaches to marketing, programming and use of emerging technologies, for the purpose of cross-promotion, for example, or for cross-platform content development and distribution. In the same way, emerging technological applications of massive audio appeal to consumers (and thus of disruptive character for the radio industry), like ipods or mobile phones, are for example, not an end point for understanding listener behaviour, but rather a starting point for reflecting on the evolution of society's cultural and aesthetic

tastes and values. Technology, policy and listening behaviour, form the overall environment in which the Canadian commercial radio industry exists. Any thorough analysis of the sector must be set in a broader context, one which recognizes the reciprocal influence of social trends on our technologies and, conversely, of our technological designs and innovations on social trends, on our tastes and on our cultural values.

The main theoretical frameworks and models of analysis applied to this thesis have been selected as a function of this symbiotic relationship between social and technological movement. In fact, in this thesis, while not all of theorist Martin Heidegger's observations are espoused, one of his overarching concepts nonetheless serves as a backdrop for the analysis: reflection on technology requires a level of questioning that takes into account the idea that technology and society are mirrors of each other. Heidegger proposes that *art* is the realm where true questions and answers on the topic of technology can both be posed and answered. While this thesis must necessarily focus on specific policy issues, and while it must analyse a particular technology in relation to another, this dissertation seeks to elevate reflection on technology beyond the realm of technology itself, so as to reach a fuller understanding of the relationship between technology and society. It should be noted that, in the context of this thesis, Heidegger's views are not considered part of the theoretical framework but rather, are seen as a reflective underpinning against which the thesis's posture is established.

Recent developments in digital audio technology are providing consumers with a variety of audio entertainment options that directly compete with radio. Although the specific characteristics of the MP3 player, podcasting, Internet and satellite radio, for example, differ in many notable ways, together they nevertheless broaden the entertainment options available to consumers who may have previously been turning to radio as their default audio option.

Furthermore, developments with Internet technology and wi-fi connectivity, coupled with emerging digital communications innovations, have presented consumers with an even broader range of technological choices that are increasingly converging into a single personal communication and entertainment hub, such as the mobile phone.

Clearly, the accessibility and variety of content, be it broadcast or person-to-person (P2P), are having an effect on the nature of the relationship consumers have with that content. In the fall of 2006, a consumer could walk into a coffee shop and receive a free music download with the purchase of a seasonal pumpkin latte. In fact, music, and one's capacity to choose music that represents one's preferences, has become the focus of a variety of publicity campaigns. The Nokia N91 advertising campaign for the popular cell phone manufacturer featured half-page advertisements in Canada's most popular newspapers (*Globe and Mail*, 2006: a). The advertisements featured the close-up of a man's face; he is wearing earphones, and the tag line says "I am my music", with no image of the phone at all. In this sense, a technology previously built around its

communication features is now increasingly being showcased as a customized entertainment repository.

As well, technological convergence is making it possible to build social networking functions into the functionality of emerging digital devices and applications. While a direct link may not immediately appear between the gradual implementation of these technologies and the current status of radio, further consideration reveals that time spent listening to radio, especially in the case of youth markets, can be eroded by the accessibility, interactivity and customization of content, and the interfaces facilitated by innovations such as MySpace, Facebook, and YouTube. The CRTC has observed that overall weekly radio listening levels since 1999 have diminished by approximately 85 minutes. In 2005, per capita weekly listening hours stood at 19.1 and the CRTC notes that the most significant decrease has indeed occurred in the youth demographic (12-17) and that of young adults (18-34) (CRTC, 2006: b).

The design of technological devices has increasingly focused on both the mobility of the user, the trend towards user sociability and networking, and the portability of the content across various platforms. Some new devices have seen social considerations, such as file-sharing, built into their design. This is the case for MSN's Zune portable media player, which enables a Zune-to-Zune sharing of media files for up to three days or three downloads. While terrestrial commercial radio has for a long time enjoyed delivering one signal to a mass of listeners, it is today facing the challenge of adapting its programming and its business model to meet the needs of fickle audiences better. This is

an audience whose entertainment habits are both affecting and being affected by changes in the emerging technological sector.

Today, the CRTC is thus being challenged to bring changes to its commercial radio policy in order to continue to protect the sometimes conflicting interests of a variety of stakeholders who may be concerned with cultural promotion at one end, and a healthy return on investment at the other. The over-arching question presently faced by the Canadian commercial radio sector could in fact be: How can we reinvent radio into a unique medium that remains an alternative of choice among a mediascape composed of other existing and fast-developing media options?

2. Central research focus

This thesis is specifically interested in locating the common ground between a private broadcaster's objectives of optimal competitive performance in the industry and the CRTC's private radio policy objectives. It examines the changing economic structure of the cultural industries, and provides observations on the topic of audience measurement, striking partnerships with para-radio industry players, and diversifying advertising revenue streams. By supplementing these focus areas with a review of some of the key emerging technological devices now competing with radio for audience attention, this thesis hopes to offer insight into:

How commercial terrestrial radio in Canada can continue to differentiate itself as an entertainment and information medium while meeting its cultural responsibilities *and* remaining a profitable and competitive industry sector within the broader context of the ever-evolving emerging technology environment.

3. Structure of the thesis

The discussion and findings delivered through qualitative research are organized around four other main sections. After the Introduction chapter, the second chapter offers a review of the existing relevant literature on the issues raised by the evolution of radio in a digital environment. Much of the existing academic research on the topic is not specific to the future of commercial terrestrial radio *per se*. A growing body of work can nevertheless be drawn upon to provide insight into the application of a social shaping of technology (SST) framework to the understanding of radio's changing reality, rather than applying a more technologically deterministic framework. A few sources pertaining more to the discipline of economics are also drawn on to better understand the theoretical origins of the LTE model of analysis. Some other sources grounded in elementary economic theory are also identified to explain further the implications of the LTE model.

Chapter III presents the methodology adopted in the design and research of this thesis. It touches on four key points. First, the epistemological orientation of the paper helps clarify the approach that was used to find a fit between the thesis' hypothesis and

the research strategy that was deployed. The selected research is then examined and justified, and followed by a brief summary of the methodology.

The Analysis chapter consists of the bulk of the original research conducted for this thesis. It is broken down into three main parts. Section I, looks specifically at commercial radio's policy environment. It offers a brief overview of the CAB's submission to the CRTC. This is followed by a review of the radio policy by the CRTC, in December 2006. Special attention is paid to the issue of music exhibition quotas, to emerging artists, and to financial contributions to Canadian Content Development (CCD). In this section, policy is presented as the CAB's Trojan horse in the face of challenges posed by emerging and competing digital technologies.

Section II focuses more specifically on radio's emerging technological environment. A few emerging audio devices and applications, such as mobile phones and peer-to-peer file-sharing sites, are reviewed and contrasted against the current offerings of terrestrial radio to understand better the competition it is facing. Changes in the music industry, in terms of the plausible evolution from an economy based on the promotion of a hard-copy album to one characterized by the digital music downloads of single music tracks and ringtones are also addressed in this section. This allows for a discussion on the growing trend towards consumer-controlled media experiences.

In Section III, closer attention is paid to the economic environment of radio. This discussion leads further into the notion of long-tail economics, as triggered by an

abundance of consumer choices and of perceived variety in the cultural industries—most notably, in music. Comments are offered on clip-culture and on how innovations in both the audio and audio-visual entertainment technologies are affecting how audiences relate to content, in general, and to broadcast programming, specifically. As well, observations are made on the possible evolution of radio advertising towards product placement, given the growth of personalization.

The last chapter of this thesis, the Conclusion, begins by briefly reviewing the previous chapters. The main hypothesis is then compared against the research data. Conclusions about the research question are then drawn, and an attempt is made to look into any possible implications this research might have on the selected theoretical perspectives: SST and LTE. Finally, as in all research, a few limitations are briefly brought up. These are followed by the researcher's recommendations for future research on related issues.

As a final comment, it can be noted that the researcher has taken the liberty, in the thesis' concluding part, to articulate her key findings in the form of essential recommendations directed at both the CRTC and the CAB. While this paper does not purport to single-handedly resolve the industry's dilemma as to how to ensure competitiveness while promoting cultural sovereignty, the final section does suggest that applying the selected conceptual framework could provide constructive insight into how Canada's commercial radio industry can mobilize for the future, not merely alongside emerging digital technologies, but more importantly in conjunction with them.

4. Theoretical positioning

Two theories have been retained to examine the state of radio and how it may advance constructively in the digital age. Of course, many theories exist, and they all highlight a specific characteristic of a given problem. In this sense, “a model or a theory, whatever its form, is a kind of statement of priorities: in effect, it rests on a bet that for certain purposes, some phenomena are more important than others.” (Bijker and Law, 1992 a: 7). As such, the observations advanced in this paper are at once the fruit of, and limited by, the lenses of the selected theories. Nonetheless, this thesis seeks not only to position itself within the body of existing academic knowledge, but also to offer practical recommendations to key stakeholders in the radio industry. By limiting the selection of theories and by acknowledging the unavoidable bias associated with any angle from which one chooses to view an issue, this project will hopefully attain both of its objectives: 1) to contribute to academic thinking concerning radio, policy and emerging technologies, and 2) to formulate specific recommendations and questions that can foster public debate on how to maximize, from the increasingly overlapping perspectives of both the producer and the consumer, on the opportunities that emerging digital technologies and their social-cultural contexts present to radio.

Many researchers interested in technology and its relationships to society have remarked that most of us do not question the processes that have shaped the technologies we now take for granted: “...we don’t think very much about the ways in which professional, political, or economic factors may have given form to those designs.”

(Bijker and Law, 1992 a: 1). At the same time, it would be a mistake to believe that this thesis favours social determinism over technological determinism.

While relativism is not its aim either, determinism of any kind fails to capture the “contingencies” and “heterogeneity” of the subject at hand (Bijker and Law, 1992 a: 7). To recognize the social shaping of technology is not, for instance, to ignore that societies that shape technology have also themselves been shaped by technology. Just as an image can be reflected by a number of mirrors, bouncing reflections off one another, the objective in this case should not be to identify the original object, but rather to compare the quality of each reflected image and to study its impact on the next, regardless of its point of origin. Indeed, the theories selected to support this paper have been retained precisely because they make it possible to acknowledge that “what we normally call ‘the social’ or ‘the economic’ is, like technology, both heterogeneous and emergent; and that what we normally think of as social relations are also constituted and shaped by technical and economic means.” (Bijker and Law, 1992 a:8).

SST theory acknowledges the role that politics, economics, and society play in the development of technologies, in the choices we make regarding our technologies, from our cultural policies to the funding and innovation of technologies, to their diffusion and adoption. It is thus all the more interesting to complement SST with an analysis of a few models of technological adoption (presented at page 52). SST was born out of the recognition that the questions raised by technology reach beyond the simply technological or scientific realms, and that in fact, a need to address at once social,

political economic questions begs for a suitably flexible theoretical framework (Hughes, Bijker, Pinch, 1987).

Pinch and Bijker (1984) are often associated with the idea of interpretative flexibility which suggests that different technologies will have different meanings to different people and at different times. Of course, one of the risks with this sort of idea is that it may lead one too far into relativism. However, one of its clear advantages as a concept is its capacity to focus on specific circumstances, on situational meanings, rather than on rooting a technological commentary in static observation which is too soon rendered obsolete by time, and thus by social and technological evolution.

To Pinch (1996), scientific facts and technology are understood as social constructs. Herein lies the heart of SST. Michel Callon (1987), Bruno Latour and John Law together offer a constructivist view of technology which is grounded in situational analysis. They identify, through the Actor-Network-Theory (ANT) the simultaneous existence of a multitude of interactions, be they material or semiotic, in any given context, and instances of technological design and use are just such contexts (Latour, 2005).

Ultimately, the theoretical positioning of this paper suggests that technical change and social change happen together and to each other, and that they are both part of a broader process, that of human culture. However, for the purpose of ensuring that

theoretical questioning leads to practical applications, two supporting theories are suggested.

Given the complex nature of elements such as identity, economics, cultural development and technology, which have all been brought into a relationship with one another through technological convergence, a pertinent theoretical location for this thesis should reflect such ecologies. For this reason, **the social shaping of technology** is retained as a first appropriate lens. Also, because technology is “one of the major motors of economic growth, it has similar economic and policy relevance.” (Bijker and Law, 1992 a:11). Given the abundance of choice that the Internet and, specifically, Web 2.0 have brought to consumers, insight into the dynamics of an economy based on products of the cultural industries is necessary. The idea of **long-tail economics**, and, in particular, how the decreasing sales of a larger variety of niche products is becoming the new norm, is therefore selected as an appropriate model through which to build an understanding of the developments in radio’s broader social, technological and economic environment. (Long-tail economics is explored in greater detail in Chapter IV, Section III, page 118.)

5. Methodology

This paper constitutes a first effort at applying a methodology for estimating the common ground between, on the one hand, private radio's concern with profit and competitive standing in the dynamic context of emerging technologies, and on the other, the government's concern with ensuring good public policy characterized by the promotion of Canadian culture and specifically of emerging Canadian artists and their music. Such an endeavor necessitates the closer examination of how the Canadian commercial radio sector

is adjusting to socio-technological changes both inside and outside of its particular industry.

To this end, this thesis draws on a methodology based on two processes, beginning with a review of the existing literature of interest. Of course, it is impossible to introduce all the works that have a relation to the topic. A selection of key arguments from a variety of researchers is therefore presented in the second chapter. These works were organized according to this thesis' major themes further explored in the analysis presented in the fourth chapter. The purpose of this exercise is to allow for a positioning of the ideas expounded in the paper within a broader academic tradition.

The literature review on page 25 is then followed by observations and conclusions, which are in themselves the result of content analysis and qualitative research. The data analysis is present throughout the document, but more specifically it is focused in the Analysis chapter. This analysis draws from a variety of sources, each presenting a specific perspective of our topic. As such, the paper reviews, organizes and analyzes relevant literature, not only from academic journals and published manuscripts, but also from newspaper dailies, technological reports, advertisements, e-zines, listservs and the submissions made by various stakeholders in response to the CRTC's call for submissions, as part of its public hearings process.

Aside from the steps of data collection and of literature review, more qualitative research has been conducted in the form of face-to-face interviews to supplement the

findings. To capture better the organic and dynamic reality under investigation, in-depth qualitative interviews were carried out in a one-on-one setting with various radio professionals from a variety of sectors. A certificate of ethical clearance was obtained from the University of Ottawa's Social Sciences and Humanities Research Ethics Board (SSHREB), thus ensuring compliance of the interview process with the institution's academic research policies. The respondents who took part in this original research were carefully selected, not according to personal attributes, but because of their specific position and affiliation with a given media company. Within Canada, three of the biggest media companies operating in the sector of commercial terrestrial radio are Astral (28 stations), CHUM (33 stations), and Corus (50 stations). An inquiry into the challenges of terrestrial radio would therefore seem incomplete without insight into the realities of these companies as expressed, in one-on-one interviews, by individuals working in the field, and for whom the future of Canadian commercial radio is a daily concern. Finally, a fourth interview was conducted with a representative of the CAB. This individual was in a senior enough position to have taken an active role in the elaboration of the CAB's submission for the CRTC's policy review process.

As mentioned, a detailed presentation of the methodology guiding this thesis can be found in the Methodology chapter. Before advancing to that section, it is practical to first review the relevant literature that was selected to situate this thesis in the greater body of related research. This literature is organized around a variety of themes—from basic economics to the dynamic relationship and mutual influence between technologies and society. These themes are the object of the following chapter.

II-Literature Review

This second chapter offers a review of the relevant literature that touches on the themes of this thesis. Indeed, any research into technology should first be situated within a broader academic tradition of reflection on the issues it calls into question. Only a purist view of technology would consider technologies as material entities, detached from social, cultural, political and economic contexts. Such a view would limit itself to a realm of questioning that inefficiently addresses the complexities of the notions raised by this thesis. Relativism is also an inappropriate means for gaining insight into the changes facing the Canadian commercial radio sector. In this sense, a “heterogeneous” view of technology is proposed, one which, as suggested by Law and Bijker, recognizes that “both social determinism and its mirror image, technological determinism, are flawed” (Law & Bijker, 1992 b:291).

The appropriate lenses must therefore fall somewhere between a purist view of technology and complete relativism. A technology, if considered in isolation from its social context, is meaningless. It is neither positive, nor negative; nor can it be, in and of itself, a “perfect storm” of technical characteristics, or a “killer application” threatening the stronghold of another technology. In fact, “technologies, in particular information and communication technologies (ICTs) or electronic products, such as software packages or MP3 music, have no inherent aspects, good or bad. Social contexts and social engagement give meanings” (First Monday, 2002: a).

Because the focus of this thesis is how commercial radio in Canada can juggle its economic objectives with its cultural obligations towards the Canadian public broadcasting system, this paper is necessarily interested in reviewing literature that touches on i) technology narratives (by extension, policy and technology coverage in the media); ii) the design of emerging technologies and how they may inform new technical and content directions for conventional radio; iii) basic economic theory as it relates to digital products such as music; and iv) the socio-technological practices like social networking and file-sharing and their implications for the conventional radio business model.

In particular, the reviewed literature focuses on the following three related themes: technological narratives; system designs; and the notions of user-agency and interactivity. Each theme is first defined, and accompanied by an overview of the key relevant literature on the issue. Before moving into these sections, it is practical to bring Martin Heidegger back into our discussion so as to not lose sight of a larger overarching realm of questioning which acts as a backdrop to our study.

The questions raised by this thesis are interdisciplinary in nature: the promotion of Canadian cultural products, marketing, technology etc. As such, the applied theoretical models must allow for a system-based view of human culture, one whereby the artefacts we create are not studied separately from the beings that imagined them, that built them, that use them. In this sense, the foundation of this research paper rests on an idea which is perhaps best articulated by Heidegger's view of technology: that of a lens for

understanding human behaviour. Technology is then not an end in itself, but rather a “*destining of revealing*” (Heidegger, 1977:28), a mirror of society—a reflection of its values, interests and concerns: “*Technology is therefore no mere means. Technology is a way of revealing*” (Heidegger, 1977:12). What is noteworthy here is that Heidegger’s enlightening statement sets the tone for the remainder of the paper without necessarily constituting a theoretical framework *per se*. Rather, what Heidegger offers is the overall spirit of this paper. In the very act of researching radio, the ultimate power of technology, as a process for revealing and reflection on humanity in a broader sense, is in fact already at play.

While two theoretical perspectives have been selected to guide this project’s analysis and to facilitate the articulation and justification of its key recommendations, an ultimate contribution also hopefully lies in how Heidegger is echoed in its observations: the challenges faced by the commercial radio sector today, from managing policy to pressures from competing emerging technologies, regardless of how they are handled by various stakeholders, can be considered more broadly as a process through which our humanity and specifically, our culture, is revealed. Ultimately, any discussion about technology should be re-contextualized in a broader socio-cultural dimension that allows us to witness our connection to other systems and disciplines. It is in this sense that Heidegger is drawn upon.

In more practical terms, the social shaping of technology (SST) and long-tail economics (LTE) are suggested as appropriate theoretical models to guide our analysis since both are conducive to a reflection on many mutually influencing sectors of human

culture: social, economic, political and technological. Applying an interdisciplinary perspective to the foundation of this thesis makes it possible to ask more pertinent secondary questions, such as: What can we learn about social tastes and habits through emerging technological innovations and their social use? What do our present interactions with entertainment technologies reveal about the directions that terrestrial radio could take to ensure its status as a medium with a differentiated offering? Can what we know about human nature and identity inform how terrestrial radio reinvents itself?

1. Technological narratives

The first main theme is that of technological narratives. This theme is relevant to our research because it draws attention to how we discuss technology. Inherent to our conceptions and discourses of technology are statements about our social and moral values, and, as Heidegger would state, about our human existence and our relationship to each other and to nature. Our technology narratives merit special attention since some of these narratives appear as basic assumptions in our everyday lives in the form of media coverage be it through newspaper articles, television reports, podcasts or popular magazines. Statements made in these media often find their way into our own consciousness and can affect our technology adoption behaviours.

In this sense, technology narratives are valuable to our study since they can affect how consumers relate to emerging technologies and, by extension, how their conception of conventional radio may be affected by these articulations. This review of technological narratives also includes three important sub-sections. The first is that of myths related to

the health of the conventional radio industry. The second section specifically looks at the narratives of the Social Shaping of Technology (SST), while the third presents texts and authors more closely associated with basic economics-related concepts, as captured in the Long-Tail Economics (LTE) model of analysis.

A) Myths

In a meta-communicative sense, discussions around the impact of emerging technologies, as showcased by the media, further influence the public's perception of the impact these technologies are having on their lives, their consumption habits and older technological products, like radio: "without media, the activity of consumption and the figure of the consumer do not take on their current status as major aspects of social life" (Poster, 231). In other words, reflections on consumption should ultimately recognize, first and foremost, the influencing role of the media.

Many myths are currently in circulation about the future of radio. Often, such myths are born, passed around or exacerbated through the media. Mark Ramsey (2006:a) debunks many popular myths about radio, most notably, that conventional radio is permanently losing listeners. Far from advocating that the status quo in conventional radio is good enough, Ramsey makes some clear recommendations to radio broadcasters for surviving successfully into the digital future. Ramsey's recommendations, along with radio researcher Seth Godin's (2006:a) will be further drawn on in the closing section of this paper. It is interesting to note now, however, that a random-digit dialling telephone survey of one thousand Americans, conducted in the first quarter of 2006, revealed that although the reason and the way listeners relate to radio, as well as the rate at which they

listen, may be changing, they are still tuning in. Nonetheless, the time spent listening to radio, per capita, on a weekly basis, seems to be slightly decreasing, and this drop may point to a tendency that could continue to manifest itself in the future should it remain ignored.

B) Social shaping of technology narratives

Various narratives about technology exist, and according to David E. Nye (2004), American technological narratives can be broken down into two main categories: 1) those that are of an essentially utopian character, and 2) those that are dystopian. Nye further breaks down the utopian grouping into natural, ameliorative and transformative narratives while the dystopian narratives can be hegemonic, apocalyptic or satiric (Nye, 2004:171). According to Nye, the above-described concept of mass culture is a dystopian technological narrative of apocalyptic, and perhaps even satiric, quality. This six-tiered stratification of technological narratives thus offers an interesting basis from which to analyze myriad perspectives expressed by the various radio industry stakeholders, while also allowing for a loose classification of other perspectives of technology currently in circulation. While certain theories may fit only into one specific tier, such as Marx's theories into the hegemonic tier, this paper's multidisciplinary approach recognizes that elements of all these tiers are present, at any given moment of reflection.

While the study of technology through interdisciplinary processes may have been a unique proposition, even until the end of the twentieth century, the ideas brought forward by the SST have been finding their way into communications theory, especially

over the last five years or so. This is understandable since many significant technological changes in consumer technology have taken place, principally in terms of the speed of diffusion of consumer technologies and the rate of the replacement of these technologies due to rapid technological churn, and also because business and personal functionality are often collapsed into one same device, be it a Blackberry or a music phone. In short, researchers are gradually becoming more sensitive to the mutual influence of society and technology.

Manuel Castells (1996) sets an interesting starting point for understanding how technology has affected the ways in which knowledge is produced and how the production of wealth is directly affected by our technological means. This brings an interesting dimension to our research since this type of questioning can lead us to considering the Public Hearing process of the CRTC as an essential in-point for practical democratic debate on the shaping of cultural radio programming, quantitatively and qualitatively, and its relationship to economics and power. Castells (2001) further suggests that we all have our own hypertexts within us. In this sense, the concept of a shared culture becomes problematic in that individual users become their own interpreters of culture, constructing, deconstructing, borrowing and remixing elements in their own way: "If cultural expressions are gathered in a vast, diverse constellation that can be accessed individually, and then reconstructed in its specific codes by each one of us, how can we speak a common language?" (Castells, 2001:203). To this we may add, how can we continue to perceive radio as operating as a mass medium in a mass culture?

The theory of the social shaping of technology (SST) suggests that change and adaptation are characteristics of human civilization, and that the meaning of a technology is generated by its social context and uses. In a sense, this is how we can account for the changing role of radio. As a communication medium, radio has been around for nearly one hundred years. Since radio broadcasted the first commercial in 1922, both society and technology have evolved in ways that could not have been imagined. Undoubtedly, radio still has a place in society today, but the nature of this place, and how its modified role can continue to evolve in the future is subject to debate.

The SST, as articulated by Law and Bijker, is characterized by an interest in “issues that demand that we think simultaneously about the social and the technological” (1992, a:4). The theoretical model allows us to consider technology and society in a fuller interconnected context. In a way, to understand the real complexities facing the commercial radio sector’s various stakeholders, inquiry needs to ground itself in multidisciplinary analysis. It is in this sense that this paper takes into account variables such as regulation, economics, social trends, advertising, and technological innovation. In fact, “drawing sharp boundaries between disciplines denies reality” (Gault & McDaniel, 2002).

C) Long-tail economics and economic narratives

While it is important to interpret changes with a fresh mindset, certain older concepts continue to find relevance today, albeit under a new light. Such is the case with the theoretical model of Long-Tail Economics. While the economic notions of demand and supply are age-old concepts, the idea that there is a new relationship between popularity and inventory, which is facilitated by technologies such as the Internet and recommendation software, is novel and timely. Radio has existed for decades. Each generation saw the rise of new technologies that had the potential of upsetting radio's position in consumers' lifestyles. Today, these risks must be articulated in such a way as to capture how radio's broader environment is indeed different from before, prior to the widespread use of technologies such as the Internet, mobile phones, mp3 players and social networking applications. If the Internet, search engines, recommendation software, and online purchasing sites such as e-bay or amazon.com are facilitating consumers' acquisition of desired products, then they are affecting the pre-established dynamic of supply and demand in a new way.

While the idea that a long tail can characterize a graph is a common statistical concept, the practicality of using Long-Tail Economics as a theoretical construct resides in the fact that it helps explain how a socio-economic phenomenon is affecting the cultural industries. Specifically, in our case, it exposes the availability today of a more diverse inventory of artistic products compared to what was common in a previous technological era, when consumers were restricted to fewer choices.

These narrow choices of yesteryears tended to be characterized by their top-selling nature. Whether they were top-selling because the inventory was limited, or because the formula of the product fit the taste of a large consumer bracket is debatable. What is certain, however, is that there are today, across most cultural industries, from movies and books all the way to radio, fewer blockbuster hits. To be sure, the blockbuster hit song or the Top-40 radio shows will likely not disappear entirely. But as the inventory of available music broadens, the sales generated by the blockbuster hits are increasingly dwarfed by the total sum of all the lesser-known products sold.

Three years prior to Chris Anderson's publication of his book on LTE, three MIT researchers had sown the seeds of the theory. In a working paper, Erik Brynjolfsson, Yu Jeffrey Hu and Michael D. Smyth (2003) looked at increased product variety made available by electronic markets, namely in the online book market. What Brynjolfsson et al. attempted to capture is how it is necessary, in an electronic economy, to attempt to quantify the value of the convenience and selection made possible by the Internet and digital technologies: "As these electronic networks develop and mature, it will be important to quantify their value for customers, merchants, shareholders, and society."

Most of the earlier research that looks at recommendation software and the purchase of goods online, deals with the specific subject of online bookstores. This is in fact the consumer goods market that inspired Chris Anderson's reflections on the LTE model.

As with the online book industry, the songs, albums and artists that may have been too obscure or who may have represented too much of a gamble for consumers can now be explored online prior to consumer purchases. Just as a book's cover and selected pages can be viewed prior to the electronic purchase of a book, so can a few excerpts of songs be sampled on music sites to give listeners an idea of a track's general flavour. This directly relates to our hypothesis by helping us think of music as an economic good—more specifically, a good which is available through a variety of sources, and which is thus non-exclusive to radio stations. Whereas radio may have been a necessary hub for discovering new music, and while it certainly may continue to enjoy that role today, it is no longer the only option available to music consumers. In fact, a variety of peer-to-peer (P2P) and file-sharing sites offer the same advantage, some at a cost to the consumer and others, at no charge at all.

“First, it is important to note that the book market is just one of many markets affected. Online sales of other consumer product categories, like music CDs, movies, and electronic products, are likely to also show significant gains in consumer surplus. Furthermore, gains in all product categories will increase as more customers gain access to the Internet channel and as new technologies such as print-on-demand, digital content delivery, mobility services, and broadband access further reduce consumer search and transactions costs. Finally, it is possible that the ability to sell obscure books through Internet channels that would not have been stocked in physical stores will allow some books to be published that otherwise would not have been viable.” (Brynjolfsson et al, 2003:24)

It is easy to extrapolate from data specific to the book industry and see its relevance for the music industry. Just as lesser-known books can reach their readers through online bookstores, so too can niche music markets find their consumer-base through online music sites. The idea that the sum of the niche markets can in fact be as profitable, on the whole, as are the total sales of a single hit is precisely what the LTE

model suggests. This also suggests another important economic concept, that of variety. Variety and, more particularly, the consumer's *perceived variety* of a given product—in our case music—must be factored into radio's economic equation.

Diversity is a concept related to that of variety. In brick-and-mortar retail outlets, the economic parlance involves a concern with finding a means to showcase product variety through an *appropriately* structured assortment or physical layout (shelves, aisles, displays, etc.). The “appropriateness” of an assortment, according to researchers such as Myers-Levy and Tybout (1989), Fiske and Taylor (1991) and Morales (2002) is a function of the degree to which the consumer's internal organization resembles the retailer's external layout of the product. While these observations are specific to retail, they do enrich our understanding of the mechanisms involved in presenting variety and diversity in radio programming by proposing that variety is first and foremost a perceived quality (Morales, et al, 2002). If consumers perceive the variety of the assortment of radio's offerings through diverse programming and the airplay of emerging music, then the assortment of music and exclusive content of the station is perceived, by the consumer, as being larger.

According to these theories of product assortment and variety, the consumer is more likely to accept to pay a higher fee for a product or service, in exchange for increased product variety. Variety, then, has an economic value. In the context of conventional radio, a free medium, where the product has no direct cost, it could be advanced that instead of paying more, the consumer may be more willing to tolerate

advertising, or product placement, or perhaps, be more willing to accept the risks associated with discovering emerging artists and new music.

The concept of variety is therefore rooted in a certain degree of subjectivity, be it on the part of the programmer or on the part of the listener. Furthermore, the above-listed research concepts propose a model for perceiving variety with products that are, on the one hand, familiar to consumers (in our case, Contemporary Hit Radio or Top 40 radio) and, on the other hand, unfamiliar to listeners (such as emerging music).

This sort of discourse, rooted in economics, also leads to other useful concepts such as categorization theory (Fiske and Taylor, 1991), whereby consumers are said to mentally organize products according to prior category knowledge. In effect, an evaluation is made to better understand where a new product fits in. Music file-sharing sites and social networking sites such as *Last fm*, *Pandora* and *Otrax* present, for example, 100 possible tags by which to categorize music (see Appendix E). These observations support the idea that, increasingly, as music consumers come into contact with emerging technologies, their knowledge base of music categories will help them categorize up-and-coming music into a known tag; they can then develop reference points for the consumption of this new music more readily, moving it from the unknown category to a more familiar one.

This concept is further explored in the work of Myers-Levy and Tybout (1989) in the idea that a product is not evaluated solely on its attributes, but rather on the

“discrepancy between product attributes and consumers’ expectations for the type of product”. That is, it is not the product itself, but how it relates back to consumers’ expectation that plays a strategic role in satisfying the consumer. Again, in the context of the radio industry, the point is perhaps less about considering a specific track by an emerging artist (and whether or not it fits the specific station model and mission), and more about the fact that radio needs to reposition itself as an appropriate and effective source for music discovery more generally.

In this sense, the more a station is willing to offer an assortment of music by presenting new materials strategically within the more familiar music portfolio, the more the consumer will expect to be introduced, periodically, to a less immediately familiar track. In other words, the sooner a station embraces its role as a guide to music discovery (which includes emerging Canadian selections), and strategically features diversity in its musical portfolio, the sooner consumers may attach value to this variety and progressively decrease the sense of risk associated with discovering a new product.

Another socio-economic concept of interest is that of word-of-mouth (WOM) promotion. WOM is not new to economic theory. While historically, WOM has been a familiar promotional tool ever since humans began to socialize, it has more recently, in an academic context, been explored by Banerjee in 1992 as a specific variable of herd behaviour and viral marketing, and again by Godes and Mayzlin (2004) as it applies to online settings. In fact, WOM can be linked to Gopal’s notion of variance reduction. This idea relates to the concept we have thus far addressed as “lowering the risk” associated with discovering new music. Gopal (2004) calls this *variance* and defines it as “the

consumer's uncertainty regarding the underlying value of the music item". *Variance reduction* is therefore possible through WOM, through media coverage, and, specifically, through radio since the medium advertises "the value of the music item to consumers" (Gopal, 2004).

The economic concepts mentioned so far are only some of the ones available that can be retained to understand better the foundations of LTE and how it applies to the radio sector. While LTE offers a functional model to capture the economic effect of increased product choice, it falls short in its capacity to provide further insight into consumers' perceptions of variety, and the apprehensions they may experience when faced with unfamiliar products. Another shortcoming of the application of LTE to radio is that the model offers an understanding of a supply/demand dynamic that normally is centred on a *transaction*: a book or DVD is "purchased online", a movie ticket is "bought". In the context of conventional radio, the prime currency is not money, since the medium offers its programming entirely free. Rather, it can be suggested that what consumers trade with broadcasters is their time and attention. This is indeed what advertisers are most interested in.

Nonetheless, LTE remains an adequate model for the purpose of this thesis. In fact, the LTE model, because of the social nature of economic activity, is a subset theory that fits into the larger theoretical framework of the SST. LTE refers to an observation associated with Chris Anderson's book, *The Long Tail* (2006). In a sense, LTE provides more of an interpretative model than it does a theoretical framework for understanding

some of the market changes taking place in the cultural industries of music and radio, for example.

Anderson's theory directly challenges any representation of society as behaving like a mass in its consumption of cultural products. In fact this model is based on the idea that what characterizes our society today is the range of choices that connectivity and ICTs have made possible. Anderson refers to a "market of multitudes" (2006:5) characterized by "unlimited and unfiltered access to culture and content of all sorts, from the mainstream to the farthest fringe of the underground" (2006:3). Anderson further recognizes how the idea of a mass culture breaks apart when we consider how most of us belong to various niche tribes or interest groups simultaneously. In this sense, segmenting audiences into tidy categories is even harder than it ever was, given the overlapping spheres of interests made possible by increased choices, themselves facilitated by two mutually influencing factors: technological convergence, and a cultural trend towards self-expression and the public display of our identities.

Anderson proposes a graph that relates the number of items sold to consumers over time, to the range of available choices. The graph suggests that economic models based on the mega-hit, the blockbuster movie, or the album, for example, are on their way out as they no longer capture the essential character of the present market, which offers a wide variety of options to consumers with differentiated preferences. While a few artists would typically sell a record number of albums, this occurrence is today somewhat rarer; it is more common for a wide range of artists to sell a lower amount of units over a

longer period of time, thus representing the long-tail. Anderson's contributions to this paper reach beyond an explanation of a unique economic phenomenon. It lies in his capacity to contextualize his economic observations in a broader socio-cultural and technological background.

LTE has implications for many of the aspects of radio presented so far, including that of interactivity: "once upon a time talent eventually made its way to the tools of production; now it is the other way around" (2006:63). The idea of providing an outlet for host and radio personality talent is of capital importance in the context of recommendations to the radio sector pertaining to the development of exclusive programming. Talent can be compared to a commodity insofar as it is generally scarcer than other more tangible and impersonal goods. The scarcity of talent ensures its value and can thus be considered, once identified, as a sound investment for commercial radio broadcasters. Talent also refers to that which can be contributed by radio's audience base, referring back to the idea of building radio as a "writerly" text.

The Webster dictionary defines economics as "The branch of social science that deals with the production and distribution and consumption of goods and services and their management" (Webster, 2006). According to Anderson, it is, in fact, abundance of choice that characterizes the long-tail (Anderson, 2006:143). Anderson proposes that the framework can eventually suggest a way towards the "dynamic pricing" of cultural products like music. In the context of music downloading, of subscription fees with satellite radio, or of free terrestrial radio, pricing is indeed an issue being considered by

radio executives anxious to stabilize the economic structure of radio, given the uncertainty currently experienced by the advertising industry.

Anderson breaks down consumers into two markets, and explains how each one manifests risk-management in various ways according to how much they may be interested in a product and the cost of the product. Accordingly, he identifies “need” markets and “want” markets, and how, “for the right price, you can be encouraged to try something new, venturing down the “tail” with diminished risk of wasting your money” (2006:139). In the context of conventional terrestrial radio, which is free, the resource of choice can be considered to be time, and Anderson’s theory still holds. In the context of radio offering value-added content online, the dynamic pricing model according to consumer “needs” and “wants” may in fact help broadcasters think more creatively about their offerings.

The social construction of technology and long-tail economics are two of the theories that provide flexibility and insight into the multidisciplinary fields of this research project. “*With growing numbers of people accessing the Web, new types of interactions are emerging between clients and businesses and between governments and citizen.*” (Gault & McDaniel, 2002).

2. Technological designs

The second theme that can help organize this literature review is the design of technological systems, including both aesthetic and practical considerations. Specific emphasis is placed on the human-tech approach to design, which characteristically allows for a better fit between consumer lifestyles at a given time, and the design of popular emerging technologies. This theme relates back to our hypothesis because the radio industry must be concerned with ensuring this fit between social needs, cultural trends and technological evolution. Competing emerging technologies are being designed with the user in mind. Since radio's inception, consumers have evolved through various lifestyle states. Although radio continues to be relevant today, new concepts such as digital technological convergence, streaming and wi-fi connectivity have made their way so deep into the everyday life of modern industrial consumers that a device not offering these attributes, or not fostering maximum compatibility with these features, is at a serious disadvantage. This theme is explored with the intention of identifying how radio can better adapt to current technological trends to maintain a relevant, yet differentiated offering.

Kim Vicente speaks of the "Human-tech" factor whereby a system design approach may best capture the relationship between technological, policy and economic decision-making around technological innovations. Vicente opposes Human-tech designs to mechanistic designs by highlighting the importance of the relationship between humans and technology, and suggesting that through the market pressure they exert on companies, consumers who seek human-tech designs "will eventually drive out mechanistic designs" (2003:291). While Vicente, a utopian-transformative theorist, does

not fall into the SST category as such, her sensitivity to how technologies can be designed with an understanding of human nature, and not strictly with productivity as a chief concern, makes her proposition interdisciplinary by nature. Vicente's observations have special resonance in the context of understanding how the CRTC might choose to modify current commercial radio policy: "choices about policy aims, budget allocations and legislation have an impact on how likely it is that a snug Human-tech fit will be achieved, not just at the political level itself, but also at the organizational, team, psychological and physical levels of human nature." (2003:247).

The idea of a "Human-tech" fit inevitably implies design and style. While a specific discussion on aesthetics falls outside of the focus area of this project, the role of aesthetics in radio nevertheless merits a nod. The characteristic white earphones of the iPod, the smooth and rounded edges of Apple computers, and the thin and sleek Motorola Razr magenta pink phone are all examples of how smart Human-tech designs that combine style, comfort and functionality can catalyze the diffusion of a technology. If design plays such a role in the diffusion of emerging technologies, then perhaps a certain concern with aesthetics should be reintroduced in the context of conventional radio. This is a tricky proposition since the demand for conventional radio receptors has fallen out of style. Radio seems to be more of an add-on to the purchase of other supporting technologies such as alarm clocks and vehicles, for example. Nonetheless, while aesthetics applies to a visual characteristic and, in this sense, to the physical radio receptor itself, it could be suggested that a new aesthetics of radio is also needed at the programming level. In a utopian-ameliorative/transformational fashion, Virginia Postrel

suggests that “good design is not about the perfect thing anymore, but about helping a lot of different people build their own personal identities” (2003:9). It is in this sense that this paper considers radio aesthetics. Aside from the physical aesthetics of radio and its offerings at the programming level, there is of course, the way listeners interact with the medium. This leads our discussion towards more complex terms such as “engineering”, “producer” and “user”.

Increasingly, there seems to be a tendency to interchange quite liberally the terms listeners, users and consumers when referring to radio’s audience. While conventional radio was seen as transmitting its signal to listeners, capitalism and technological convergence have allowed for new terms to capture more aptly how Canadians interact with their radio and the fact that an interaction is occurring at all, replacing the one-to-many model.

The problem of “interpretative flexibility” (Bijker, 1992) is explored a little differently in a concept advanced by Walter Benjamin (1934). Benjamin was interested in how “authors” are indeed “producers”. And they perhaps are more so today than in Benjamin’s own time. This has particular relevance given the focus on user-input or user-generated content on various platforms.

Many researchers have questioned the decisions, assumptions and processes authored by the engineers of technological artefacts. Others have been specifically interested in whether or not users of these artefacts are conscious of these design assumptions or not. This is also an interesting dimension of Benjamin’s contribution: to

consider built-in design decisions that may affect how a technology is used or not used.

Benjamin suggests that authors take an active role in the production process.

The people who design, imagine, and build a technology are referred to as “engineers”. Less often are other agents, such as policy makers and economic factors themselves also considered as having some kind of “engineering” status. Less frequently still do users of a technology consider just how political the engineering process of a technology can be, as highlighted by Langdon Winner (1986), or how decision-making at levels beyond the technological phase—at the policy or economic level, for example—can affect how a technology is marketed, adopted and re-imagined. In this sense, policy makers at the CRTC could in fact be considered to be taking part in the engineering process of conventional radio. This thought contrasts with how engineers are normally imagined in Western thought, as being professionals with specialized scientific knowledge, involved in the primary stages of machine design. As its title suggests, the anthology of essays on the topic of culture and technology, *Engineering Culture*, proposes another look at the various cross-influences that shape our technologies. Certainly, our capacity to discuss narratives is limited by our language. It is not within the scope of this paper to look into the complex linguistic and semiotic dimensions of such issues. However, it is nonetheless interesting to note that in the Arabic language, the term for architect and engineer is the same. There is no distinction made since the knowledge of an engineer is deemed necessary for those wishing to design living spaces. This merging of terms points to an incidental, yet revealing, correspondence between the disciplines of engineering and architectural design.

3. User-agency through interactivity

Certainly, one of the key words associated with the present attributes of emerging technologies is that of “customization” and “user-generated” content. Thanks to convergence and advances in Internet connectivity, emerging technological devices are increasingly presenting a nexus of communication and entertainment options to consumers. These developments denote a clear trend towards enabling consumers to interact with content and interfaces, for example. Although the appropriateness of the term *interactive* could in itself be the subject of a study, the word is used here to identify the ways in which consumers can customize the format of information as well as co-develop or self-generate content that may find its way back to a file-sharing site or in some avant-garde cases, back to a broadcaster. Different levels of interactivity may be of interest to different consumers: some may prefer the “pull” concept to that of the “push”, while others might prefer to engage with “readerly” texts, rather than with “writerly” ones.

How consumers will respond to a technological attribute is a technologically deterministic gamble. Technological determinism, though it may yield to interesting observations, has not been retained as a theoretical framework for this thesis. Nevertheless, because of the nature of the technological sector, and since it is fuelled by innovation funding and investment, a certain concern with prediction is justifiable. Without espousing a prophetic or deterministic approach to technology consumption, it is interesting, in this section, to point to certain researchers who have reflected on the

concept of prediction. By extension, these reflections lead us to considering theories of technological diffusion and adoption, such as those articulated by Bass (1969) or Rogers (1986).

This third theme, then, introduces the idea that the contemporary consumer is seeking an increased capacity to customize content and, in some cases, to participate in its development. This has important implications for the new business model of conventional radio.

The idea of influence on the design and use of a technology, as well as the origins of this influence, leads to interesting discussions about the value and nature of interactivity. Roland Barthes (1974) and Florian Cramer (2003) speak of “writerly” and “readerly” texts. The latter is associated with a graphic user interface such as operating systems engineered by private companies in a very top-down fashion, which does not necessarily allow the user to modify the code. While a “writerly” text, such as Unix, would allow the user to consume and produce simultaneously. Of particular interest, in the context of radio, is the degree to which users can interact with the medium, both at a content and a format level. Pit Schultz further discusses the idea of “producers as power users” (2005:111).

Schultz also reflects on the idea of the “prosumer” (2005:111). He in fact advances the idea that there are various types of users, some of which are power users, who are typically affirmative and/or critical: “consuming power and being consumed by it, the power user reproduces the force fields of the network, as well as being affected and

formed by them” (2005:112). Schultz in this sense recognizes how users are both affected by technologies and agents of change in their creative use of technology. In recognizing the accessibility of emerging technologies and, specifically, in the capacity of users to turn to free and open software for interacting with content and personalizing their entertainment experiences, Schultz advises all enterprises dealing with the production of knowledge “to rely partly on free and open resources, as a foundation for their business power” (2005:119).

Mark Poster, sharing Michel de Certeau’s unique take on the consumer and the user, echoes the latter’s belief that “the form of consumption missed by the technocratic rationality of social science is its construction of spaces and languages” (2006:238). In this sense, there is a dimension of consumption that is more creative and imaginative than in the case of dystopian technological narratives such as that of mass media, where users can “remake” technological products, in a cultural sense, once they are brought into the user’s home and daily life. Also, Walter Benjamin, well before the markets called for a concern with end-user customization, made a very avant-garde proposition when stating that a technological “apparatus will be better the more consumers it brings in contact with the production process—in short, the more readers or spectators it turns into collaborators”, as noted by Schultz (2005: 111).

Finally, it is important to note that this paper does not seek to offer a prophetic vision of the future of commercial terrestrial radio in Canada. Futurism is in no way a goal, nor of specific interest to this research. At most, the articles retained for content

analysis serve as a basis for recommendations to industry stakeholders on how to prepare better for the volatility and the speed of change at so many levels of the industry: from managing the rate of technological evolution, through the convergence of technologies and the changing economic market and advertising industry, to evolving consumer trends and behaviors.

The concept of prediction is however unavoidable. Much of the Public Hearing exercise required submissions to be founded on a certain prediction of the influence that emerging digital technologies and their social uses might have on the structure and standing of commercial terrestrial radio, both in the present and in the short- and long-term. Marita Sturken and Douglas Thomas (2004) identify prediction as a necessary economic strategy, but note that an increased amount of importance is being placed on prediction. The rate of technological change is so accelerated that policy makers are forced to rely on predictions rather than observations, thus accelerating the decision-making processes that socially, legally and culturally engineer these emerging technologies further:

Policy makers and business people have always had large stakes in predicting the impact of various technologies. As the rate of technological change accelerates, informed discussion about the impact of new technologies does not take place as they are developed but when they are already in use. Whereas technologies such as the telephone and television took years to saturate their markets, new media can accomplish the same task in a matter of months. All of this places an increased premium on prediction (2004:6).

David E. Nye prefers to talk about prediction, forecasting and projection: “We predict the unknown, forecast possibilities, and project probabilities” (2004:159). Nye

explains his understanding of the three forms of technological prognostication as follows: inventors, dealing with the unknown turn to predictions cast in the long-term; to invent, engineers and entrepreneurs build on existing inventions and thus innovate, for possibilities in a medium-term. Designers and marketers make probable, short-term projections pertaining to future sales and profit of recognized technologies (2004:159).

The subject of technological prediction is intimately linked to that of technological narratives. Not only are technological narratives being produced by the marketers of emerging technologies or technology reporters, and then circulated in the media, thereby influencing audiences' interest towards or relationship with a technological device, but the parties that submitted recommendations to the CRTC also produced their own technological narratives for the Commission's review. "The most successful of these little narratives are those that present an innovation as not just desirable but inevitable. As public relations people are well aware, when investors and consumers believe such stories, they can become self-fulfilling" (Nye:160).

It is interesting to be aware, as we move forward with the research paper, of the dialogical feedback of these technological narratives and how this paper, itself, is contributing to the shaping of perceptions regarding the current state of commercial radio and its possible and/or probable developments in the short- and long-term: "Visions of new technology are highly productive—they impact how technologies are marketed, used, made sense of, and integrated into people's lives" (Sturken & Thomas:3).

The advent of the Internet and the technological convergence that it has spurred are forcing consumers to replace technological devices at an ever-increasing rate. Mobile phone manufacturers and carriers, for instance, are modifying their contracts so that users can change phones more frequently to keep up with the rapid technological churn. Nonetheless, even within the duration of a consumer's contract with a mobile phone carrier, one may see the rise and subsequent obsolescence of a particular technology or format. Everett Roger's theory of the diffusion of innovations perfectly exemplifies this point with the "S curve" representing the various levels of creation and adoption of technology. Rogers describes how a technology may be adopted in a given group, based on how a population is seen as presenting 5 categories of behaviours regarding the adoption of a technology. Individuals may fall into a given category for a variety of reasons, be they demographic or financial. The first grouping is rather minimal and represents the "innovators" (2.5%) who are always first to push a technology to the mainstream. A second category is that of a larger portion of "early adopters" (13.5%) who are often opinion leaders and trend-setters. The third category is that of the "early majority" (34%), followed by the "late majority" (34%), and finally, by a last grouping made up of a smaller portion of "laggards" (16%) (Rogers, 1962).

Interestingly, it would seem that the study of technological interactions fits better with a behaviour-based approach rather than a demographics approach. The categories typically used in standard demographics bracketing are proving to be rather problematic in capturing the behaviours and needs of the Canadian population. Roger's theory is more compatible with a behaviour-based approach to audience segmentation than it is to a

demographics one. While many would advance that the segments more willing to experiment with emerging technologies are generally the younger demographics, or, alternatively, those who have the financial means, the speed of technological evolution, discrepancies in affordability and accessibility of technologies, and the increased choice of technologies are such that consumers do not fortunately exhibit the same adoption behaviour towards all technologies.

Roger's theory holds so long as it is complemented by a social constructivist theory of technology. In this sense, the theory of the diffusion of innovation would allow for the consumer's creative use of the technology and the fulfillment of its context-specific and technology-specific needs and interests, trans-demographically.

The second pertinent model, the Bass Model (Bass, 1969), describes and predicts the number of purchases for a new consumer durable product. This approach can also yield a better understanding of how products—in our case, technology or music products—are adopted. Bass (1969) proposes three parameters to predict the number of adopters at any given time (t). The first parameter (m) represents the market potential. He described (m) as the total number of people who will eventually use the product. In the context of radio, (m) would represent the potential audience share of a given station. The second parameter (p) represents the coefficient of innovation, and the last parameter (q) refers to the coefficient of imitation. Bass further defines (p) as the external influences that can bring one to adopt the product (such as mass media coverage) and he defines (q) as the ensemble of internal influences that can lead to the same end. Again, in the radio

environment, (p) could represent the station's efforts at self-promotion (competing with other station within the radio industry) and, to a more general extent, how other radio stations promote themselves as well.

Since other technologies outside of the radio industry are also competing for audience attention, any radio station promoting radio as a viable advertising or entertainment option can in fact contribute to radio's cause, that is, of keeping the medium itself as a pertinent entertainment choice. The coefficient of imitation is characterized by the influence of word-of-mouth from those already using the product. This (q) coefficient, then, would refer to a station's listeners and to their influence in drawing more listeners to the station through peer influence and word-of-mouth. Hence the importance for conventional radio stations to have a strategic presence on social networking sites, such as Facebook and MySpace. These are among the most popular sites today, but they be replaced by more novel ones. Radio must therefore consider itself as being in the emerging technology business, rather than solely in the radio industry.

Bass' model is, of course, complementary to that of Rogers (1962). Bass recognizes the importance of context by building in the time variable; more specifically, he addresses the key external and internal factors that may influence adoption. Neither one of the models considers economic status as an isolated influencing factor, but in the case of radio, since it is a free medium, this matters only insofar as radio may strike partnerships or launch initiatives that engage other supporting technologies which may in turn require access to high-speed Internet or to a mobile phone, for example.

It is Jean Baudrillard's conception of power that best fits a discussion on the future of radio. Indeed, to him, what always characterizes power is that it involves a powerful "giver" who gives without needing to receive (1994). The specific insights of Baudrillard, Medosch (2006) and Jaromil (2006) lie in how a concern with free and open software and a relaxing of copyright laws can be worked into recommendations made to commercial radio broadcasters for advancing more constructively into the continuously changing environment of emerging digital technologies. An observation made earlier on the topic of music as being a good in the economic parlance is worthy of mentioning again, in light of a concept articulated by Gopal et al (2004):

"Digital products also exhibit the fundamental characteristics of a public good in that sharing with others does not reduce the consumption utility of the product. These traits of digital products facilitate the widespread and often illegal distribution worldwide". (Alexander, 1994).

Indeed, sharing with others and associating one's identity to certain music can leverage one's social standing or give cues to others as to one's identity, one's belonging to one culture instead of to another, and one's values. These ideas relate back to Bourdieu's notion of social capital. Consider, for example, how one's MySpace page can automatically begin to play a selected audio track upon a visitor login. Or better still, how the selection of a ringtone for one's mobile phone can speak of the consumer's culture, values, interests and even age-group.

The idea, however, that a digital good does not lose value just because others share it poses an interesting challenge to the music industry. It may in fact be at the center

of why the industry finds itself in the present conundrum of understanding how to enforce copyright regulation, and how to ensure royalty and licensing fees, all without necessarily tying consumers' hands behind their backs. The analysis provided in the Analysis chapter touches more on the implications of social networking, open-source and how these issues relate back to radio's positioning as a relevant entertainment medium.

All of the above-mentioned themes, from increasing the potential for consumers to interact with content and format, to broadcasters walking in step with emerging social networking technologies, to understanding modes of tech adoption and diffusion, are relevant to the object of this thesis: understanding how to ensure conventional radio's competitiveness and relevance in the context of emerging technologies, while working within a policy framework concerned with the promotion of Canadian products.

At last, it should be stated that some technological reviews will also contribute to this study as statistics and descriptions of technological innovations become necessary in the examination of particular case studies. Some industry-produced technological reports on the future of consumer entertainment options will also be drawn on, such as those published by Nordicity (2005) and IBM (2005).

III-Methodology

1) Epistemological orientation & definitions

The epistemological orientation of this thesis combines both a) an interpretive approach and b) a critical analysis.

a) The objective of turning to an interpretive study is to understand the phenomenon of emerging technologies and the ensuing necessary evolution of conventional radio through the meanings that people assign to them (Myers, 1997). As mentioned earlier, these meanings appear in this study as either content analysis of topical literature or as qualitative data collected during interviews with professionals whose daily activities are structured around the radio industry. As already stated, this thesis is interested in understanding how the radio industry and policy developers are making sense of these emerging technological and social changes.

b) The critical analysis is aimed at turning data into relevant information in the context of our research interest. Most of the critical analysis is presented in the next chapter. Before further describing the research strategy employed in the development of this thesis, a definition of the few key words used in this research is presented.

This project takes a specific look at the current context of *commercial English-language terrestrial radio*, and focuses on music rather than talk-radio. English- and French-language stations are considered as an entity. The CRTC, through its public hearing process, initiated a call for proposals which was heeded by most industry stakeholders. The submission by the CAB constitutes an adequate source for gaining insight into the commercial radio sector's own understanding of its present reality as well

as the challenges it may face in the future. In this sense, this paper assumes that the CAB submission is indeed a representation of the position shared by the majority of its members, be they English- or French-speaking. In fact, the homepage of the association's website posts the following statement about its role: "The collective voice of Canada's private broadcasters" (CAB, 2006: a).

The term *emerging technologies* refers to innovations, and, in the context of this thesis specifically, to those with an audio component, which directly compete with traditional radio's offerings. New media innovations are intrinsically organic, and the rate of technological churn requires that the terminology adopted in this paper reflect this reality. The specific emerging technologies of interest are MP3 players, podcast programming, satellite radio, Internet radio, and mobile phones. Other platforms that build on the convergence of technology and applications are also discussed, such as MySpace (a social networking site), YouTube (a video file-sharing site), Rhapsody, and iTunes (music and downloading sites). This selection is motivated by the fact that these are key innovations and platforms, whose popularity with the general public continues to increase. They are challenging the status of radio through the staples of mobile consumer electronics, on-demand programming and customization in the context of digital music downloads, self-programmed entertainment options, and social networking.

The term *regulation* refers to the CRTC's commercial radio policies, as articulated in the latest review published on (CRTC, 2006: b). Specifically, these regulations address the realities of FM radio rather than AM radio: "With the

improvement in the quality of FM technology and the general move of music-based stations to FM, both the audiences and revenue of AM stations as a whole have been lagging behind those of FM radio. This is the primary reason for the lighter regulatory approach to AM radio” (Krushen, 2006).

The concept of *cultural development* is addressed to capture complex issues such as Canadian sovereignty with respect to radio programming, the promotion of emerging Canadian artists, and the broadcast of diverse musical content. The CRTC’s concern with preserving Canadian sovereignty on terrestrial private radio airwaves stands in stark contrast with its involvement in regulating other radio technologies such as satellite radio and digital radio, for example. Private broadcasters are claiming that there is “both a regulated system of the past and a largely unregulated, parallel system of new delivery platforms for audio content” (CBC, 2006: b).

Radio regulation seems more stringent with its Canadian cultural requirements in comparison to regulation in newer media, such as the Internet and the highly regulated telecommunications sector. The ease of access to terrestrial radio and the fact that radio transmitting technologies are widely diffused, inexpensive and easy to use, combined with what is perhaps radio’s ultimate ace—that it is free to the general public—help us understand why the industry is regulated to such a degree. In a sense, it is a testimony to radio’s ubiquity. This explains the current concern with re-evaluating radio regulation, given its changing socio-technological environment.

2) Research strategy & design

Upon reviewing past submissions from private broadcasters to the CRTC in the context of the spring 2006 radio policy reviews, it is striking to note that private broadcasters have consistently viewed regulation as the main factor prohibiting industry players from reaching a more competitive and relevant state. Regardless of the technologies that may have been the most disruptive at the time, or regardless of the state the music industry may have found itself in, it is indeed interesting to observe that music exhibition quotas and talent development contributions are often the main focus of the Canadian Association of Broadcasters' (CAB) critique. It is this observation that prompted an interest in reviewing the dynamics of power and innovation that exist between private broadcasters and the radio regulatory framework.

Research on this topic initially began as a review of policy documents and responses to private radio policy review hearings. Submissions were collected and studied, and trends were noted. The CAB's latest submission in 2006 focused on the theme of emerging technologies and on radio's need to stay afloat of this new technological reality. The responsibility to do so, however, seemed to rely too heavily on CRTC policy and, in fact, private broadcasters almost excluded themselves from having to take on a more pro-active and aggressive role in developing effective innovative strategies for better risk-management and creative programming. Again, the research conducted for this thesis does not constitute a trend study. It focused on collecting and examining raw data, and formulating a series of recommendations on how to find an

effective, common ground between the divergent interests of private radio and the CRTC was appealing.

Most of this thesis is centred on a desk analysis. However, the specific readings presented in the literature review and the qualitative research interviews that were conducted provide a basic framework for anyone interested in reproducing the research.

Aside from the reading of books and scholarly articles, a great deal of data collection was done electronically. Websites provided access to timely academic and popular articles, and list serves facilitated the aggregation of materials on specific themes. Much empirical yet informal research was also conducted. While it is difficult to reproduce this sort of research, it nonetheless provided a context for the analysis. For example, an effort was made to listen actively to commercial radio on a daily basis, for a minimum of two hours a day, from September 2006 to May 2007. In future studies, it would be useful to concentrate the listening over a shorter period of time and keep a detailed log with a list of the stations listened to and the number of listening hours to organize observations. In the present case, however, logging did not constitute part of the research strategy; active listening merely provided a means for monitoring how radio stations understand and manage, in practice, the challenges they face.

Active listening made it possible to confirm the choice and relevance of the central research question. Generally, a trend towards developing more exclusive content was noticed across the board, while only one specific station, Radio-Nord's Tag Radio

96.5FM can be considered to be truly practicing the principle of “Radio 2.0”, that is of a new wave of radio programming that makes the most of emerging technologies and applications. To operate a Radio 2.0 station, a conglomerate must favour conduct effective risk management, it must value innovation, facilitate experimentation and build new observable and pertinent social and technological trends into its operating model. It must use emerging technologies to support its specific marketing and policy objectives. Incidentally, although this station celebrated its first anniversary on April 13 2007, it was only discovered for the purpose of this study as a result of this exhaustive listening exercise in November 2006. This may speak to the fact that the station’s target audience is the Franco-Ontarian bracket of 18-34 and, more specifically, 18-24.

While data was collected through content analysis, it was also generated through qualitative research. In the fall of 2006, four one-on-one interviews were conducted with various radio-industry professionals.

The idea of speaking to executives on an individual basis, in their own space and on their own time, made it possible to minimize respondent bias, which might have prevailed had they been in the company of colleagues. Touting the company line, or upholding a certain façade or hierarchy in their responses was as such less of a concern. And because this research was conducted in the context of a graduate program, the researcher’s student status helped to create a friendly and non-/ or low-threatening climate for discussion, even though, had some of the questions been posed by other

industry players, or even by the media, the respondents might in fact have perceived them as more sensitive.

One of the advantages of electronic resources is that they can easily be traced back to their creators. The review of an important press release produced by the CAB and signed by a media officer prompted a call to the association and to the individual in question.

A common attribute of all the individuals interviewed is that they were selected primarily based on whether they were familiar with, or had had a hand in the formulation of the CAB's response to the CRTC. This was deemed to be an essential characteristic since it is an indication that respondents have considered the positioning of their radio holding vis-à-vis the current regulations, and that they have reflected on the changes heralded by new relationships between society and emerging technologies. In some cases, as with the CAB, employees referred the researcher to a variety of individuals before finally identifying someone who could speak on the issue. In general, the respondents held a senior position within a given organization. This was the case with Corus and CHUM.

As noted in the introduction, interviews were conducted with a Senior Policy Advisor at the CAB and with senior executives at Corus, CHUM, and Astral Média. These three companies have radio holdings across the country. It is therefore necessary to mention that the differences between English- and French-language radio markets are

beyond the scope of this paper. One of the advantages, however, of having these players take part in interviews is that they collectively present a balanced view, from the standpoint of commercial broadcasters across the country, whether they operate in English- or French-language markets.

Indeed, it should be recognized that this project focused expressly on the reality faced by commercial radio stations in Canada as a whole, with a special emphasis on music rather than talk-radio. That being said, for budgetary reasons, only radio executives from Eastern Canada could be interviewed in person. Nonetheless, comments generally address the reality of both English-language and French-language broadcasters. The reasoning for this grouping stems from the fact that the Canadian Association of Broadcasters is itself an ensemble of Canada's broadcasters, which makes no significant distinction, in its submission to the CRTC' between the voices of French, English, Quebec-based or extra-Quebec based stations. It is in this sense that this study examines Canada's commercial stations as a whole. It is clear that Canada presents a unique case, especially given the cultural history of Quebec, in terms of the differences between French-language stations and English-language stations, and whether they operate in a primarily Anglophone or Francophone market. While some of the challenges faced by these stations may certainly contrast significantly, all of these commercial radio stations are expected to find a way to negotiate a happy medium between their economic incentives as private radio holdings, and the regulation put forth by the CRTC in the interest of the public good.

Although certain examples in this thesis may specifically examine a French or English station, the observations reflect the Canadian commercial radio environment as a whole.

Once these three companies were identified, it was a question of balancing the views of the interviewees by selecting individuals with professional complementary knowledge. At Astral, the Vice-President of Development was best suited to speaking on how the company envisaged the future of radio and how it was handling changes in the industry in the present. The interview was conducted in Montreal, at the Astral Media head offices, in French.

At CHUM, in Toronto, the Vice-President and General Manager of CHUM Radio Sales provided more specific insight from the perspective of advertising and audience research. Finally, at Corus, the Programming Director for a popular Toronto-based alternative radio station, whose expert viewpoint regarding the managing of both exclusive and non-exclusive programming content, as well as contact with listeners and advertisers, greatly contributed to the research process. Furthermore, it was essential that all interviewees be familiar with the submission to the CRTC put forward by their representing interest group, the CAB, as part of the public hearing process in May 2006. Some of the interviewees had even taken part in the hearing process themselves.

Given the important role that the CAB has played in steering the hearing process with the CRTC, on behalf of commercial radio broadcasters from across the country, a

fourth interview was organized with the CAB's Vice-President of Policy and Regulatory Affairs for Radio, in Ottawa. Transcriptions of these four interviews, as well as the certificate of approval from the SSHREB and signed permission forms from all participants can be found in the appendices of this paper.

3) Evaluation of research design

Overall, the selected research design generated the data required to address the selected research theme and central research question. All four interviews yielded pertinent answers to important research dimensions while generating some significant leads into other related knowledge areas, which might have otherwise been unknown to the researcher. This is because many of the concerns raised were specific to individuals whose careers are entirely structured around the well-being of the private radio sector. Their jobs are focused on gathering information and developing action plans to address the changes faced by their industry. These interviews therefore provided valuable insight into how the private radio industry understands its own position, shedding light on why certain issues take precedence over others.

The decision to ensure that respondents had different specific knowledge bases, in addition to being familiar with the CAB's policy review submission, was a sound one. While some of them were concerned with programming, others were more interested in advertising or steering innovation.

Qualitative research, however, bears the watermark of the time during which it was conducted, and it is subject to losing relevance as quickly as the industry evolves. As a matter of fact, since these interviews were conducted, the industry has already changed considerably. The popularity of MySpace is slowly being challenged by Facebook, for example; more significantly, the CRTC published its new commercial radio policy shortly after the interviews took place. Nonetheless, these transcriptions preserve their full value, as they will always offer a record of corporate thought at a given point in time.

Given the innovative programming model presented by Tag Radio 96.5 FM, it would be useful, in a future study, to meet with a representative of Radio-Nord, specifically to discuss their conception of the future of radio programming. Since its inception, this station has steadily been growing in popularity, and presents innovative examples of effective product placement, which takes full advantage of how the program hosts are developing their personalities on-air through increased non-exclusive talk content. This leads, for example, to effective product-placement through host-endorsement of certain products or services, most of them locally based (i.e. the morning show was broadcast live from the Magnolia tattoo parlour while one of the hosts received a tattoo on her foot and listeners were awarded Magnolia gift certificates through contests conducted throughout that broadcasting week).

It is necessary also to highlight that although care was taken in conducting the interviews on a one-on-one basis, they were recorded. Respondents were therefore still providing on-the-record responses, which may have had an impact on the formulation of

their responses. They were, in fact, acting as ambassadors, not only for their industry, but also for their specific company. While interviews were limited to approximately 60 minutes, the variance in the respondents' position was at once a positive feature (it provided a more thorough cross-section of industry standpoints). It nonetheless makes it difficult to compare certain answers since some questions had to be adapted. That being said, similarities or certain reflections are observable in all responses.

Certainly, where the methodological design is weakest is in its capacity to be replicated since it was generally initiated simply as a desk analysis of industry changes. Also, the volatility of the radio and emerging technology sectors is such that changes are continuous, a fact which makes such research very time-sensitive.

4) Summary

Research, it seems, is a constant exercise in establishing boundaries around what can be considered as an object of study, and what must be left behind. As research in a given area reaches a more advanced stage, the impact of these inclusions or exclusions have greater significance to the researcher, and as a result, it can become difficult to willingly narrow a study's scope while conserving a sense of relevance and purpose. This is especially the case given the inherent complexity of disciplines in the Arts and specifically, in Media and Communications. While this thesis raises a number of questions which could each be the object of a separate analysis, it makes a relevant and unique contribution by recognizing the linkages between themes such as social

networking, cultural sovereignty, perceived product variety, interactivity, policy, economic profitability and product placement.

In fact, the choice of the interview respondents provided a thorough and balanced gamut of perspectives on the key issues of concern faced by senior industry professionals at that time. This valuable information from the field, when considered in light of the data collected through a literature review of academic and popular sources, provides a reasonable and realistic picture of how regulation, private radio and emerging technologies were interacting with each other in the fall of 2006 and in the winter of 2007. Most significantly perhaps, the research highlights how private radio should not consider any regulatory framework to be the main hindrance to its effective development. Rather, private radio must apply the developments of emerging technologies and imagine new iterations for creative radio programming, much like Radio 2.0 for example. It must consider emerging technologies as supportive rather than disruptive technologies.

Although this research design gave rise to some challenges, overall it managed to answer the issues raised in the thesis' central research question.

IV-Analysis

In the previous chapter, the research methodology clearly described each step of the research strategy and design, substantiating how the data was collected, generated, and interpreted. The objective of the Analysis chapter is to provide an examination of the issues raised by the main research question, which are: policy, the emerging technological environment, and business economics. The following three sections, each corresponding to one of these issues, help test our hypothesis. This fourth chapter is somewhat longer than the paper's other chapters, given the inherently complex nature of the issues involved.

Section I-Policy: The CAB's Trojan Horse

Opinions as to the severity of the threats faced by terrestrial radio differ. However, radio industry analysts and commercial radio executives seem increasingly to be coming to the same conclusion: "What we're beginning to see is that traditional radio is no longer isolated as the only audio medium that is competing for ears" (Billboard, 2006:a).

Of course, there are also the advertisers who are seeing an increased fragmentation of markets, and who are trying to identify the medium towards which their target audience is migrating. Finally, public policy analysts are carrying the responsibility of reviewing existing regulations, and amending them so as to uphold the safeguarding of cultural sovereignty, while fostering economic prosperity and technological innovation. Emerging technologies are destabilizing the relevance not only of the terrestrial radio sector, but also of its governing policies. As recommended by the Canadian

Broadcasting Act (CBA), “The Canadian broadcasting system should be regulated and supervised in a flexible manner that is readily adaptable to scientific and technological change.” (CRTC, 1991:c)

At the same time, new players, both inside and, more specifically, outside the terrestrial radio sector, are entering the game, and do not necessarily have to comply with the same set of regulations. The very fact that the CRTC called for a public hearing to take place in March 2006 addresses the CAB’s concern with the fit between current regulations and market realities. The CAB sharply frames the policy review process as a means to examine “how regulation can continue to support the growth and competitive sustainability of commercial radio in this new era of parallel and competing systems of audio services?” (CAB, 2006:b). Of course, this statement only presents the public hearing process from the standpoint of private broadcasters. Friends of Canadian Broadcasting, a public interest group lobbying the CRTC on behalf of radio owners, also submitted a response which viewed the public hearing process not only as a way to ensure the sustainability of the commercial radio sector, but also as a means to safeguard democratic decision-making and Canadian sovereignty:

The Commission's radio policy is a buttress for democratic participation and cultural sovereignty in a country with a relatively small population, sharing the North American continent with the United States of America. As Canada's economic relationship with the US draws closer, it becomes more important than ever to strengthen Canadian cultural sovereignty. This may be only an opinion, but it is one shared by 87% of Canadians. Radio policy is an important component of this task. (Morrison, 2006:15)

The CAB, representing some 400 private broadcasters, submitted a response in the form of a report entitled: *Radio, Then and Now*. The CAB's reason for engaging in the public hearings is clearly expressed by its President and CEO, Glenn O'Farrell: "We no longer have a single, regulated system of radio services delivered over the public airwaves, free of charge to Canadians. Now, we have two systems: the regulated system of the past, which is now in direct competition – some would say collision – with an unregulated, parallel system of new delivery platforms for audio content" (CAB, 2006:c).

With so many promising developments taking place in the emerging technology market, some researchers are interested in their disruptive effects, but few are in fact paying attention to the opportunities presented by these changes for conventional media such as radio. Although the idea that "video killed the radio star" did not turn out to be as prophetic as originally imagined, there is nothing to guarantee that mp3 players, for example, "will kill the radio star" either. If anything, what some technology experts such as Seth Godin and Mark Ramsey are advancing is that emerging technologies may in fact hold new opportunities for the development of radio, but these must be first recognized by broadcasters and then acted upon in a timely fashion. While specific strategic recommendations to the CAB are presented in the Conclusion, the objective of this section is to first look into the paradox of commercial radio, and secondly, to examine more specifically some of the key demands the CAB included in its submission to the CRTC. Of interest of course are the CRTC's response to these recommendations as expressed in the December 15 publication of the 2006 radio policy review, as well the dissenting opinion expressed by Commissioner Stuart Langford.

1) Paradox of commercial radio: caught between policy and profit

Through the public hearing process, the CRTC hears from the various sides of the spectrum, which have historically polarized the debate around commercial radio, and the promotion of musical diversity and Canadian talent: the broadcasters, the public, and special interest groups such as Canadian Friends of Broadcasting, SOCAN and ADISQ. However, before moving further into a more specific discussion on policy, it should be noted that there are important differences between commercial and public broadcast enterprises. While the latter are primarily concerned with offering public service and cultural development, the former operates in the very clear logic of the market, which is strictly motivated by the “bottom line”. Concerns with social and cultural factors are valid insofar as they may affect the place of commercial radio in society and, ultimately, the potential to generate advertising revenues. Both parties have valid roles and preoccupations, but their genetic make-up is very different. As noted by an Astral Radio executive: *“c’est deux groupes qui ont leurs intérêts propres, qui sont compréhensibles, qui sont arrivés en pur lobbyistes, pour essayer de convaincre le CRTC, non pas d’un meilleur, mais bien de leur meilleur. C’est le jeu”* (Astral, 2006: interview). So it is that at the heart of the discussion there is not a mutual concern for the shared goal of a better reality for all stakeholders, but rather for the promotion of one’s own preferred vision.

That said, radio frequencies are of a public nature: no one specifically owns ambient air. It thus falls into the hands of government to ensure that both private and public broadcasters abide by basic public interest principles when making use of these

radio frequencies. This is the source of much tension between commercial radio undertakings and CRTC policy. The former fall under the direction of private companies concerned with ensuring return on investment, while the latter exists to protect basic public interest, that is, serve the interests of Canadian radio listeners, and to ensure that Canadian cultural sovereignty is promoted and upheld as expressed through the Canadian Broadcasting Act. Much of the contention around Canadian content rules is rooted in this specific dichotomy of interests.

2) Deconstructing the CAB's submission

While this paper cannot review in an in-depth fashion the entirety of the submission made by the CAB, and the ensuing response by the CRTC, it nonetheless attempts here to offer a brief commentary on the following three key areas: music exhibition quotas, financial contributions to Canadian content development initiatives, and the plausible, yet still distant, transition from terrestrial to digital radio broadcasting.

a) Music exhibition quotas

Interestingly, regardless of today's specific market realities, many of the CAB's key arguments remain largely the same as those presented in prior submissions, at a time when consumers had not yet been offered a chance to own a portable music device designed to facilitate self-programming, or the downloading of digital content for ad-free hours of music listening. There are indeed a few points of contention between the CRTC and the CAB that have historic relevance and which refer back to this dilemma faced by commercial radio: private interests, concerned primarily with financial returns, are

dependent on public frequencies, and must therefore tolerate government monitoring of their activities, in the name of public interest.

Almost ten years ago, during the last public hearings on commercial radio policy in November 1997, the CAB formulated some of the same complaints as this time around, concerning the broadcasting of Canadian content and the support of emerging Canadian talent. Current Canadian content (Cancon) regulations stand at 35%, five percent higher than they were before the last hearings in 1997. This signifies that category 2 stations (which play largely popular music) must ensure that, between 6:00 a.m. and 6:00 p.m., Monday through Friday, each broadcast week, 35% of music selections broadcast be Canadian according to the MAPL system (music, artist, production, lyrics). The MAPL provides a means of identifying whether or not a composition qualifies as Canadian. To do so, at least two of the song's music, artist, publication and lyrics must be Canadian). Though historically never directly ordering the CRTC to lower Cancon levels across all categories of music at once, the CAB usually gets the point across by stating that whatever level Cancon is set for, it could be 5 to 10% lower.

The CAB structures its arguments for looser Cancon regulations around the idea that the record sales of Canadian artists should be taken as the key indicator for setting Cancon quotas since it is a quantitative measure of Canadians' musical tastes:

“Listeners don't want to hear more Canadian music (...) if they did, then Canadian music sales would be higher than the 14.5 percent of total sales in Canadian record stores.” (Brehl, 1998).

Since 1997, the music industry has certainly been upset by digital music downloads. Less than ever before are album sales a reflection of musical trends and music preferences. Nevertheless, some of the assumptions being made by the CAB are of extemporal interest and merit special attention. In fact, what the CAB is suggesting is that there is equivalence between the willingness of radio audiences to listen occasionally to emerging Canadian music on the radio, at no cost, and the willingness of consumers to purchase an entire album featuring only new or emerging Canadian talent. In the first case, any potential loss incurred by the listener is one of time or possibly attention. In the second case, money represents an additional and more significant loss for the consumer. Clearly, and more than ever before, the sale of music is not the most adequate reflection of consumers' musical preferences, or more specifically, of their interest and tolerance levels for hearing emerging Canadian music on a radio station.

Furthermore, as Commissioner Langford stated in his response to the CRTC's latest articulation of radio policy following the hearings (CRTC, 2006:b:84), the fact that only 16% of total record sales in Canada in 2003 were of Canadian products could indeed point to a problem with how our broadcasting system showcases the diversity of local talent. Consumers wanting to buy music that they know and recognize enter music stores and end up purchasing American products, even if these stores carry a variety of

Canadian artists. Consumers are often simply not familiar with the Canadian roster beyond popular names such as Avril Lavigne and Barenaked Ladies, for example.

As it did in 1997, the CAB continues to feel that the responsibility for supporting Canadian musical talent should be shared by various music industry partners, from concert promoters to record labels. This seems indeed to be a fair observation that merits being brought to the attention of the CRTC. The difference, however, is that these players do not hold a licence to public airwaves and, as such, are free to operate for their own private interests without the limitations of heavy industry-specific regulations. The structure of the radio industry and its capacity to expose a large audience to a new product make it an effective vehicle for exposing new artists and new music, from a technical standpoint. From a strategic standpoint, it can be argued that mainstream private radio has in fact never been the choice medium for exposing emerging artists. It relies on advertising, and seeks to ensure that target audiences are reached—and not turned away from the station by musical content that they do not recognize, or which they feel does not correspond to the station's format. This is a point made by many radio broadcasters including Astral: *“Est-ce que le temps d’antenne peut encore avoir une valeur pour la musique émergente? Je pense qu’elle n’en a jamais eue. La manière de faire voyager la musique émergente, la nouvelle musique, la musique de niche, ce n’est pas la radio à grand public”* (Astral, 2006: interview).

Clearly, such an observation suggests that more imaginative ways could indeed be devised to ensure that a diversity of Canadian music is showcased. Some chances could certainly be taken on the airing of the more radio-friendly compositions. Undoubtedly, these emerging artists and compositions must exist. Perhaps stations should invest in a better system for screening and researching emerging Canadian artists and their compositions. In addition, if the private radio sector has been contributing to talent development funds for years, at the tune of a minimum of 1.8 M \$ annually (between 2004-2005, this number reached 2.83 M \$), then there must exist a belief, at the CAB and at the CRTC, that these contributions are in fact being applied towards the development of a broader Canadian roster. Otherwise, this process is anything but laudable.

It should be emphasized that emerging music is not always niche music in its format. The qualification of music as “niche” could be attributed to music that corresponds to a very narrow pocket of interest, such as “classical jazz” or “adult contemporary”. New or emerging Canadian music is not by default a niche category since a musical track can fall into a mainstream Canadian music category, while another Canadian track could fall into the “classical jazz” category, for example. Often it would seem that private broadcasters, for the sake of leveraging their arguments with the CAB, would equate niche music with emerging Canadian music.

The dilemma faced by the CAB is further exemplified in how it sees its mandate as being “not to educate listeners”, but rather “to play what they want to hear” (CAB, 2006, b: 86, item 316). At the same time, however, the CAB has itself articulated its

responsibility towards the Canadian public as follows: “Leveraging its role as a key promoter of Canadian music, radio must look to expand the roster of artists that receive airplay, in English and in French, by programming more music by new artists on its playlists across a number of formats” (CAB, 2006, b: 91, item 350). Recently more research has been focused on identifying what makes up radio’s differentiated offering; as technology specialist Mark Ramsey’s recent research shows, many listeners turn to radio to discover, not necessarily niche music, but rather new music. It is thus difficult to draw the line between entertaining and educating the audience. It is perhaps difficult because no line should be drawn at all, and because educating and entertaining the audience need not be perceived as mutually exclusive activities. Astral further explains how “*c’est le mandat de la radio commerciale de faire découvrir à son auditoire de nouvelles choses. C’est dans le dosage de la capacité de bien packager une nouvelle tendance, une nouvelle œuvre, dans ce qui est confortable aux oreilles de l’auditoire, qu’on gagne du terrain*” (Astral, 2006: interview).

Even with such observations, the CAB insists on having music exhibition quotas as its Trojan horse. While in 1997, the CAB did not formally request that Cancon levels be dropped lower than 30%, the group did not fail to further suggest that private radio, through a 30% quota, is already “over-performing” and that “the natural level for Canadian content on radio should be between 20%-25%” (CAB, 1997). However, CRTC’s Commissioner Langford explains in his critique of the CRTC’s majority decision that over the past six years, some 44 new FM stations have obtained a condition of license (COL) to operate at a Cancon level somewhere between 37% and 45% (39 of which are set at 40%)—and that these stations have done so of their own free will. Commissioner Langford further deplores the fact that the CRTC 2006 policy does not

set the bar higher than 35% for current Cancon requirements since many stations are meeting this quota already:

So comfortable are FM operators with a 40% popular music COL that at the most recent competitive application hearing which began October 30, 2006 in Regina, eight of the 19 applicants for commercial licenses in Saskatchewan and Alberta, proposed to accept a COL requiring them to meet a 40% level. Yet, in the face of these compelling facts, the majority has concluded that a new Radio Policy requiring anything above the old 35% level would present a hardship for broadcasters. (CRTC, 2006: e).

Expectedly, most parties, except the broadcasters, supported an increase of Cancon quotas beyond the current 35% including the Canadian Music Publishers' Association (CMPA), the Alliance of Canadian Cinema, Television, and Radio Artists (ACTRA), the Canadian Independent Record Production Association (CIRPA), and the Songwriters' Association of Canada.

Surely more energy, and more financial and human resources from the commercial radio sector should be committed to researching new Canadian artists to avoid unpleasant cross-over effects, such as that of rock music into the hip-hop genre—even if these new artists are not on the top-40 list. This problem cannot be blamed entirely on Cancon. Radio needs a more-developed music research department that can invest in the testing of audiences' reactions to new artists. In its latest policy document, the CRTC states how a study conducted for the CAB by Jeff Osbourne points to how tests are now underway to see how the Internet can be used as a “a cost-effective programming research tool” (CRTC, 2006:b:22). It is surprising to notice that radio would not have recognized sooner in the Web, the capacity to connect with audience tastes and preferences.

In response to this issue, the CAB has requested that Cancon quotas be retained at 35% across the music format board, with the exception of “oldies” or music produced prior to 1985. This underlines the common problem faced by most Anglophone commercial radio stations who play library formats and are unable to meet Cancon quotas without complementing their musical selections with cross-over Canadian music. The unwanted effect is to dilute their station repertoire and negatively affect the integrity of the station’s musical format (be it top 40, classic rock or jazz, for example). The point made by the CAB is that non-Canadian stations do not face a similar difficulty as a result of regulation, and that, in order to compete, the Cancon quota should be dropped to 25% for pre-1980 library formats. Such a move would help maintain the integrity of the musical genre.

Some differences nonetheless exist between French- and English-language markets in Canada. Up to now, the linguistic reality in Quebec and its star system have given the commercial radio industry in that province enough of a stronghold on its audience basin to make the rest of Canada envious. Consumers in Quebec specifically purchase Quebec-produced content. In fact, 35% of consumers in Quebec purchase not only Canadian music, but specifically Quebec music, more than twice the percentage for Canadian purchases in the remainder of Canada. This is largely due to the self-contained community that exists in the Quebec entertainment system because of the distinct language and culture of the province. As a result, Quebec francophone stations meet their Cancon quotas more easily than do Anglophone sister-stations in the rest of Canada:

Sur le marché francophone la problématique n’est pas en matière de diffusion du contenu canadien parce qu’en moyenne les stations francophones de radio privées diffusent 55% de contenu canadien. Pourquoi? Parce que près de 85% de

la musique vocale de langue française qu'elles diffusent est canadienne et québécoise. (CAB, 2006: interview)

This time around, the CAB is requesting that Cancon regulations be lowered to 25% for radio broadcasters playing musical selections released prior to 1980. This is consistent with a demand they stated during the last public hearing process: “(...) increasing Canadian content further will make it impossible to find a supply of quality Canadian tunes in the oldies format and extremely difficult in other formats, such as adult contemporary, country – even rock” (Brehl, 1998).

While the lowering of Cancon regulations in this specific music category (prior to 1980) seems to be a reasonable demand, it is interesting to consider the precedent that this could set further demands of the sort, during future public hearings. While music production is certainly more accessible to artists today than it was in the past, given the evolution and diffusion of music technology, does the CAB's demand implicitly state that more Canadian music is today available for these same categories concerned with music released after 1980? If so, then the CRTC should not expect any such demands from the CAB, based on the lack of Canadian music available for these same music categories for music released post 1980.

Clearly, the pure jazz and classic rock formats have a following, but listener surveys point to how, in Ottawa, for example, stations like Hot 89.9, a top-40 station, are securing the larger portion of commercial radio audiences. Furthermore, top-40 radio stations point to a trend towards *popular* music, rather than *genre-based* music. This

brings us to an additional comment on the possible need to review the pertinence of music format definition.

More music is being consumed today than ever before in human history (Corus, 2006). As well, digital technology makes it easier for audiences to tap into various styles of music. Artists can borrow from and be influenced by global music repertoires. Could we not then expect music genres to explode into an increasing amount of sub-genres? In this context, could we not also expect, over time, an increased tolerance to cross-over genres when the audiences that have grown up with stricter musical genres are outnumbered by those who are familiar with musical style fusions, sampling, remixes and mash-ups? The purpose of this observation is simply to note that, while the CAB points to a valid challenge and a possibly viable short-term solution in lowering Cancon to 25% for library formats, there are broader industry changes taking place. Before altering Cancon regulations that may set a dangerous precedent for loosening quotas in other areas and in the future, a broader understanding of genres and musicology should be acquired. In fact, a recent British study has found that classical music and jazz are among the most popular music formats with public radio stations, while adult contemporary, top 40 and R&B and Hip-Hop are the most popular music genres for commercial radio (Visakowitz, 2006).

This would seem to indicate that the CAB should review its concerns with library formats such as Jazz and Classic Rock. As a final note, a visit to any peer-to-peer music-downloading site such as Limewire and Last FM will offer a wide variety of musical styles to choose from. The genres used by the CAB represent a mere portion of style

availability. It can perhaps be expected that in a downloading society, where the accent is placed on a track rather than on an entire album, there may be a growing acceptance to genres that can please in a mainstream way, although they do not necessarily “fit into” a station’s music format.

In short, there is a difference between niche music, emerging Canadian music, and the Cancon regulations that are in place today, just as they were ten years ago “to strengthen Canadian culture” (Brehl, 1998). Music cross-over is a concept that is losing pertinence given today’s popular trend towards top-40 stations that feature rock, alternative and R&B as part of their playlists. In a singles-oriented music culture, driven by music downloading, as opposed to an entire album culture, might it not be necessary to rethink both the pertinence and the boundaries of traditional musical genres?

b) Contributions to Canadian talent development initiatives

In its submission, the CAB itself has recognized that it is in a position to re-evaluate the effectiveness of its funding to the emerging Canadian artist sector and how “it can be better leveraged to ensure the future health and success of Canadian radio and its music stars” (CAB, 2006:b). It has, consequently, proposed to “consolidate radio's CTD contribution into commercial funds in the English and French markets aimed at marketing and promotion.” (CAB, 2006:b)

It is worth noting that the CRTC has made a slight change to the terminology previously used to refer to what was known until recently as Canadian Talent Development (CTD). CTD referred to a specific set of initiatives based on financial

contributions to emerging Canadian artists. As articulated in the latest CRTC radio policy, a new approach has been put forward called Canadian Content Development (CCD) and it is marked by some changes in how money from private radio broadcasters is channelled into certain funds. Its logic and aims, however, remain virtually identical to what they were previously: “well-targeted CCD initiatives allocated to the support, promotion, training and development of Canadian musical and spoken-word talent will increase the supply of and demand for high-quality Canadian music” (CRTC, 2006:d). The focus has remained on ensuring a supply of Canadian content. Before discussing CCD in greater depth, it should be mentioned that although it was voted in, as a valuable strategy by the majority of CRTC commissioners, some, like Commissioner Stuart Langford, opposed it firmly stating again that there is no lack of emerging Canadian content or talent, but rather a lack of airtime allocated to these artists:

[...] the decision to replace the word “talent” with the word “content”, though simply window dressing and, practically speaking, valueless, is incredibly ironic. The sad fact is that because airplay opportunities are almost non-existent, there is already too much Canadian “content” being produced. What is needed is more airplay for Canadian artists, not money to produce recordings that sit gathering dust somewhere. (CRTC, 2006: e)

Commercial radio, as noted earlier, has never operated primarily for the benefit of emerging artists, for the purpose of developing audiences’ cultural tastes, or for offering support to the recording industry. Nor has it ever claimed to. Commercial radio exists as an industry because of the relationship it has to advertising. Its primary concerns fall into the realm of marketing rather than public service. Herein, then, lies this conundrum at the heart of the identity and role of commercial radio. However, somewhere along the way of its development, radio has increasingly been expected to contribute to the development of

Canada's music industry by facilitating Canadian and emerging artists' access to the airwaves. To this shift of expectations, an Astral executive answers: "*La manière de faire voyager la musique émergente, la nouvelle musique, la musique de niche, ce n'est pas la radio à grand public.*" (Astral, 2006: interview).

These are two separate demands with a slightly overlapping commonality. First of all, commercial radio can clearly be expected to play a certain Canadian percentage of its broadcast music, given the government's responsibility to ensure that Canadian industries are allowed to thrive economically, while enjoying a fair amount of cultural protectionism as described in the Canadian Broadcasting Act. Secondly, the role that radio plays in contributing to the development of emerging artists has, until this latest CAB submission, been misaligned with commercial radio's business model. Commercial radio has contributed considerably to emerging music through four principal funding projects: Factor, MusicAction, StarMaker Fund and Fonds RadioStar.

An understanding of the general purpose of these funds is necessary to appreciate better the CAB's latest requested changes to the CRTC. In short, Factor and MusicAction are funds to which the government also contributes, along with the commercial radio sector. The objective of these programs is to assist emerging artists in developing a quality recording, a professionally produced calling card to initiate promotional efforts, and to contact distributors and labels. The change proposed by the CAB has been to decrease commercial radio's contribution to these emerging artists' recording fund, and to consolidate their contributions into the two other funds: StarMaker and Fonds RadioStar, focusing on assisting artists with promotions, marketing and distribution,

rather than recordings: “The CAB explained that the private radio industry wants to target CTD funding initiatives that have a direct relationship with the content that is played by its stations, as opposed to programs that are more “infrastructure” oriented, such as marketing support for independent music labels, business development grants and video production” (CRTC, 2006:f). The CAB went on to define exactly what areas of the Factor and MusicAction funds would continue to receive support.

The CAB feels that commercial radio is not responsible for helping emerging artists to develop a recording. This responsibility could be relegated to other government sectors. Furthermore, this recommendation makes all the more sense given the increased accessibility of recording technology to emerging artists. FACTOR played a considerable role in years passed, especially before technical convergence and digital equipment facilitated the recording process. Today, the challenge is more the marketing and the funding of promotional activities that merit subsidizing from the private sector.

Although the argument could be made that social networking sites are making it easier, in theory and in practice, for musical artists to reach broader audiences, assistance should focus in this area because of the proximity at this stage of the point of sale, rather than the point of production. That being said, as mentioned by Astral:

Ce n'est pas parce que une radio commerciale diffuse une œuvre niche que l'œuvre va soudainement plaire à l'auditoire de la radio commerciale. (...) est-ce que le temps d'antenne peut encore avoir une valeur pour la musique émergente, je pense qu'elle n'en a jamais eue. (Astral, 2006: interview)

In light of this statement, one may question to what degree the CAB sincerely believes in the impact that these funds can have with uncovering and facilitating the rise of emerging Canadian artists? Conversely, the statement also begs asking to what degree private broadcasters are simply going through the motions imposed by the CRTC. In fact, it is interesting to point out that these financial contributions on behalf of private broadcasters are not voluntary, but rather are a function of three specific regulatory processes: "...licence renewals, the transfer of the ownership or control of radio undertakings, and applications for new licenses" (CRTC, 2006:g). Indeed, is there not an important irony here? The CAB is making a case for consolidating funding to help emerging artists promote themselves when its own members are often not interested in taking a risk on a new product by giving it on-air time. In a sense, these private radio financial contributions are more like taxes collected on the radio sector's legal transactions, which are then redistributed to emerging artists through specific funding initiatives. The concern with uncovering emerging Canadian talent is then only secondary to business transactions. This could explain why the above quote from Astral seems so controversial and unexpected.

What has perhaps been missing from the CAB and the CRTC in past public hearings has been an incentive-driven approach to the showcasing of Canadian talent. In its latest submission, the CAB had proposed the introduction of a bonus system (known as the *Smart 35*) which is meant to "encourage music programmers to take risks by playing more emerging artists and to move off tracks sooner, thereby reducing burn on Canadian artists" (CAB, 2006:b, p.93, item 361). The idea is to have an additional

Cancon credit of 25% applied to the airplay of an emerging Canadian artist. Therefore, a song would still have to meet two of the four possible Canadian music categories (music, artist, production, lyrics), but if in addition to these requirements, it also met the criterion of an “emerging artist”, it would earn itself a bonus credit and would then count not as 100% Cancon but rather as 125%. The CAB chose to apply the term “emerging artist” to a performer “until 12 full months after the date that the artist’s first selection reaches the Top 40 on Broadcast Data System (BDS) or Mediabase all-format charts, or becomes gold certified for the first time” (CRTC, 2006:h). Of course, this could eventually lead to playing less Canadian music. It is precisely because of this possible result that the CRTC chose not to accept this bonus system recommendation, stating “an incentive system could entail a reduction in the overall level of Canadian music broadcast.”(CRTC, 2006:i). Had it been adopted, however, a larger portion of the music played would have come from emerging artists, rather than from more established Canadian talent already benefiting from much of the Cancon quotas—a fact that often leads to the overplaying or “burn” of Canadian artists.

The line between radio’s responsibility to the public and its freedom to operate in its own self-interest became increasingly complex following the CAB’s suggestion that it be given the capacity to increase the amount of financial contributions to the funds instead of meeting Cancon quotas. The problem with such a suggestion is that the value of the fund is rendered paradoxical: because it is a Canadian fund, it is meant to facilitate access to Canadian distribution channels, including commercial radio. What is the value of contributing to an artist’s promotional efforts if the music is not likely to access

commercial airwaves? Promotional efforts to access commercial airwaves should of course be complemented by other promotional efforts on different platforms, but certainly, again, as noted by Astral, radio is still a means of *making music mainstream*.

The risks currently being taken in television in series that feature emerging musical artists are not being mirrored in radio. Radio continues to lag behind television in this sector. There is in fact incongruence in Astral's position and in commercial radio's relationship to funding emerging music recordings. On the one hand, executives in private radio companies such as Astral claim that the medium has never been the conduit for emerging music. On the other hand, the CAB members have been contributing for years to the funding of emerging artists' albums.

In its latest submission the CAB argued that radio's place is to help emerging artists promote themselves rather than to help them record albums, since breaking into the distribution channels appears to be the most daunting of tasks for an emerging artist. But should access to its airwaves not be the important boost that commercial radio offers to emerging artists? And if so, why do these Canadian Talent Development initiatives even exist in their current form? Perhaps they could be re-imagined in the context of the marketplace, rather than being presented as cultural policies that arguably lack rigour and relevance. Support for emerging artists could for instance take the form of airtime credits owed to artists, measured in seconds or minutes (as are advertisements). Instead, in spite of making provisions for financial support, access to the very channels of distribution that are arguably the most crucial to their public appeal remains closed to them. Still, an observation by an Astral representative is well placed at this point since it is true that

simply accessing airwaves is not the only factor for reaching public appeal: “[...] à chaque fois qu’une matière plus alternative a fait ce qu’on appelle le cross-over, et est devenue plus grand public, c’est pas parce que les médias l’ont exécutée, mais parce que la matière le permettait.” (Astral, 2006: interview)

Of course, here Astral points to the eternal debate both in the music industry, and in sales and marketing: Do you ensure supply only when there is a demand or do you shape demand by affecting supply? Clearly, while one scenario may seem less risky than another, the rate of innovation and of extra-radio sector competition is such that a redefinition of risk-management may be in order.

It is important to comment on how the CAB defines what falls under the term of “emerging” artist. It should not be left to the radio industry to unilaterally decide what can be considered “new and emerging” without first engaging in a broader debate with other industry stakeholders, such as unions and artists themselves, and perhaps allowing the public to weigh in as well. The rising artists that are most likely to have staying power, for example, may have released more than two albums in the past 18 months. There is a clear and pressing need to review how it is that promising artists with the greatest manifested commitment to their art form are the ones who are encouraged to take their careers and art to the next level. In fact, such logic can lead one to question if these radio contributions to emerging artist funds are not, in fact, futile. They allow the CAB to loosen the grip that Cancon has on its members, while at the same time, develop the illusion that the private radio sector is facilitating the emergence of artists on the

mainstream. Money is invested in them with one hand, while the door is being closed to them with the other.

Indeed, the value of these talent development initiatives, even though the contributions may add up to a significant portion of revenues, is perhaps more questionable today than it has ever been in the past. It is clear that for some commercial broadcasters, it is easier to contribute revenues to the Canadian Talent Development initiatives (CTD) than it is in many cases to meet the 35% Cancon quotas.

Since the coming into effect of the CRTC policy in 1999, private radio has committed over \$168 million to new Canadian Talent Development (CTD) initiatives with over \$100 million going to funding agencies - FACTOR, MusicAction, Radio StarMaker Fund, Fonds Radiostar. ” (CAB, 2006:c)

Meeting Cancon regulations is especially trying for Anglophone stations offering music of a genre that is outside of the pop and top-40 style, such as classic rock, jazz or retro music. The roster of Canadian artists belonging to these genres is limited and results in frequent on-air replays and rapid song burn. However, with social behaviours both modifying and being shaped by the accessibility of file-sharing and of social networking, sites like MySpace are allowing bands and independent artists to bypass traditional promotional and distribution methods, and reach niche markets with greater ease.

3) Transition from terrestrial to digital audio broadcasting

The quality of an analog radio signal can be affected by interference generated by weather conditions and buildings, for example. Digital audio broadcasting (DAB) makes the most of these challenges by using them as “reflectors creating multipath reception

conditions to optimise receiver sensitivity” (CAB, 2006:e). Furthermore, DAB ensures CD quality sound, without interference, and all one needs is a “tiny non-directional stub antenna” (CAB, 2006:e). The other relevant feature of DAB in an environment of multimedia and interactivity is that it can carry other signals along with audio, namely, text, video and pictures, provided one has an adequate receiver to take advantage of these added features.

The CAB hopes that DAB will become the “most accessible mobile and wireless connection to the information highway” (CAB, 2006:e). A few challenges, however, stand in the way of the diffusion of DAB. Firstly, the system Canada chose is different from that selected in the United States where it is the In-Band On-Channel system (IBOC). This may already foreshadow some compatibility issues since consumers interested in both would have to purchase two separate technologies, much like during the VHS and Beta wars of the 1980s.

Secondly, listeners have to purchase an altogether new technology to benefit from DAB. Although DAB, when broadcast, is currently a free medium, as is analog radio, it remains elusive to consumers not equipped with specific DAB receivers. A CHUM representative explains: “[...] we do broadcast digitally, all of our CHUM terrestrial stations are broadcasting in digital, in the major markets, I should say, but people need to have the digital receivers to get it, but it is out there.” (CHUM, 2006: interview). It would be interesting for radio broadcasters to investigate the compatibility of DAB with mobile phones, for example, since the latter are already the hub of personal multimedia

communication. Perhaps such a project would hold interesting opportunities for striking alliances with phone manufacturers and service providers, should radio be interested in engaging in such research and in partnering with players from other industries.

In spite of these challenges, there exists a third complication for the diffusion of DAB, that is, that of convincing the general public that the free, familiar, accessible, and mainly static-free service currently available to them through analog radio should be replaced by a new service for which there is no momentum yet. Radio researcher Mark Ramsey appropriately asks: what problem does digital radio broadcasting solve? (Ramsey, 2006:a). The fact that the status quo of terrestrial analog radio seems to be “good enough” indicates that the time is not yet opportune for DAB to spread, at least not in America. In fact, to date, it is telling that, although the CAB mentioned DAB in its latest submission to the CRTC, the Commission chose not to address the issue in its recommendations. This is certainly indicative of the degree to which DAB is not yet a priority issue for most radio industry players.

On the topic of digital radio broadcasting (DRB), the CAB insisted in its 2006 submission, that the CRTC apply the principle of “flexible regulation” (CAB, 2006:b, p.73, item 241). Specifically, the CAB asked that the CRTC remove requirements that consider DRB as a replacement technology for analog radio. Interestingly, it could be suggested that as long as DRB is considered a replacement technology for analog, regulations applicable to one technology would necessarily be expected to be applicable to the other. But should DRB be considered a technology on its own, then larger, more

significant, debates can take place around rethinking all CRTC regulations in the context of digital commercial radio broadcasting; the implications are necessarily distinct, given the different technologies.

Unfortunately, as mentioned earlier, Canada and most of Europe have selected a digital format [Digital Audio Broadcasting Eureka 147 (DAB)] that is different from that of the American system [In-Band-On-Channel (IBOC)], a fact that will aggravate issues of competition, and those of the speed and scope of the diffusion of this technology, especially in Canada. Just as the receiving technologies for satellite radio differ for the two available standards of XM and SIRIUS, the digital radio broadcasting signals difference in the USA and Canada interferes with the early spread of this DRB technology.

In addition, the CAB had stated that broadcasters should be allowed to operate many DRB services, even if they hold the maximum allowable number of terrestrial stations in a given market. Indeed, the CAB has requested that very little regulation be implemented in the DRB sector, and that whatever little regulation does exist, does so not to uphold Cancon, but rather to protect the interests of existing private radio licensees from, for instance, the threat of new market entrants (CAB, 2006:b, p.75, item 259).

While the topic of digital radio is of interest, it is too complex to approach in detail in the proposed research context. Furthermore, the content of the CRTC's latest policy on commercial radio demonstrates that DAB is not yet top of mind for the CRTC to be considering it in greater detail. With respect to the CAB's request for the CRTC to adopt "a light regulatory hand" in the domain of DRB, it is good to remember that once a

sector is unregulated and remains so for a number of years, it may be difficult to introduce regulation later. This is especially true of content regulations such as Cancon, when broadcasters and audiences alike may have grown accustomed to a medium that is free of policy and at the sole mercy of market trends.

In essence, this year's CAB submission was in keeping with the association's usual demands from the CRTC. It made some interesting proposals to the Commission, most notably, the introduction of a bonus point system and the consolidation of contributions to talent development initiatives. However, the CRTC chose to turn down the CAB's bonus system proposal since it may have led to an overall decrease of Cancon.

Unfortunately, the logic in the CAB's proposal breaks down in its recognition that exposure is the value radio offers to artists, "Artist exposure has become the essential ingredient for success" (CAB, 2006: b, p.85, item 312). While some CAB members may be of the opinion that commercial radio has never been the place for emerging music and artists to be discovered, the CAB's contributions to various funds (Starmaker and Radiostar) as well as the CRTC's position regarding CCD indicate otherwise. This submission showcases the CAB's recognition of the importance of diversity in programming, and its understanding of diversity as delivering a competitive advantage. Though diversity is presented as a necessary adaptation strategy for catering to Canada's multicultural society, the concept, as articulated by the CAB, seems to be kept separate from other broadcasting strategies. In this sense, instead of an overall strategy, programming diversity is but a strand cutting across other fundamental areas of concern,

such as music exhibition quotas, exclusive content development or preparing for digital radio broadcasting.

The CAB's submission to the CRTC, in its effort to lead to concrete changes in radio policy and, specifically, to the relaxing of its commercial radio policies on a number of levels, seems to have denaturalized commercial radio from its broader interdisciplinary environment. It also appears to have contributed to technological narratives in a rather deterministic way. The line between education and entertainment as it concerns radio's role is not as clear as the CAB would suggest, and there are certain concepts, such as "cross-over", "niche" and "emerging" music, which should be re-examined given the digital music context. If listeners continue to turn to radio for clues as to how to orient themselves in a universe of new music, then radio must acknowledge its role, maybe not as an "educator", but certainly as a leader and connoisseur of emerging trends and styles. How radio sees itself, in this sense, must take a backseat to how its listeners themselves see it and use it.

Could the CAB have seized the pretext of emerging technologies to simply present many of the same points again to the CRTC—this time, with more conviction and focus on critical timing? This paper suggests that the real changes required for ensuring commercial radio's competitiveness in the context of emerging digital technologies lie less at the policy level than at the programming level. In fact, focusing on policy as a scapegoat seems but an intermediary means to actually tackling a multidisciplinary problem of grandiose scope and complexity, which requires context-specific risk

evaluation, market research, venture capital, and innovative approaches to programming and cross-platform content delivery.

The CAB's submission, while noting that the "...fragmented media landscape and increases in copyright payments – which more than tripled to \$70 million between 1995 and 2005 – have created an uncertain economic outlook for private radio." is still a far cry from addressing these concerns more fundamentally (CAB, 2006:c). The CAB has itself noted that profitability, in the radio sector is "more likely related to business cycles, growth in GDP and market size" (CAB, 2006:b, p.4, item XXII). While the attributes of radio technology are in the hands of inventors and innovators, and its aesthetics are in the hands of designers, the future of radio may in fact be determined less by policy than the CAB suggests.

Section II-Radio's Emerging Technological Environment

1. Evolving music industry: from hardcopy albums to downloaded singles

In music-oriented commercial radio, the majority of broadcast content is of course proprietary to record labels, while the exclusive content is limited to the morning and drive-home shows where there is a greater amount of talking and exclusive station-generated material. Emerging digital technologies continue to affect the nature and shape of the music industry and, specifically, of the album, with respect to file-sharing and music downloading. While speculations abound as to how these industries will adapt, the only consensus seems to be that some sort of change is inevitable, that some form of

downloading legitimization will eventually be established, and that, in the interim, increased end-user customization options are to be facilitated, wherever possible.

How the music industry, independent labels, and artists compete to adapt the traditional 12-track album to fit better into the digital environment will necessarily have an effect on radio's approach to programming, on copyright royalties and on radio's business model. It will affect the relationship of consumers to music, from point-of-purchase to consumer interactions with a product. Before looking into this further, we briefly turn our attention to how music industry pioneers are preparing for further interactivity between music consumers and music producers. Significant changes in the structure of the music industry and in the relationship between consumers and music will most likely have an impact on the relationship between audiences and music-oriented radio.

In a recent interview with *Wired* magazine, musician Beck expressed his thoughts on the changing concept of the album, as it evolves from a determined, finite, and tangible product, released in a fixed form on a pre-determined date, to a more dynamic and extemporal dialogue between the producer and the listener. What ensues then, is a shift from the hard-copy album to the collaborative digital process or the interactive musical project:

There are so many dimensions to what a record can be these days. Artists can and should approach making an album as an opportunity to do a series of releases – one that's visual, one that has alternate versions, and one that's something the listener can participate in or arrange and change. It's time for the album to embrace the technology. (Steuer, 2006)

Beck's 2006 album entitled *Guero* is an early manifestation of this new conceptualization of the traditional album as a dynamic digital interaction. According to Beck, the album is "[...] something to be heard, seen, and reconstituted by artist and audience alike" (Steuer, 2006). Certainly the idea of remixing a favourite band's album does not fall into everyone's list of priorities, as fans or even as music consumers. But the creation of a favourite playlist, and providing consumers with a range of options to choose from fits the bill a little better for people with less-than-artistic inclinations. For example, Beck is contemplating the customizability of the album's art. There are probably less consumers interested in modifying and manipulating art, with both the time and skill to do so, as there are consumers interested in customization, to the extent of expressing one's preferred personal style. As such, offering options to consumers is perhaps more important than giving them free reign on every aspect of the original product or idea. Just as a mobile phone's cover or an iPod's skin can be customized to reflect a consumer's preferred color, texture or pattern, so the selection of a particular section of a canvas or version of an album cover can capture and display their personality. Beck explains further:

(...) the CD cover is going to be designed so no two copies are the same. The artwork is going to be customizable. The album will come with all these little stickers – each copy of the disc will have a different set – and you'll use them to create your own version of the cover. The idea is to provide something that calls for interactivity and that's totally different from what you'll have if you just download the album. (Steuer, 2006)

The flexibility of this interactivity changes the relationship between the consumers, producers, distributors and broadcasters of music. The potential for this sort of interactivity has evolved from various experimental projects and exchanges between

artists and creative fans for some time already. The various responsibilities of specific music industry sectors have often been relegated to fan-based creativity in the form of contests such as music video editing, remixing of tracks, and album art submissions to name a few. For example, it has become common for bands like Emery or for musicians such as Jean Leloup to invite their fans to take part in a web-based music-video editing contest thus allowing the artists to interact with their fans, and the fans to engage with the product and subsequently upload it on a file-sharing site such as YouTube. There it can be viewed and commented on by other fans, contest candidates, and the artists themselves.

Beck focuses on a growing need to allow consumers to experience music in novel and flexible ways. He imagines his fans will “not just remix the songs, but maybe play them like a videogame” (Steuer, 2006). This concept encapsulates not only the fantastic potential of customization, but also the unique and personal quality of the music experience. Emerging technology opens up the marketing opportunities of music to a variety of related sectors that did not previously exist in the music industry, such as ringtones and multi-version downloads, or to sectors that were traditionally controlled by a variety of industry middlemen: concerts promoters, publishers, artists and distributors, for example.

These new and forward-thinking trends will inevitably affect what people come to expect from the radio audio experience, as they may turn to radio looking for audience interactivity and for end-user customization, at least, to some degree.

Terrestrial radio's present and most-noted means of differentiation from other technologies such as iPods and satellite radio is that it is free and that it offers live and local programming. However, exploring diverse original content for various technological platforms may now become its means of survival. New entertainment and interactivity standards are being reset and surpassed at an increasing rate by competitors such as artists, who are delivering their products directly to target audiences, sometimes by-passing radio altogether. Ironically, the fact that radio is somewhat already threatened by these innovations is not an indication that music is losing ground in contemporary Canadian society. The reality is quite the contrary. Numerous sources claim that today there is in fact more music being listened to than at any other time in history, despite the apparent ongoing music industry crisis.

Don't be fooled: The market for music is thriving. With the rise of peer-to-peer networks, the iPod, and other digital technologies – plus a 100 percent jump in concert ticket sales since 1999 – the world is awash in music. The industry now has more sources of revenue – ringtones, concert tickets, license agreements with TV shows and videogames – than ever before. (Howe, 2006)

Terry McBride, the CEO of the Canadian *Nettwerk Music Group* whose label signed artists including Dido, Sarah McLaughlin and the Barenaked Ladies, is personally engaged in this constant weighing and managing of risk, innovation and return on investment. Apparently, McBride is committed to “carrying out a plan to reinvent the music industry, including legalizing file-sharing and giving artists control over their own intellectual property” (Howe, 2006).

The above-mentioned examples underscore the fact that the *raison d'être* of the music industry may have been misinterpreted from the onset: “The labels were never in the business of selling music,” says David Kusek, vice president of Boston's Berklee College of Music and coauthor of *The Future of Music*. Rather, he explains, “they were in the business of selling plastic discs” (Howe, 2006). A similar comment could be made about how commercial music-oriented radio in Canada currently operates: it has never been in the business of promoting Canadian artists or emerging music. Conversely, it is in the business of selling advertising by attracting audiences with mainstream, low-risk popular music. However, this approach to attracting advertising dollars is being rocked by new currents in technology and social trends.

Private radio should perhaps identify anew its assets for delivering a differentiated product: it is local, immediate and enjoys a tradition of being turned to for companionship and guidance to its listeners. In this sense, radio is perhaps headed into a phase where it is less in the business of advertising than in that of providing a free, personality driven entertainment experience where stations increasingly stand out from one another because of the content they deliver in between the songs and for the options they offer niche markets off-the-air, through on-line portals.

2. Consumer-controlled media experiences

For the radio professionals who embrace technological changes, end-user customization is a key focus of their energy in identifying the future offerings of their station. Certainly, the precipitated growth of personal web pages on social networking

sites like Facebook and MySpace, the diffusion of iPods, and even the release of audio-visual devices such as TiVos years ago heralded the passage to a time when the individual demands greater control over the entertainment and information experience. Of course, there have been innovations that have not been adopted. A wide gamut of devices that may seem to have potential, to designers and engineers, often end up not garnering enough momentum to be a success with consumer markets. The reasons for this can vary from aesthetics, to functionality to cultural considerations and to timing factors. Microsoft's Smart multi-purpose wrist watches, for example, encountered fierce competition from the mobile phone industry, and users spent more time with the watches on their laps than they did with them on their wrists (Globe and Mail, 2005). Nonetheless, in the spirit of Heidegger's identification of the revealing power of technology, these innovations certainly point to a general new trend towards end-user customization, across the cultural industries, and in radio as well.

Consider for example, Musicoverly, an Internet radio station launched on May 24 2006, which takes into account the mood of the listener and programs music accordingly. The listener selects a genre and an ambience, and the software programs musical content accordingly. At the same time, the station uses Liveplasma's graphic interface to display visual accompaniment.

Deux clics suffisent. A gauche de l'écran, il y a une liste de 18 genres musicaux, du rap au classique, chacun associé à une petite barre colorée. Quand la souris passe dessus, la barre colorée se transforme en rectangle, sur lequel 4 autres choix, placés sur 2 axes, apparaissent : « dark » ou « positif », « énergique » ou « calme ». (Devillard, 2006)

Certainly the characteristics of a musical piece are debatable and not exempt from subjective judgement, reaching beyond the scope of this paper. Nonetheless, in this case, and in the case of other products such as Rhapsody and the likes, music connoisseurs are using concepts of musicology to break down musical pieces to their essence, which they can then categorize accordingly. The phenomenon is not unlike a mapping of the genome of music styles for the purpose of classification and ease of access. The user then interacts with the program to tailor the listening experience. This interestingly relates back to a point made earlier around the fusion of musical styles and the need to expand or at least rethink past articulations of music categories, especially as they pertain to radio regulations.

From the perspective of the consumer, however, interactivity may not be what it is all about. Indeed, some recent research conducted by the University of Missouri's School of Journalism has revealed that the much-hyped interactivity associated with media sites that make the most of converging technology may not appeal across the board to all users, at all times, in the same way. A report released in July 2006 found that, for some users, interactivity produced a less pleasant media experience.

There's been an assumption that user control is a good thing. We wanted to test that assumption. What we found -- contrary to the assumption -- was that people actually paid more attention if they didn't have control and, for the most part, rated those pictures as more arousing and pleasant. (Technology Review, 2006)

In fact, it can be suggested that, as more user-controlled technology becomes available, a movement towards the "renunciation of agency" may develop. John Law has described the concept of agency as being "the capacity to initiate, the capacity to control

and the ability to make a difference” (2001:33). When applied to the context of radio, the only time when radio listeners have traditionally had agency on the content is through certain specific programs, such as request-based shows. The idea that “nothing we do will make a difference” on radio programming may seem like a turn-off to users of technologies focused on customization and choice (2001:33). However, John Law suggests that, with certain technologies there may be a pleasure value associated with passivity. In applying Law’s theory to radio, especially given its reputation as a companionship technology, a few key ideas may be retained, namely that structured radio programming may please audiences by making them feel like they are being cared for while giving their own attention to other tasks and still being entertained. Think of the original meaning behind the term “host” or “hostess”, and the image of listeners being “guests”.

Although guests do not typically have the benefit of choosing the menu, they do have the advantage of being looked after and of enjoying a relative passivity. In the context of increasingly interactive and user-controlled media especially, there may be more marketability for this “host” characteristic of radio. It allows consumers to enjoy the rare opportunity of being passive, especially given that so many other common technologies are engaging consumers more, asking them to interact increasingly. In a sense, this is the same enjoyment that may be experienced by going to see a film in a movie theatre. The experience is entirely out of the control of the viewer. There is no remote control, no capacity for the audience to adjust the format, the volume, or the ambient temperature.

Law identifies another related enjoyment to that of passivity, namely, *non-responsibility*. He makes the difference here between irresponsibility (which implies a lack of judgment) and non-responsibility. In economics, it is commonly accepted that the price of a given good will increase the scarcer it gets. If the economy were that of audio-visual entertainment and information, and if the product were the luxury of choice, the more choice was scarce, the more it would be valued. Conversely, the greater the choice, the more the idea of differing responsibility of choice may seem like a luxury and gain value.

At a very basic level, the shuffle function of a machine can provide an automated, mechanic element of entertainment through surprise. By pre-selecting the audio content loaded into an MP3 player, one minimizes the risk of disappointment by retaining the range within one's own general interest, while still maintaining an element of enjoyment built on passivity and non-responsibility. A key difference between a DJ and a consumer of music is that one is working and producing, while the other is consuming and taking pleasure in the non-responsibility. The DJ is responsible; the patron is non-responsible. There will always be candidates for agency, and candidates for passivity. Of course, it is not because individuals have the option to have more control over their own entertainment experience that all will jump at the opportunity to do so—nor is it strictly a matter of demographics. In this sense, your iPod will only play whatever you want it to play, whatever you program it to play: for some this is a relief, for others a slight inconvenience. For others still the technology of choice does not necessarily exist. Rather

it will be dictated by the context of the users' needs and preferences at a given time. Furthermore, it should be emphasized that more often than not, cost does play into a consumer's habits and as long as commercial radio continues to be free of charge to users, in spite of its commercials, it will continue to hold an ace that will give it a certain advantage, at least in the short term.

3. Radio's indirect competition: accessories and support technologies

MP3-players, podcasting, streaming and satellite radio continue to be listed as the main disruptive technologies to terrestrial radio. Yet, a closer look at the unique characteristics of these media reveals how each of these technologies has a more complex and distinctive relationship with radio. For example, MP3 players are typically used to play digital music as opposed to "talk" content. Though podcasts with some "talk content" may be played on MP3s, research conducted on podcasts suggests that this format is most often listened to at home. Furthermore, the ratio of individuals choosing to listen to music on their MP3 players far outweighs those listening to podcasts. For the most part then, consumers buying MP3 players are currently using them for the prevalent purpose of playing music, self-programmed to suit their specific preferences and interests.

Along with price and general user accessibility, technological convergence and the support technologies for popular consumer electronics also play a large role in how quickly a technology can be adopted and how easily it can spread—so do, of course, user

interfaces and the aesthetics of design. Recent advances in the development of longer battery life, and wireless device with increased compatibility through USB connections and S-Video cables mean that audio-visual content can be made easily portable across various receiving technologies.

In a sense, as developments in MP3 player technology multiply, so too does the pressure on radio. Technological accessories are not evolving in an environment separate from radio. On the contrary, a closer look at support technology can help radio broadcasters better understand their competition and the increased audio options facing the public. These potentially disruptive technologies sometimes come in the form of accessories connected to other technologies such as the automobile. Since its earliest models, the car has often been a support technology for the spread of radio. In fact, Paul Galvin, credited as having invented the first car radio in 1929, also coined the name “Motorola” to describe his company’s “new products combining the idea of motion and radio” (Bellis, 2006). As such, attention to how commuters are presently engaging with radio should be of prime interest to commercial radio broadcasters as, according to Arbitron, over one-third of all radio listening happens in vehicles (Bachman, 2006).

As technological audio options have increased and diversified, vehicles continue to be built with new standards and new upgrade options to suit the consumer’s entertainment needs better. Today, new cars are not only built with CD players, but also with MP3 players and digital or satellite radio options. Chrysler’s 2007 Sebring model comes with a standard built-in MP3 player, for example, while SIRIUS satellite radio is

offered as an upgrade, as is the convenience of an integrated USB port. Numerous studies and articles such as those posted in the Billboard Radio Monitor point to a correlation between in-car cell phone use and decreased radio listening time. Similarly, another correlation has been made between increased built-in audio options in cars and decreased time spent listening (TSL) to radio (Billboard Radio Monitor, 2006:a).

Another study, interested specifically in this correlation between commuters' relationship to their mobile phones and the ensuing impact on their interaction with radio, indicated similar results: "Cell phone users in 6 U.S. cities and Toronto, who spend at least 1 hour a day in their car are listening less to the radio and using their cell phones more during their commutes" (Billboard Radio Monitor, 2006:b).

Importantly, these studies all reveal that the emerging technology environment is dynamic and that innovations entering the mainstream will have some sort of an impact, be it disruptive or complementary, on the pre-existing technologies: "Interestingly, the impact of emerging techs is having a compounded effect as use of one medium is of course felt on another" (Billboard Radio Monitor, 2006:a). Many studies do indeed focus on the correlation between *in-car cell phone use* and *time spent listening to the radio* during commutes. While the exact findings of each study may vary even if commuters spend more time listening to car radio than they do speaking on their mobile phones while driving, there is an observable trend towards a decreased amount of TSL to radio: "In 2003 -- the first year Bridge began tracking both activities-- average daily in-car radio listening among survey participants stood at 36 minutes, compared to 10.5 minutes on the

phone. By last year, in-car radio listening fell to 28 minutes while phone time increased to 13.5 minutes.” (Billboard Radio Monitor, 2006:a).

A spokesperson for the CAB confirmed in an interview conducted for this paper that although lobbying with the automotive industry should be a focus for the commercial radio sector in Canada, given the impact of partnerships between car manufacturers and electronics companies, the CAB has not yet identified it as a priority (CAB, 2006: interview). Another interesting case can be made around the iPod, of which over 58 million units have sold to date. In preparation for 2007, Apple has partnered up with Ford Motor Company, General Motors and Mazda to ensure that all models are equipped with turnkey compatibility for iPods: “General Motors alone will make the new feature available on all 56 of its models (...) As a result of the pact, more than 70% of 2007 U.S. model autos will offer iPod integration” (Bachman, 2006).

The iPod has become so ubiquitous that Apple has even signed deals with BMW, Acura, Audi, Ferrari, Honda, Nissan and Volkswagen to integrate iPod functions as controls built into the steering wheel and radio decks of their forthcoming models. With the iPod being such a driving force in consumer electronics, its impact is reaching beyond audiences’ radio listening habits in the vehicle, and delivering another competitive blow to commercial radio. Certainly, one of the features radio executives seem to continue to boast about is how this traditional medium offers a way to discover new music without having to lose time finding it yourself. For those who prefer to be more passive when it comes to consuming information and entertainment, radio can deliver a cross-section of popular material. This unique characteristic continues to leverage radio’s offering.

However, it may cease to continue to be a differentiating feature for radio if emerging technologies offer competitive options of similar capacity. For example, a new \$20 software product called iFill allows you to download your favourite Internet radio shows into your iPod. The iFill is manufactured by Griffin Technology; it is an iPod accessory maker, and it runs on both PC and Apple computers (Mossberg, 2005).

With every music download example come echoes of copyright issues. This paper must limit itself to pointing to the complexities of this issue and uses the example of the iFill strictly to illustrate the idea that support technologies and accessories for other emerging technologies can, in a converging and compounded way, further intensify the threats to commercial radio's popularity and standing in Canadian society. A final observation should be made in the context of the mobile phone and its evolution into a music playing and downloading device. Even the term "mobile" phone now seems redundant and is so increasingly, given the latest models available on the market. Some phones are being referred to as "music phones" thus emphasizing its latest attributes. However, Orange, the French mobile phone operator, has recently launched a service whereby mobile phone users can access their home PC using their mobile phones. This latest feature, in addition to mobile phones' capacity to play music, video, share photos, send text and email messages is thus more aptly described by Nokia's preferred term for emerging mobile phones as "multimedia devices" (Bélanger, 2006).

If the mobile phone is now rocking the new-found dominance and ubiquity of the iPod, then it is also a multi-use, time- and place-shifting device that bites into

commercial radio's audiences' listening time. Where the convergence of technology becomes of interest to radio is in music phones enabled to play audio files and to receive radio signals specifically.

The Motorola Q smart phone is for example enabled to read a variety of audio file formats from iMelody to MIDI, MP3, AAC, WAV, WMA, WAX and QCELP. While Cingular's Blackjack, made by Samsung, "supports the XM mobile radio service with 25 channels of content" (Rash, 2006). Most significant perhaps is how Motorola is preparing to launch a service called iRadio whereby subscribers can choose from thirty different genres of music to program six different commercial-free channels into their mobile phones and listen to them when and wherever they choose. In fact, because of its Bluetooth functionality, iRadio is well placed for replacing in-car radio listening. Furthermore, the iRadio website mentions an added feature that will be of interest to emerging artists: "In a band? Run an indie label? Apply to join the Get Heard Network and beam your sounds to listeners hungry for one-of-a-kind radio" (Motorola, 2006). What Motorola is proposing is that subscribers utilize the device to distribute emerging music to audiences that have expressed interest in emerging art. In a sense, this is where the CAB and the CRTC's discussions around promoting emerging artists could benefit from tapping into the realities of the emerging technology environment outside of the specific commercial radio industry.

If the CAB has not thus far considered the advantages of getting involved in lobbying with the manufacturers of other consumer electronics, it may now want to more

seriously research how to ensure that terrestrial and/or DBR technology can be built into various other devices such as mobile phones and automobiles. This is not of course the only target for private radio, but it is an activity that merits more strategic investigation given some of the alliances currently in place between some of radio's competitors, from iPods in cars to XM on mobile phones.

4. Cross-platform content migration

A brief comment on the technological churn and its impact on the diffusion of innovation is now offered as a means to illustrate better radio's capacity to seize a larger portion of the market through content portability. It can be argued that as long as technology continues to evolve, there will always be a segment of consumers who find themselves in the transitional phase of using an older technology when a new one is already available.

In a recent report produced by IBM on the changes facing the television industry, researchers clearly placed the focus on content portability across various platforms. Evidently this is a path that radio should follow very closely as well. Not doing so is to risk a certain irrelevance. Making content available across various technological platforms can allow for interesting and efficient pricing schemes and added-value for consumers. Spin-offs of content produced for mass terrestrial radio audiences can be modified and expanded into complementary programming made available online, such as podcasts, or can be accompanied by visual media.

Consider the offers being pioneered by the likes of UBC Media. The London-based radio programming producer announced last summer that it will offer consumers the possibility of purchasing songs as they hear them on their mobile phone radio: “Consumers would pre-pay for songs using a similar credit plan as is commonly used for mobile phone calls (...) songs purchased impulsively from UBC’s service also will be designed for simultaneously downloading to a Web-based music library that is compatible with other music players” (Reuters, 2006). As a medium then, terrestrial commercial radio must concern itself with both the mobility of its users and the portability, across various platforms, of its content.

Mobile phones enabling access to digital radio are now just entering the market and may prove to be a happy and timely convergence of emerging digital technology with that of both terrestrial and satellite radio. But technical capacity should not be the sole factor on which the private radio sector is banking. In fact, private radio should be strategizing to understand how to deliver content on mobile phones and how to perhaps deliver programming specifically for radio listeners tuning in on mobile phones. This could be done through incentive-based marketing with special contests and promotions or through medium-specific programming such as the showcasing an artist’s new track strictly on the mobile phone platform.

Again, the iRadio service stands as an innovative and promising development. Motorola and other carriers and manufacturers such as Nokia seem to be ahead of commercial radio broadcasters in their understanding of how their industry is

increasingly related to other technology and entertainment sectors, because of convergence, mobility and portability. What Motorola and Nokia have integrated into their models is an understanding of current social behaviours as their applications play on various social considerations: from the correspondence between aesthetics and identity to content portability and its relationship to file-sharing. The CAB and the CRTC, however, as exemplified in their latest hearings, largely continue to discuss radio from an intra-radio sector perspective, which hinders their ability to find creative and imaginative cross-sector solutions to the socio-technological and cultural challenges they face.

Tag Radio 96.5 FM is, for example, making innovative use of their online platform. Their site is up-dated regularly throughout the day; it features blogs, up-dated photos of host-sponsored events or endorsed products, and is often the only portal through which contestants can qualify to win prizes. This drives traffic to their online site, while providing contest info only on-air. The strategy exemplifies how the station is using a multi-channel approach to programming, and how it is carrying its listeners across various platforms by selecting the platform that should deliver specific content.

Private radio must ensure that its programming, at the point of production, and not only as a post-production and distribution afterthought, pay attention to how it can make the most of cross-platform portability. What type of content is suitable for what type of medium? How can broadcasters make the most of their exclusive programming and package it according to the attributes of both the technologies and the audiences? While policy is of importance, such questions pertinent to programming merit immediate

attention from private broadcasters who incidentally, hold both the privilege and the burden of responsibility to innovate in this sector.

Section III-Economics

As can be expected, emerging technologies, in general, and the Internet, in particular, have been affecting the advertising industry and the flow of ad revenues for some years now. There has been a notable rise in spending for online advertising, a trend that has finally shaken the revenues that were anticipated in other sectors. For example, one particular study has shown that between 2004 and 2005, while online ad spending soared by 73%, it dropped by 3% in the written press; by 2.6% in cinema; and by 3.9% in direct mail. Radio suffered the greatest revenue loss of all, at 4.5% (Woods, 2006).

While the above-mentioned statistics are recent, many would argue that disruptions to the music industry and to the radio sector in particular have been ongoing for nearly a decade already: “Radio hasn’t been normal for the past 10 years...Perhaps a new normal is emerging” (Billboard Radio Monitor, 2006:c). Still, one does not have to believe that there is necessarily a “replacement technology” for radio to recognize that enough disturbances have taken place in the world of digital technology justifying the need for new ideas on how to adapt the radio business model for survival and differentiation. Radio clearly does not have to reinvent itself entirely, but “waiting out” emerging entertainment and information trends may prove to be a costly option should ad revenues continue to be directed to other online initiatives, and should audiences learn to

fill the space radio currently fills with another technology or with a combination of other technologies.

Experts in fact have noted that “radio’s cost structure has been escalating at a higher rate than its revenues” and that the medium should turn to practices that allow it to be more proactive than reactive; most critically, it should focus on “how we re-purpose content and create new revenue streams to create value” (Billboard Radio Monitor, 2006:c). The purpose of this section is to analyze in greater detail the new economics of radio.

1. The long-tail economics of radio

The new economy of radio is related to a reality expressed by Chris Anderson’s long-tail economics theory. Anderson describes the current state of cultural industries as being one where there is a decreasing number of mega-hits being produced and purchased. This corresponds to the erosion of the concept of mass culture and, by extension, to the existence of a mass-media system offering a limited amount of products, in a very loose sense, to a vast majority.

Instead, Anderson describes a graph whose low height and long tail is formed by the limited number of units sold (y axis) and the wide variety of offerings (x axis). The head of the graph is where there is a lot more music being sold of a given hit, the tail is where there are less units sold but more musical diversity. Music industry players will be more receptive, as Anderson explains, to experimenting with the *tail* artists than they will

with the *head* artists, since the risk management per artist is higher with the latter.

Anderson's theory also provides a framework for pushing forward the idea of pricing variations in a download vs. album music industry: "smarter labels will experiment with all sorts of pricing variations, from lower prices for bands they're trying to break to volume discounts for packages of older music, and even higher prices for special reissues and repackaging for hard-core fans" (Anderson, 2006:b).

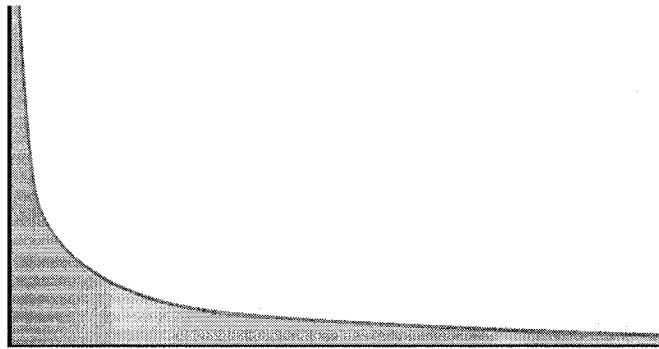


Figure 1 - The "long-tail" in statistical analysis: The vertical axis y represents the number of units sold, while the horizontal x axis represents the available choice of different products. While the number of single bestsellers may be decreasing, as shown by the green (darker) part of the graph, the total revenue generated by a minimal sale of a maximum amount of products (as represented by the yellow (lighter "tail") can in fact surpass the revenues generated by bestsellers (Wikipedia, 2006: c).

In a blog entry dated August 20, 2006, Anderson reflects on a timely question, that of *what people really want in music*. To answer this question, he borrows three concepts put forward by Tim Quirk, the General Manager of Music Content and Programming for Rhapsody. These three concepts represent the three stages necessary for figuring out what people really want, musically speaking. The first stage is that of "airplay charts", typically used and generated by commercial radio stations. The second stage is that of "sales charts", which are of value to record labels and music publishers. The first and second stages describe value as it has been known for generations in the

music industry. However, Anderson and Quirk surprise us with the third stage, that of generating a “Usage Chart”. Anderson explains that:

Now that people can listen to nearly anything, the third of these is the really important one. It reflects a metric that's only become available with digital distribution. What's on your iPod? What do people replay? What are they sharing? These are the metrics that really matter. Now, perhaps for the first time in history, we can measure the real shape of demand, and thus the real shape of music culture. And it turns out that it's not what we thought it was in the Top 40 era. (Anderson, 2006:c)

The concept of a *usage chart* should be of interest to radio stations concerned with developing innovative business structures to keep up with emerging media consumption trends. We can easily recognize how a usage chart would provide a better representation of what people listen to than album sales, as suggested by the CAB and described in Section I of Chapter 4. Echoes of long-tail economics logic are nowhere even mentioned in the CAB’s submission to the CRTC; however, most industry players agree that the concept of long-tail economics seems to capture a reality being felt across cultural industries. A radio executive for a popular Toronto-based Corus station explains:

The idea of infinite choice, infinite individual customization is having a large effect on people who depend on hits for a living. Movie studios need hits; record labels need hits. Movie theatres need the hits that are manufactured by the movie studios. Radio stations need the hits that are created by the record labels. But with less and less popular consensus because people do not have to go with the herd anymore, the idea of the hit, where you sell one thing to a lot of people, is being turned around. So it is all about providing a million things to one person. (Corus, 2006: interview)

It would appear then that, while CAB members may be processing the logic of long-tail economics in their daily affairs, the message is not making its way as a priority issue back to the CRTC to inform its latest policy revisions. It may be too early still to bank on the theory as a fail-safe framework for interpreting some of the economic

changes facing the radio industry today. Nonetheless, the theory can inform decision-makers on how to develop flexible and competitive radio policies to ensure prosperity in Canada's private radio sector while building in a place for emerging Canadian artists.

2. Social networking and product placement

Product placement is emerging as the preferred mode of advertising since time-shifting consumer technologies allow audiences to bypass traditional advertisements in both radio and television. This is pushing radio itself to investigate product placement options for its airwaves, as it continues to supplement advertising revenues with online forums. Radio-Nord, as examined throughout this study with references to Tag Radio 96.5 FM is a leader in its experimentation with product placement for radio. An increased focus on talk content and on the development of the host personalities, and a seemingly natural association between these hosts and the products they are endorsing, are key strategies. For example, host Marj's tattoo experience at the Magnolia tattoo parlour in Gatineau, QC, is a case in point. The morning show broadcast live from the venue, while Marj received her tattoo. Hosts reminded listeners that within minutes, photos of the tattoo would be posted online. Listeners visited the photos and joined blog discussions on the tattoo, and on whether or not they would ever get one themselves. At the same time, radio hosts were giving away gift certificates to listeners who would call in to the show and who wanted a reputable location for a tattoo. This proved to be a successful advertising strategy for the local tattoo parlour, and later that week, listeners were invited to report on their own experiences at Magnolia and to post their own photos on the TAG site.

To remain relevant at a time when clip-culture extends beyond the music video realm into video-clips of just about anything on websites like U-tube, radio executives are also talking about acquiring “exclusive video elements for their station Web sites, streaming audio and side channels with dare-to-be-different programming” (Billboard Radio Monitor, 2006:d).

Many radio executives have come to realize that “value-added content is what will set radio apart”, but have yet to put that into practice (Billboard Radio Monitor, 2006:d). To provide value-added content, however, radio needs to step into a more proactive gear so that it may be more in cadence with major emerging technological trends. Video and audio may in fact be entering into a relationship whereby the two are more intimately linked than ever before. Common technological gadgets—from mobile phones to iPods—are now equipped to deliver both signals. Radio can no longer strictly see itself as being in the business of audio. Already it has been selling advertising for years to parties interested in online spaces. Invariably, this online presence can foster innovation into linking both audio and video.

In matters related to online videos, the elephant in the room is clearly YouTube, the most popular online video file-sharing site, “where amateurs and professionals alike can share and view videos -- of a recent trip, of a new dog or even of themselves burping” (Billboard Radio Monitor, 2006:a). This medium exemplifies how a segmented audience of consumers, those wishing to interact and upload content, can be satisfied by a

media that at the same time allows more passive audiences to simply download and view what others have posted: “YouTube had 16 million unique U.S. visitors in July, a 20 percent increase from 13 million in June. The site did not even have measurable traffic until August 2005, when it had 58,000 unique visitors” (Billboard Radio Monitor, 2006:a).

These numbers are too impressive not to have some sort of reverberation in the world of terrestrial radio and in discussions centred around better adapting commercial radio policy over the short-term period—three or five years, for example. Changes are taking place at such a rapid pace that radio’s capacity to keep up with some of them is crucial to its ability to remain pertinent in a world that provides a broad menu of increasing information and entertainment choices: “The trends we’re witnessing indicate that online video is emerging from its infancy and entering the mainstream” (Billboard Radio Monitor, 2006:a). If these are the effects already, we can only hypothesize on the impacts clip culture will have, in the longer term, on radio’s approach to delivering its programming.

A brief mention should also be made of the evolving importance of broadcast networks in the television industry and how media conglomerates are fashioning themselves around a new form of exchanges, based on the sharing of information between community members online, through social networking. In this sense, broadcast networks traditionally recognized as giants such as NBC, ABC, and Fox in the United States, or Global and CTV in Canada, are being challenged by rising social networking sites that have the capacity to promote an artist, an idea, a clip or a cultural meme of any

sort, through social networks rather than broadcast ones. The popular MySpace site is just such a medium.

Today, the increased influence of social networking sites like Facebook and MySpace is augmenting the marketing ability of independent artists and their capacity to use non-traditional means to access mass markets. Television shows such as *The OC*, *Grey's Anatomy* and numerous others are finding new and emerging artists and showcasing their music in their series. *The OC*'s music supervisor, for example, Alexandra Patsavas, receives countless submissions by artists hoping to have their music featured on the show (Zjawinski, 2006). While Patsavas does go through these submissions, she is also increasingly monitoring MySpace for clues on who is who, and who is doing what.

If commercial music-oriented terrestrial radio does not develop more exclusive content; if it continues to approach programming with very little to distinguish it from what is offered through, for example, one's own MP3 playlist, then how can we expect it to secure its place as a popular and relevant entertainment medium? Given all the recent and significant changes in emerging technologies, such as Motorola's iRadio, can the CAB and the CRTC continue to address radio policy as they have in the past hearings? Certainly the latter is not a promising option. Rather, commercial analog radio should focus on its distinguishing features, such as its distinctive, local, personal and interactive connection, so as to stand out from other technologies and to co-exist with them—even in the digital environment—by offering a unique product. A representative from CHUM

radio comments that these are the characteristics that in fact draw listeners to the medium:

You get local stations, local personalities that really connect to people that listen to radio for more than music, they listen for that interaction. And most of the other options do not offer that. So, when you look now at the satellite offerings, iPods are the biggest challenge to satellite radio. Because nobody is a better radio programmer for you than you, and if you are not going to put anything else there than music, then really, you can provide your own content. (CHUM, 2006: interview).

There has been an interesting evolution of the talk/music ratio in commercial terrestrial music radio's history. In past decades, radio, even music-oriented radio, played less music and offered more exclusive "talk" content than it does today. This eventually shifted to reflect better what broadcasters felt listeners were demanding:

The market place is demanding to be engaged on a deeper level. Radio used to be this way in the 1960s and the 1970s but then the public changed and demanded different things, so we went through a whole period of "more rock less talk" or "more music less talk" and that extended through almost 20 years. Because that is what the public wanted, that is what delivered ratings. Now, people want what they want when they want it, wherever they happen to be. (Corus, 2006: interview).

Today, stations still continue to advance into a digital society with one foot in the "old" world, where *less talk more music* is the preferred programming, and one foot in the world of emerging technologies, where their contest information and their first attempts at doing product placement advertising, as with Tag Radio, appear on their on-line spaces.

3. Youth and radio advertising

For many mainstream top-40 stations in Canada, the main challenge is to remain attractive to youth audiences. What exactly this youth subsection represents is a question to be examined shortly. The CAB itself, in its latest submission to the CRTC, sounded the alarm with respect to dwindling audiences by pointing to decreased listening for the 12-17 age brackets. It would seem that advertisers looking towards radio as an advertising option are interested in confirming that radio stations know who their audience is; many stations, especially top-40 stations, continue to attempt attracting the teenage market. The strategy of hosts using “youth culture” to appeal to young audiences has a feedback effect on a series of variables such as the demographic bracket that the term *youth* refers to, and to the dynamic and organic character of the culture itself.

Some have observed that the term *youth* refers to an ever-broadening definition of demographics. In a capitalist and individualistic society such as that of urban Eastern Canada, an entire generation or two can in fact separate individuals occupying the start or the end of that demographic category. This is because the behaviours of individuals in different age demographic brackets are increasingly similar: “Youth? What is that anyway? It was probably just a matter of time until a generation became bold enough to stretch the definition of youth beyond acceptable boundaries, it started with the baby boomers and now continues with the adult parents wearing vintage clothes and expensive sneakers...” (Cross, 2006).

Youth has in fact been a moving target for advertisers. It has historically posed a challenge to advertisers. The latter must be flexible, subtle, highly adaptable and cutting-edge. While the medium and the format of a message is important, too often, the focus is placed on these attributes rather than on content itself. Whether primarily critical and word-based, or audio-visual, youth wants content: “Another thing driving many young people away is this concept of the market researched, homogeneous youth (...) And many of these images of youth seem a little "off"” (Cross, 2006). Even the ideas of LTE and of increased product variety point to how the existence of many niche markets can support the idea that audience segmentation, especially for youth, must be rethought along lines that go beyond demographics and, as mentioned earlier with Rogers and Bass, which take the characteristics of technology diffusion and adoption into account.

Although the portable people meter is being hailed as radio’s long-awaited answer to the challenges of audience research and quantification, few are the radio industry professionals who are learning about audience preferences by drawing the connection between youth and the popularity of various Internet sites and social networking trends outside of the radio industry. Certainly, industry-specific research, such as that promised by the advent of the people meter, has the potential of generating detail-rich quantitative data. But cross-sector research, taking researchers outside of the radio realm specifically and into the broader digital environment can shed qualitative light on broader behaviours, trends and market cycles. It is but a matter of time before an interest in the cross-platform

behaviours of youth, wherever the bracket is set, becomes an imperative rather than a niche curiosity or concern.

Other traditional media are facing much of the same challenges as radio, and it would seem that although many are leaping into experimentation, others still overlook the importance of watching behaviours on sites like MySpace and YouTube to capture the essence of this so-called youth demographic. From April 2005 to April 2006, teen visitors to sites like MySpace grew from 3 million to 7.8 million; the number of teens visiting Google jumped 24%, while those visiting the Wikipedia went up 221% to 2.9 million. Apple.com, for example, increased its teen visitor base by 68 % to 3 million from April 2005 to April 2006, according to ComScore (Olsen, 2006). With content sites like Wikipedia, clip culture sites like YouTube, and music and social networking sites like MySpace, the value of the local element delivered by terrestrial radio, to youth audiences, has to be rethought more than ever. The value of the “local” may not truly be pertinent for youth. Local information may in fact only have value when, as an individual, you own a car, are caught in traffic, or when you have children or other responsibilities that oblige you to interact locally more than another audience group. Could these be the reasons why the CAB stated that it has observed a drop in its youth market aged 12-17?

If teens are spending this much time on the new sites, as mentioned above, they are not listening to radio. When they are, they are multi-tasking, and the format of radio is only convenient as long as it requires only a portion of their attention. This idea of multi-tasking corresponds to another specific type of youth demographic—specifically,

the “millennials” who have grown up with the technologies emerging between the late eighties to today. No matter how we choose to define the youth bracket, it still represents only one of the potential audience segments for commercial radio. It is important for any industry’s healthy development to be able to gain insight into the characteristics of its audience. For radio, identifying the audience is key to securing advertising revenue. As is the case with any mass media, the greatest challenge faced by this medium is also its greatest asset: it speaks through its terrestrial signal to a mass of individuals, in one concerted voice. Audiences today can be segmented not only demographically, but also according to the way in which they adopt and interact with technologies.

Technological convergence is such that the radio ad can now be supported by a visual Internet presence on the station’s site. This is part of what makes product placement, on the radio, a viable option. Technological convergence is presenting many opportunities to radio in the context of how it relates to its audience and most importantly how it gains an understanding of who its audience is.

Stations continue to experiment with the length of commercial stop-sets, and the trend has generally evolved towards more frequent commercial breaks of shorter duration, to create the illusion that there is more content being played, and that entry and exits into stop-sets are quicker and more tolerable: “People want the perception of less ads.” (Corus, 2006: interview). Engaging in talk about a product while placing the *experience* of the product at the centre of the discussion instead of focusing on the attributes of the product itself, can also enhance product placement. This takes us back to

theories discussed in the literature review regarding retail and the perception of variety and how products (in our case, music, advertising and talk-content) are organized and presented to audiences.

Radio then clearly continues, and perhaps especially in the context of emerging technologies, to present to potential advertisers, especially, at the local level, a unique offering.

V-Conclusion

How commercial terrestrial radio may evolve in the next few years is a speculative exercise at best. An Astral radio spokesperson admits to not asking himself questions to which there do not yet exist answers, and prefers identifying the avenues that radio will most likely *not* take.

Là où la radio commerciale ne s'en va pas? Ça je me pose la question. C'est trouvable. Et dans l'ordre des choses, savoir déjà où ne pas aller, où ne pas mettre d'énergie au cours des prochains cycles, au cours des prochains mois ou des prochaines années, c'est déjà un grand pas. Tout le reste relève pour moi de l'observation. Tout change de mois en mois. (Astral, 2006: interview).

In such a context, human and financial resources can already be managed more efficiently. As this research has attempted to show, we now know for example, that a music-oriented model of programming that does not seek to broaden a station's exclusive content is not a promising one. Likewise, we know that mass appointment media, which do not allow for end-user customization or personalization of content through some sort of interactivity, is also a hard sell. Ironically, and perhaps as a consequence, radio and the music industry are experiencing these changes at a time when more music is being consumed than ever before in human history. The convergence of emerging digital technologies with society's strong demand for music and entertainment content has brought us to a dynamic nexus of innovation and possibility.

While some technology observers may have sounded the alarm too early regarding the future of analog radio in the context of emerging technologies, commercial terrestrial radio continues to hold a privileged place in the lives of Canadians. However,

given the ever-growing number of entertainment and information options available to audiences, this study leads to the observation that it is imperative for the private radio industry to mobilize in order to secure its place as a medium of choice with a differentiated offering in the future.

This first part of the conclusion provides an opportunity to reconsider the research that has been presented, how it was structured, and to what end. Chapter I, Introduction, provided a brief overview of the context in which private radio, regulation, and emerging technologies dynamically interact. Chapter II, Literature Review, introduced and organized works related to our research interests: technological narratives; the design implications of technologies; the interactivity of technologies and the consumer preferences to which it points; and finally, social networking and open-source movements. The Methodology, Chapter III, provided a thorough description of the project's methodology, offering justification for the specific design adopted to conduct research as well as a further evaluation. Chapter IV, Analysis, provided an opportunity to examine the data collected and contrast results against our main research goals. In some cases, this analysis generated more focused sub-research questions. These necessarily emerged from relating findings back to key research themes. While not all of these questions could be answered in the scope of this paper, they find their way back into this concluding section once the discussion on future research is presented. Again, it can be noted that the fourth chapter offers most of the research and analysis of the data gathered through two-pronged qualitative research: the review of a variety of articles and research as well as content from qualitative one-on-one interviews.

At this point, our objective is to draw conclusions about our main hypothesis, that is, to offer a clear answer as to how commercial terrestrial radio in Canada can effectively remain relevant and differentiate itself as an entertainment medium while meeting its cultural responsibilities vis-à-vis government regulation *and* managing to remain a profitable industry sector within the broader context of the ever-evolving emerging technology environment.

To this end, we must confront the hypothesis with our research data and then draw conclusions about the research problem. The research presented made use of theories and models and, given its unique contribution, makes it possible to re-examine these theories in light of the analysis. This leads to a brief discussion on the limitations of these theories and, as well, on how future research could be conducted. New concepts emerged through this study, and the relationships between them, in a variety of related areas, merit further study.

Finally, it is in light of all this research that recommendations to the CAB and the CRTC are formulated. Ultimately, a closing commentary re-contextualizes the essence of technology and, by extension, of this type of research on technology in more philosophical terms by evoking Heidegger.

1. Confronting the main hypothesis to research data

The results, analysis and implications put forth in this thesis support the initial hypothesis that there exists a more effective common ground between the objectives of commercial radio policy and those of the private radio sector. In particular, this thesis has

repositioned emerging technologies as a support structure for the success of radio, as opposed to merely seeing them as disruptive. This provides an opportunity for the private radio sector to situate the locus of change and competitiveness in individual business models rather than in Canadian regulatory framework. As some of the most convincing examples have demonstrated, such as the case of Tag Radio 96.5FM in the Outaouais, innovative approaches to radio broadcasting are being pioneered that sometimes actually increase the number of listeners. With TAG, the station operates at a 45% Canadian content level, which consists of 10% more Category 2 music than most other content levels across the industry.

2. Final thoughts on the research problem

Already, erosion from emerging technologies is affecting the youth audience segment. The CRTC's 2006 hearings were an occasion to review public policies governing commercial radio because the environment has changed significantly since the last review process in 1998. The CRTC and the CAB recognized that such a review process was in order, given the developments in emerging digital technologies and audience interaction with multimedia content, through various portable technologies.

However, a closer examination of the CAB's recommendations and the CRTC's response reveals that the debate has primarily remained concerned with concrete and practical considerations that largely address the same points of contention between private radio stakeholders that are continuously addressed, hearing after hearing. These points fall somewhat short of offering true insight into how radio will strategically

advance into a future where it will co-exist alongside other audio and audio-visual technologies in a dynamic environment of emerging technological changes. While private radio broadcasters are reacting to the present turbulences in their industry, by identifying regulation (Cancon and CCD contributions specifically) as their main disadvantage, there appears to be an overall hesitation to commit to experimentation in showcasing emerging artists, in using new technological platforms and in developing partnerships with players outside of the conventional radio sector. Likewise, there is a noticeable shortage of resourcefulness and ingenuity in re-imagining possible business models for analog radio's future. This may indeed be due to a lack of foresight and interest in understanding the broader changes that are and that will continue to come about within the radio industry and, more importantly, beyond the radio industry, at the broader level of the emerging technological environment. This environment, because of the convergence of technologies and due to the restructuring of relationships between the individuals that at once create and use these technologies, is interdisciplinary by nature. This again speaks of the appropriateness of the selected theoretical models of the SST and of LTE. Indeed, an informed analysis of the emerging technological environment must focus on the broader social, technological, economic and cultural context.

As this paper has demonstrated, policy should only be a small focal point of the CAB's efforts at building the competitiveness of their medium. In fact, the most strategic changes to be brought to the commercial radio sector lie in a station's own willingness to experiment and innovate. In this sense, emerging digital technologies seems to serve as a

mere pretext for the CAB to lobby further for policy changes it has eyed for decades, most notably in its exhibition of Canadian content and in how it contributes to CCD.

There is indeed a place for free, accessible and locally focused media in the present and future emerging technological environment. In a sense, terrestrial, commercial, music-oriented radio must conduct an exercise in evaluating its own identity as a medium, so that it may reflect on what makes it a unique technology. It must commit human, technical and financial resources to gaining insight into who its specific radio listeners are, and it must study how these listeners interact with each other and with technologies other than radio itself.

In Canada, terrestrial radio is quite heavily regulated in comparison to other emerging entertainment options now available to consumers, and herein lies the challenge faced by private broadcasters: to manage the increasing competition not only within the radio sector, but also the one emerging in its broader technological environment. Because of its unique positioning as a mass communication medium that transmits signals through public airwaves, radio is facing the additional responsibility of meeting certain cultural policy obligations that are extraneous to radio's competitors.

Understandably then, Canada's private broadcasters' latest recommendations to the CRTC have focused mainly on: a) ensuring that music exhibition quotas are loosened where they are harder to uphold, as with jazz and blues formats, for example, and b) on establishing greater incentives for broadcasters to exhibit emerging music by developing

a bonus system, and by consolidating the private radio sector's financial contributions to emerging talent development in Canada. The CRTC's response to these recommendations, the 2006 Radio Policy issued on December 15, is a cautious and, regrettably, not very proactive one. With regards to Cancon quotas, the CRTC is conserving the 35% level for category 2 music, while reserving the right to examine any problematic scenarios on a case-by-case basis rather than through the formulation of a specific and bolder policy (CRTC, 2006: j).

Contributions to CCD are to be based on station revenues rather than on the size of a station's market (CRTC' 2006:b), and the CRTC is confident that what is needed to ensure more Canadian content on the airwaves is not a higher Cancon quota, but rather more financial contributions to CCD, from the radio sector. However, dissenting CRTC commissioners such as Langford, and other stakeholders like Friends of Canadian Broadcasting, have continued to express confidence that there already exists enough quality Canadian content, and that the problem is not one of supply, but rather of exposure. By turning down the CAB's proposal for the incentive-based Smart 35 bonus point system, the CRTC has turned its back on an opportunity to diversify the roster of Canadian music by emerging artists, in favour of guaranteeing that quotas are through the airplay of established artists. Interviews with the CAB and with private radio broadcasters have clearly demonstrated, however, that private terrestrial radio is not in a position, in the absence of specific incentives, to showcase emerging artists.

Certainly, current music exhibition quotas make it difficult for library format stations to remain competitive. However, the solution could lie not in lowering Cancon quotas, but rather in redefining the pertinence of exclusive library formats at a time when music is focusing increasingly on the single, rather than albums, and the fusion of styles is stretching the repertory of genres beyond sound categories formerly more inflexible and homogenous. Indeed, without redefining altogether what makes a composition a “jazz” or a “blues” piece, it is interesting to note that technology has certainly affected the means by which music is composed and produced, as styles increasingly fuse and form new music categories. If stations are, in a sense, music repositories, then as new formats evolve, so should the means by which we categorize music.

With regards to CCD, the private terrestrial radio industry made a case for how it should be focusing less on supporting the production and more on fostering the promotion and distribution of emerging artists. At the same time, however, it has stated that mainstream commercial radio is not the right conduit for showcasing emerging music. Certainly a focus on audience segmentation by diversifying programming across various platforms could accommodate better risk management in terms of new music programming, and more emerging Canadian artists could be showcased without necessarily affecting listeners’ listening habits.

In addition to these key recommendations, the CAB and the CRTC negotiated yet more intra-industry specific demands that were not included in this paper because of its thematic limitations. It is noteworthy to highlight that the CRTC chose not to address

questions related to DAB at this time, and suggested that issues pertaining to the diversity of radio programming, be it through music or through other content development, should be revisited later in 2007.

While the CAB submitted a cohesive document that represented the concerns of all its members, each private broadcaster has its own perspective on how to review its specific role and adapt its approach to programming, to interact with its listeners, and to develop new advertising strategies and revenue streams. Astral, for example, is breaking down its adaptation to the emerging technological changes in the audio sector in a three-phased approach. The first phase appears to have simply consisted of using the Internet as a complementary technology that mirrors commercial radio's terrestrial service through options such as live Internet streaming. The second phase, which Astral launched in the fall of 2006, is one that involves the Internet sites of terrestrial commercial radio stations distributing content that would not otherwise be available through the on-air terrestrial signal reception. The third phase of this development, which is still somewhat blurred, and for which the processes still need to be worked out, points to a time when audiences will be able to take their interactivity with programming to the next level by actually authoring some of the content and programming themselves. However, not all listeners will care to engage at the level that the third phase promises. These levels are not interchangeable, but co-exist, encouraging different segments of the audience to engage with radio in a way that suits their lifestyle, and their level of technological comfort and material accessibility.

A programming director for a popular Corus Toronto-based station explains that radio's propensity to be reactive or proactive to change depends on the stations themselves:

It depends what you are listening to. Some of it will be reactive some of it will be proactive. Again, it is infinite content. If you want something to be leading edge, well, you'll just seek out the content that is leading edge! If that is too far ahead of your own personal curve, well, you'll go with the reactive stuff. Or you will go with the stuff that doesn't ever change. (Corus, 2006: interview).

The preceding quote supports how radio must supply content that can meet the needs of a variety of listeners at once: those that make up the various categories of technology adopters identified by Roger's S-curve. The name of the game for broadcasters then becomes ensuring that content is exportable across various media platforms and that the terrestrial analog signal is complemented by related, yet differentiated, content options, according to the technology of choice: podcasts of niche interest can supplement the airplay of an emerging artist; visual content can supplement the exclusive programming presented in a morning radio show; and mobile phone applications can be incorporated into the customization of content.

Meanwhile, the CAB recognizes that radio will have to ensure that it knows where its audiences are, and that it develops the capacity to reach them accordingly: "*Le rôle de la radio ça va être de suivre son auditoire là où il se trouve*" (CAB, 2006: interview). At the same time, because it is concerned primarily with policy, the CAB is aware that it may be increasingly important to review regulations and perhaps some more fundamental documents, such as the Canadian Broadcasting Act, in the context of recent and constant technological change.

3. Implications for theory

The research problem at the heart of this thesis is thus manifold, and it requires a multi-disciplinary application of theory. What then are the implications of this research for existing theory? The selected theoretical models proved to be, overall, an appropriate and adequate choice. Clearly, what this study demonstrates is that there is indeed value in applying basic economic and marketing theories to the study of the commercial radio sector, given this sector's intimate relationship with advertising. Similarly, because of the nature of the relationship between society and emerging technologies, and the mutual influence of these players on one another, SST is a better fit for revealing the complexities of this relationship than are theories of technological determinism, for example.

In the cultural industries, there seems to exist far more research on television and on the retailing of cultural products than there is on the new reality of commercial and conventional radio itself. When radio is the object of research, most often studies are focused specifically on satellite and Internet radio rather than on terrestrial radio. This is an indication of how innovative radio broadcasting is too often associated with emerging technologies more than it is with innovative programming models that, although anchored in conventional terrestrial radio, they find leverage and relevance through the development of non-radio links across a variety of supporting emerging technologies. Researchers are often forced to extrapolate from these observations and project them from these fields, with modifications of course, to the industry of terrestrial private radio. This can inform research efforts, but is necessarily limited in its usefulness.

4. Limitations

It is imperative to also review some of the limitations of the research presented. While some have already been exposed in the Methodology chapter, the application of SST as theoretical framework and LTE, as a model of analysis, brings its own set of limitations. Because of the cross-sector appeal of a theory such as SST, it is impossible, for example, to dwell on all the elements that can fall into the realm of the analysis. The theory is designed to accommodate the value of focusing on engineers, users, social trends, media, and economics. Likewise, while the social shaping of technology may appear, at first glance, to be diametrically opposed to technological determinism, this thesis considers technology as a specific activity and manifestation of society. It is in this sense that LTE is actually presented as a subset of SST. The risk with such a perspective is that analysis can quite quickly cascade into relativism. The second chapter's review of technological narratives was an attempt to control for this effect.

5. Future Research

Clearly, more research is needed to monitor the private radio industry over time. Many issues should be studied further and, given the rate of technological innovation, there is likely not going to ever be a shortage of emerging technologies to analyze in the context of commercial radio and commercial radio policy.

In fact, it would be interesting to extend the results of this research to other related themes such as:

1. Should Internet radio stations without an AM or FM counterpart be considered part of the private radio industry sector and, if so, how would regulation have to be reviewed as a function of their inclusion?
2. Given the limited budget and unique operating model of campus and community radio, and how they differ from those of private radio, a comparative study of how emerging technologies are used to present content and attract listeners could provide interesting insight into how innovative programming emerges in spite of budget limitations and heavy regulations.
3. Narrowing the scope of this study to further investigate how, within one same geographic area, two contemporary hit radio stations may be adapting their programming to the new reality of private radio could also prove to be revealing. In Ottawa, for example, comparing top-40 stations such as Hot 89.9 FM and Tag Radio 96.5 FM would certainly yield rich data. While these stations target the same demographic in the same general geographic area, one station broadcasts in English for an Anglophone audience, while the other broadcasts in French to a largely Francophone and bilingual audience. Since this study could not itself look into the different challenges faced by English- and French-language stations, and given the distinctive geographic reality of the Outaouais region, such a focus would make a unique contribution the Canadian radio research.

4. Given the prevalence of mobile devices and the increasing capacity for cellular phones to receive radio signals, a study centred around mobile device users and how private broadcasters could design or co-design programming for this specific user group will be of increasing relevance to the industry.
5. Naturally, emerging Canadian artists themselves deserve to be the focus of more research into the effectiveness of music exhibition quotas, of Canadian Talent Development initiatives and of the perceived—and measured—value of radio airplay to their careers. Such a study could involve quantitative research in the form of surveys administered through websites or artist organizations such as SOCAN, as well as through qualitative research with individual artists (some more established than others), record producers, and members of the general public as music consumers. An interesting research angle to take, in this case, would involve including an interview with a private radio station's research department to gain better insight into how private radio stations in fact conduct music research and how they discover emerging Canadian artists. Funding organizations such as FACTOR, in the 2004-2005 fiscal year, approved 1,296 projects of the 3,168 that were submitted (FACTOR, June 12, 2006). Given the vast number of these emerging products, how are private radio stations committing resources to discovering these productions?
6. Another area of study where there is a lack of existing research involves strategies for product placement on private radio airwaves. Contests sponsored by certain advertising clients and promoted by host personalities, for example, are beating a

path towards a new wave of advertising, which will play an increasing role in the financial well-being of commercial radio. A related area of research concerned with the psychology of audiences and consumers lies in how listeners are accepting the concept of product placement and in how they are reacting to it as opposed to conventional and more direct advertising timeslots.

7. Given the increasing popularity of social networking sites such as MySpace and Facebook, an analysis of how Contemporary Hit Radio stations are engaging with these sites would be timely. While campus and community based radio stations are already well represented on these sites, how are private radio stations making use of the promotional and marketing opportunities presented by these mediums.
8. Finally, how do radio listeners perceive variety? Do listeners make a distinction between diversity and variety? Are these concepts more of a concern at a musical level or at a non-exclusive content level? Do theories of retail marketing hold true in the context of commercial radio and if so, what are radio's equivalences for product assortment and product layout? Given the volume of music products available to consumers, how are commercial radio stations designing their music portfolios and what is the value of the market signal associated with this selection?

6. Recommendations

It is certain that some change in how private radio approaches not only policy, but more importantly programming, is indeed necessary, should this industry wish to continue advancing into the digital age as a relevant medium with a differentiated offering. Before presenting a summary of key recommendations to this end, a brief review of some of radio's current strengths is a useful exercise.

According to the CRTC, radio's power lies in six key areas: 1) radio focuses on issues of interest to the local community; 2) its media and production costs are low; 3) it has captive audiences in morning and afternoon drive periods; 4) advertising on radio can be targeted to specific demographics; 5) radio listening levels remain strong in the summer season, and 6) much local advertising turns to radio as an affordable and appropriate option (CRTC, 2006:k). But what features of radio will allow it to evolve in a digital environment that presents increasing audio options? Mark Ramsey, in his address to the 2006 *National Association of Broadcasters Convention* in Dallas (Ramsey, 2006:a), suggests that four key characteristics of radio differentiate it from other audio technologies, thus constituting its competitive advantage: a) it is free; b) it is accessible; c) it constitutes an important source for listeners seeking to be introduced to new music; and d) it provides entertainment. In addition to these key advantages, which radio can leverage, what then are some of the most significant recommendations that can be made to the commercial and conventional radio sectors to ensure that they continue to enjoy a distinctive place in the emerging technological environment?

Seth Godin echoes much of Ramsey's logic in proposing that radio build "non-radio links" with audiences and partners, and that it break down its operations much as a smaller company would, rather than adhering to the "think big" philosophy that characterized much of the high-tech boom for companies. In other words, striking partnerships with other industries, building community websites, and allowing symmetrical dialogue between broadcasters, listeners, and between listeners themselves.

The IBM report on the future of television, although referring to another traditional industry, proposes a few guiding principles that are pertinent for radio industry executives. One of these principles is that of audience segmentation. The report identifies the importance for industries, between now and 2012, to "invest in divergent strategies for bi-modal consumers" (IBM, 2006). Consumer bi-modality is, in a sense, an oversimplification of Everett Rogers's theory of the diffusion of innovation, but without the dimension of time. If Rogers identifies five categories of technology adopters, the IBM report isolates two: it is the idea that there are consumers who are of the "lean-forward" type and others who are more of a "lean-back" nature. The first, actively engaging with new ways to use and modify technologies, correspond more to Rogers's categories of "innovators" and "early adopters", while the second prefer to adopt a more traditional and less experimental approach to technology, one that corresponds more to the categories of the "late majority" and "laggards". The "early majority" would represent those who are somewhere between the lean-forwards and the lean-backs.

These categories are a means to help the industries adapt their business and programming models and to ensure that, in a dynamic state of technological change and transition, audiences at any stage of technological adoption are capable of finding programming suited to their specific needs. This signifies the end of the “one-size-fits-all” approach (IBM, 14), which most radio stations support, but are late in implementing. Increased audience segmentation will require a commitment to experiment and to invest in audience measurement techniques, and to glean a representative and frequent influx of information on real-life audience preferences.

Commercial radio broadcasters should reflect an understanding of the broader and emerging technological environment of radio by implementing a variety of changes in their approach to programming, many of which are complementary to current cultural policies concerned with the promotion of both Canadian and emerging artists.

Here are a few more key recommendations that can be made to the terrestrial and commercial radio sector in Canada, in light of ongoing developments in the emerging digital environment:

- **Increase radio’s exclusive content.** In fact, should radio progressively return to developing greater exclusive content, it could, for example, make use of specific platforms such as the Internet and mobile phones (iRadio) to showcase content that has more of a niche market than the programming presented through its mass terrestrial signal. Although the “mass” signal on airwaves will continue to exist, it can act as more of a portal to direct listeners with more specific interests to continue their listening, or to learn more about an artist, song, or particular content item, on another online platform, for example. This allows advertisers to target consumers of interest more narrowly, across appropriate platforms. An increase in exclusive content will go well with allowing hosts to differentiate themselves further from one another by developing their particular personalities and interests to a greater degree.

Programming could eventually target more specific audience groups with more common interests. Inevitably, it would seem that terrestrial radio is headed towards a diversification of programming that can be channelled through various platforms delivered via the Internet. This is also where the idea of consumer bi-modality comes in (IBM) whereby, instead of strictly dividing audiences according to preferences, it is useful for radio undertakings to segment them further according to their level of interest or of interaction with a given emerging technology.

- **Re-imagine the business model:** thinking small and buying music through radio. Technological convergence is allowing radio to rethink the “one-size-fits-all model” that it has applied to radio broadcasting for generations. It is also allowing the industry to investigate how it might diversify its revenue streams. In fact, music downloading has surprisingly not been a common area of focus for radio, but it seems like a natural fit given the medium’s positioning as a music exhibiter. A business model for the sale and purchase of music through radio needs to be developed. While the following comment refers to the music industry specifically, it does also speak to radio’s reality of converging marketing strategies: “The sale of traditional product coupled with the sale of digital product and music-related goods will be the model moving forward,” Wright predicted. “While online music sales are doing well, we certainly need a combination of all three sales channels to continue to grow as a sector” (Burger, 2006).
- **Monitor social and technological developments** not only within the radio industry sector, but also within the broader media environment.
- **Develop an understanding of the “usage” of music**, not as dictated by record sales, but rather from data on how music is used, in what ways, by whom, and on what platforms.
- **Build a database of a station’s radio listeners** by gathering names and email addresses through online surveys and applications of individuals who comprise audiences. As noted by Ramsey, radio needs to consider data-capture more aggressively and to get acquainted with its audience by building such a list.
- **Commit resources to exclusive content:** stations must recognize that “the future is between the songs” (Ramsey) and that it is necessary to invest in content emphasizing talent and personality. This can then allow for strategic product placement through host-promoted contests and activities.
- **Engage in multi-stakeholder discussions to define the terms used in the articulation of cultural policies.** Specifically, the definition of the term “emerging” as it refers to technologies and artists should be the result of a consensus between artists, their unions, and the CAB and CRTC.

- **Research how to utilise the Internet to gather data on audience preferences and to conduct programming research** of a more qualitative nature so as to complement quantitative research methodologies offered by the PPM and listeners' diaries. Audience measurement has always been an Achilles' heel for radio. It will be key for radio broadcasters to capitalize on audience segmentation to gain a better understanding of who its audience is, of how an increased trend towards multi-tasking is affecting their attention to radio and advertisements and consequently, of how best to reach them. In fact, "new and better ways of measuring audiences are at the top of the needs list for most advertisers" (Heine, 2006). Conventional radio's future health depends in part, according to the Osbourne study commissioned by the CAB, on its capacity to "use the Internet as a cost-effective programming research tool" (CRTC' 2006:1).
- **Gain an understanding of the needs of multi-tasking audiences:** multimedia devices and mobility are placing demands on audience's attention levels and radio listeners may be multi-tasking more than ever before.
- **Examine youth behaviour:** typically, young adults, should they not have been loyal radio listeners as youths, often find their way back to radio listening once it becomes necessary for them to connect with their local community, either because of their need to obtain traffic reports or to learn about school closures due to weather conditions etc. But as a CHUM representative remarks, given the recent changes brought about by a proliferation of digital technological options, it is unclear as to whether or not the same behaviours can be banked on in the future:

That is really what we need to look at in terms of building that next business model, is servicing those people when they come to an age and a stage that is a lot more radio heavy users...will that continue? We believe people sort of become more community-driven, in a set timeframe... However what does that look like, what are the effects of having that Much Music ring tone, and text-messaging generation that just blows us away? (CHUM, 2006: interview).

- **Look beyond the radio industry for promising alliances.** Many popular technologies, from alarm clocks to automobiles, continue to be manufactured with built-in radios. In new cars, however, the device has less of a guaranteed preferential status. As companies such as Apple and Nissan continue to strike manufacturing partnerships, it is less likely that engineers and designers will automatically assume that their buyers will want radio to have the same presence or play the same role as it has had in the past. Where radio once found a captive audience, more options are being installed, not only as upgrades (such as SIRIUS satellite radio) but also as standard features (mp3 players and iPod docks). As society's interactions with radio evolve, so too will the place and the form taken by the technology. Thus, it may be necessary for broadcasters to manage risk in smarter ways and "consider alliances (they) may have never dreamed of before" (Heine, 2006).

- In addition, the CRTC may wish to revisit, in future hearings, the idea of **incentive-based programs** as a means to motivate private radio broadcasters to showcase emerging Canadian talent since it is not in the best interests of commercial radio to take risks on non-proven music products that may turn their listeners away from radio to other competing audio options offering greater customization.

Clearly, the “new normal” for the radio industry is to expect that adaptability and the willingness to experiment will become the new standard for surviving in the effervescence of the emerging technological environment. As revealed by the social constructivist perspective, our social uses of technology are affecting the design of technology as much as the technology affects our uses. This feedback loop, which places importance on how new social exchanges are being mediated and facilitated through technology, points to how the values of individuals are conversely modifying what they come to expect from an interaction with technology.

The discussion on how to best pace the dynamic tension between controlling innovation through policy and allowing socio-technical experimentation to unfold at its own rate is a necessary one. However, the limited focus of the discussion frames technology in an incomplete, and thus, not-entirely-correct way. Specifically, it only imperfectly delivers to society the more holistic and revealing opportunity presented by technology, in general, as explained by Heidegger in the following citation: “So long as we represent technology as an instrument, we remain held fast in the will to master it. We press on past the essence of technology” (Heidegger, 1977: 32).

Regardless of whether the focus of the question is “can” technology deliver platforms that allow emerging artists to promote themselves and their art, or “how” can it do it, Heidegger reminds us that a focus on technology alone, as an end, can in fact draw us farther away from the very answers we seek about ourselves and our innovations, which more often than not, belong to the realm of art:

Because the essence of technology is nothing technological, essential reflection upon technology and decisive confrontation with it must happen in a realm that is, on the one hand, akin to the essence of technology and, on the other, fundamentally different from it. Such a realm is art (...) yet the more questioningly we ponder the essence of technology, the more mysterious the essence of art becomes. (Heidegger, 1977: 35)

And here we stand, at the conclusion of a public hearings process that has regrettably perpetuated the distinction between art and technology, a process that even opposes the interests of those operating the technology to that of those delivering the art. Perhaps because art is seen as belonging to a different realm, one that we separate from our everyday reality, we can more easily recognize in it various correspondences and interconnections between elements that might otherwise have appeared as distinct. It is this multi-disciplinary characteristic of the realm of art that we now need to apply to technology. Emerging Canadian art is a mirror of our society, as are our technologies. In Canada, especially due to proximity to other giants that massively export cultural products that do not necessarily reflect Canada's realities, it is important for our emerging artists to find airplay and to be showcased on airwaves: they provide anchor points for the development of our identity as Canadians. Technology, as a conduit for art, and as a revealing artefact in and of itself, can also yield insight into who we are as a civilization,

and what we value as a society. And just as we would with art, we should contemplate our technologies and not isolate them from other aspects of our lives and of our identities. We should not separate them from the other realms we use to understand our own selves and our society, such as psychology, design, engineering and sociology, for example. These disciplines form eco-systems of human and technological understanding. And although our political and legislative processes limit us, our policies and programs, especially in the context of radio (a medium that exemplifies the dialectical relationship between art and technology), should reflect an interest in broader socio-technological understanding. As such, while our cultural policies play catch-up with technological developments, we are ourselves actors in a theatre of change where the broader backdrop of technology and of technological "artefacts", ironically, is that of art itself.

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Appendices

Appendix A
Letter from Research Ethics Board

Appendix B
Certification of Ethical Approval

Appendix C

Transcriptions

Transcription 1

1) Astral
Interview with Pierre Rodrigue
Vice-President Development
Astral Média
November 10, 2006, Montreal.
1717 René Levesque
11h40-13h00

TC000

Q1) Si vous pouviez avoir la réponse à n'importe quelle question portant sur l'avenir de la radio commerciale et l'impact des technologies émergentes, quelle serait votre question?

R1) En fait, je me pose rarement des questions auxquelles je ne peux pas avoir de réponses. Et la question qui semble captiver le plus les observateurs c'est probablement *où s'en va la radio commerciale?* Et c'est une question que je ne me pose pas parce que je ne connais pas la réponse. *Là ou la radio commerciale ne s'en va pas?* Ça je me pose la question. C'est trouvable. Et dans l'ordre des choses, savoir déjà où ne pas aller, où ne pas mettre d'énergie au cours des prochains cycles, au cours des prochains mois ou des prochaines années c'est déjà un grand pas. Tout le reste relève pour moi de l'observation. Tout change de mois en mois, il y a des grands signes mais quand on va des réflexions d'un observateur à celles d'un autre, on pourrait faire changer de cap à notre entreprise d'une manière drastique et pourtant ce sont deux observations valables de deux observateurs indépendants. (...) Notre préoccupation c'est où ne plus mettre d'énergie? Où rester aux aguets? Avoir un bouquet de possibilités en face de nous, en avançant pas très vite dans aucune des avenues, pour être capable d'aller dans une avenue qui se dégagerait comme étant la bonne à deux semaines, trois semaines ou un mois d'aujourd'hui. **TC036**

On sait déjà que le consommateur se manifeste, on entend ce qu'il nous dit... mais même son opinion, l'opinion du grand public est teintée de ce que le grand public lit, entend, voit, perçoit des observateurs. Il y a comme un effet feedback! Et un de ces exemples là c'est bon tout le monde s'attend à avoir son contenu quand il le veut, là ou il le veut, mais est-ce que le consommateur sait vraiment où il le voudra, quand il le voudra et comment il le voudra? Où il ne le sait pas encore... Alors, foule de signaux qui semblent parfois contradictoires. Le consommateur achète des équipements de perception de

contenu de plus en plus grand, et nous on lui dit presque toujours que tout son contenu sera disponible dans l'écran le plus petit qui soit, celui de la mobilité. **TC052**

Là au niveau de l'équipement on est un peu discordant. C'est évident qu'on traînera pas un écran de 65 puces dans sa voiture. Et c'est évident aussi qu'on écouterait pas le dernier film qui vient de sortir dans son salon sur un téléphone cellulaire. Mais ça reste que, il y a tous ces messages là tout d'un coup. La radio commerciale n'est pas à l'abri de ces bombardements d'hypothèses là, et tout en voulant être prêts à envoyer au consommateur le contenu là où il le demandera, la radio doit aussi continuer à bien faire ce qu'elle faisait hier : avoir un contenu exclusif, propre. Il y a aussi une différence entre la radio commerciale tendances musicales et la radio commerciale à tendances talk qui est assez fondamentale. En radio commerciale musicale, 60, 65, 70% du contenu quotidien n'appartient pas à la radio. Il appartient aux compagnies de disques du monde entier. Alors qu'en talk, 97, 98% du contenu diffusé appartient aux diffuseurs, c'est lui qui engage des animateurs vedettes qui parlent, c'est lui qui fait des reportages, c'est lui qui repackage le contenu. Donc déjà il y a une grosse différence et ici, chez Astral Radio, comme on fait de la radio musicale, on travaille sur le 30, 35% qui nous reste une fois que l'on a enlevé la musique. **TC079**

Q2) TC086

Quelle est votre impression de la soumission du CAB au CRTC en mars 2006 sur la nouvelle réalité des radios commerciales et le besoin d'une ré-examen des règles de radio diffusion? La soumission fait-elle bien le tour des préoccupations premières d'Astral Radio?

R2) TC092

Tout à fait. On sait...Les radio diffuseurs se sont presque retenus pour dire au CRTC, tout va bien, vous devriez reporter d'un an ou deux la révision de la politique radio, attendre un peu de voir ce qui se passe, attendre aussi de voir ce que le CRTC va décider dans d'autres dossiers, la télé, etc. Le CRTC a prévu ses audiences à ce moment là alors on s'est rabattu sur les grands points. Les grands points historiquement depuis 30 ans, à chaque révision de la politique de la radio, il y a deux groupes principaux qui se parlent. Les fournisseurs de contenu musical et les radiodiffuseurs. Les fournisseurs de contenu musical disent, vous devriez consacrer plus d'argent, vous devriez contribuer plus largement financièrement à l'élaboration et la production, distribution, promotion, commercialisation du contenu musical canadien. **TC107** Que ce soit des par des bénéfices tangibles dans le cadre de transactions, ou que ce soit dans des obligations de licences. Et deuxièmement, les quotas comme tels de contenu canadien, de contenu francophone, à l'antenne, doivent être augmentés. Et de l'autre côté, dans un pur jeu de négociation, les diffuseurs disent, on a de la difficulté à maintenir les quotas que vous réclamez, déjà ceux qui sont en vigueur et ceux que vous réclamez car ils en réclament de plus en plus grands, on a de la difficulté à maintenir ces quotas là, sans que la perversité des quotas vous fasse mal, qu'on répète souvent les mêmes oeuvres, etc. Et par ailleurs, vous avez assez d'argent, parce que, surtout que depuis une dizaines années,

vous avez bien convaincu les différents paliers de gouvernements, de contribuer aux mêmes demandes : la production, la distribution, la mise en marché. Et vous sollicitez, d'une autre poche, le même argent.

Le point, cette année, ce qu'on appelle la famille (des aléandra?) la famille de la musique, a trouvé un autre cheval de bataille, qui s'appelle la diversité. En disant, ça manque de diversité sur les ondes commerciales canadiennes... Les radio diffuseurs devraient avoir des obligations réglementaires pour assurer une plus grande diversité. Ça c'est le cheval de bataille du côté de la musique.

Et le cheval de bataille de l'industrie de la radio, à part de répondre qu'il y avait suffisamment de diversité, était de dire, il y a eu beaucoup trop d'argent au cours des dernières années, les contributions des radiodiffuseurs devraient baisser. Grosso-modo, c'est ce que le CRTC a entendu. On pourrait, des observateurs intellectuels pourraient reprocher aux radio diffuseurs, et à tous les débatteurs devant le CRTC, de pas avoir véritablement amené la réflexion plus loin en disant : quel est l'avenir réel de ce medium là au Canada? C'est mal connaître les enjeux du commerce de penser que, de bonne foi, les joueurs seraient arrivés en ayant une réflexion complètement libérale, complètement ouverte, alors que pour les radios, il y a des centaines de millions de dollars en jeu dans leur commerce, et que l'industrie de musique croit, de bonne foi, *build it and they will come*, plus les radio diffuseurs vont jouer du matériel canadien, plus les Canadiens vont acheter de la musique canadienne. Donc c'est deux groupes qui ont leurs intérêts propres, qui sont compréhensibles, qui sont arrivés en purs lobbyistes, pour essayer de convaincre le CRTC, non pas d'un meilleur mais bien de leur meilleur. C'est le jeu.

TC146 Et comme je vous dis, je ne pense pas que ni un ni l'autre soit déçu de cet exercice là, ils vont peut-être l'être une fois que la décision va sortir, mais ils sont pas déçus de l'exercice. C'est plus les observateurs qui auraient espérer que le débat soit légèrement plus animé, plus constructif, plus philosophique qu'appliqué. Mais je pense que c'est une très bonne présentation, compte tenu du terrain délimité par le CRTC. Parce que, il faut savoir, contrairement aux autres révisions, le CRTC a été très pro-actif avec un espèce de cahier de charge, en disant, venez nous parler de ceci. Notamment, au chapitre des nouvelles technologies, les radio diffuseurs ont dit, il est très tôt pour répondre immédiatement à vos questions, sauf que, on vous soumet, avec respect, que vous ne pouvez pas dans un même souffle, dans un même cycle, de 12 ou 18 mois dire, je ne réglementerai pas, ni en quotas, ni en contributions au contenu, la communication de signaux au téléphone, la communication de signaux par satellites, et puis, revenir en radio et durcir d'avantage les conditions, la réglementation. Donc oui, il y a eu une opinion, que ce soit des gens de la musique ou des radiodiffuseurs, mais c'est rester d'autant plus au chapitre de la mise en garde que du concret parce qu'on est certain de rien... on en est aux premiers balbutiements de voir comment est-ce que le contenu radiophonique va évoluer sur d'autres plateformes au cours des deux, trois, quatre, cinq prochaines années.

TC169

Q3.1) TC170

Vu les tendances émergentes vers le podcasting, le time-shifting, le place-shifting, qu'elle est d'après vous la valeur, aujourd'hui, d'une programmation en ondes, du direct (valeur du *live*)?

R3.1) TC173

Bien c'est peut-être le vrai actif de la radio commerciale. C'est sa capacité d'être immédiatement là, légère dans sa capacité de se retourner sur un dix sous, que ce soit de l'impact d'une nouvelles en information, que ce soit l'impact d'un courant soudain. C'est peut-être un des actifs les plus tangibles de la radio, c'est de pouvoir, justement, être live, dans une communauté donnée.

Si on le compare avec le podcasting qui lui a un retard fondamentalement dans le temps, lui c'est son actif, de pouvoir être écouté quand on le veut, mais par définition il n'est pas live. La radio Internet n'est pas régionalisée. Elle est internationale parce qu'elle est accessible partout. La radio satellite, c'est un peu pareil. Alors, par définition, le côté, l'aspect live de la radio commerciale est son actif le plus visible. Maintenant, est-ce qu'il va être suffisant? Et surtout dans le cas de la radio musicale, sur ce 70% là, le seul truc qui est live c'est la programmation, parce que le seul truc live de la diffusion de cette chanson là de Madonna aujourd'hui à 11h44, c'est la décision du radio-diffuseur. Parce que la chanson elle, a déjà un an ou a déjà deux ans. Donc est-ce que c'est par le contenu, est-ce que c'est par l'information, est-ce que c'est par le bouquet, est-ce que c'est par l'humour, est-ce que c'est par la personnalisation des vedettes qui sont à l'antenne, probablement. Mais, c'est sur ça qu'il faut, je pense, construire l'avenir de la radio commerciale. **TC195** C'est sur sa capacité d'être proche de sa communauté. De dessiner le bouquet offert pour une communauté spécifique qui est balisée au niveau régional, ça c'est l'antenne qui le force, et qui est aussi balisée dans le ton, du groupe d'âge, du moment de la journée. On ne parle pas aux gens de Montréal, à 7h15 du matin comme on leur parle à minuit (...).

TC203

Q3.2 Question connexe, Vu ces mêmes tendances, quelle valeur a aujourd'hui le temps en ondes pour les artistes indépendants-émergents (compte tenu du P2P, social networking, MySpace, etc.)

R3.2

TC208

Là il y a des concepts qui s'affrontent. Au fait, moi je, à cause de mon passé, je prétends que, la diffusion, dans un mauvais auditoire ne donne absolument rien. Ça n'a jamais rien donné d'ailleurs dans l'histoire. Et à chaque fois qu'une matière plus alternative a fait le ce qu'on appelle le cross-over et est devenu plus grand public, c'est pas parce que les médias l'on exécuté, mais parce que la matière le permettait. Un groupe un peu plus à gauche, un peu plus alternatif traverse et devient le groupe de l'air du temps, c'est que la musique de ce groupe là était prête à faire ce, à voyager, à traverser la frontière et que peut-être l'auditoire était prêt à faire un léger pas vers la gauche pour l'accepter. Mais ce

n'est pas parce que une radio commerciale diffuse une œuvre niche que l'œuvre va soudainement plaire à l'auditoire de la radio commerciale. Donc, est-ce que la radio commerciale peut encore, est-ce que le temps d'antenne peut encore avoir une valeur pour la musique émergente, je pense qu'elle n'en a jamais eu.

La manière de faire voyager la musique émergente, la nouvelle musique, la musique de niche, ce n'est pas la radio à grand public. **TC225** il y a une discordance entre ce à quoi s'attend l'auditoire et ce que va dire un artiste émergeant, niché, de gauche, plus à gauche si on voit le spectre (droite étant matériel très très très commercial, connu et gauche étant matériel plus exploratoire) qui fait en sorte que de toute façon, l'auditeur ne le reçoit pas. Cela étant dit, si on écoutait que ce qu'on écoutait la veille il y a aucune progression qui se ferait jamais, et c'est le mandat de la radio commerciale de faire découvrir à son auditoire de nouvelles choses. C'est dans le dosage de la capacité de bien packager une nouvelle tendance, une nouvelle œuvre, dans ce qui est confortable aux oreilles de l'auditoire, qu'on gagne du terrain. Et un radio diffuseur est bon, est performant et rentable, gagne ses sondages, lorsque ses équipes ont un jugement sur à ce niveau là, introduisent des œuvres qui sont à la fois nouvelles mais qui ne font pas peur à l'auditoire et dans l'histoire de la radio commerciale ça s'est toujours fait, l'introduction de nouvelles œuvres, ça va continuer à se faire, avec exactement la même valeur.

Ceci dit, il y a beaucoup plus d'œuvres qu'il n'y en avait avant, et il y a de nouveaux canaux spécialisés pour la découverte de ces nouvelles œuvres. Il y a parmi nous dans la société, il y a des gens qui retirent un plaisir évident à, ils ont une soif de découverte de nouvelles œuvres, de nouveaux courants musicaux etc., et ce que les nouveaux moyens de communication l'Internet, la radio satellite etc. C'est une réponse aux besoins de ces gens là. Est-ce que la radio commerciale doit changer sa manière de faire... je ne crois pas. La radio commerciale s'adresse au cœur du sillon, la radio commerciale s'adresse à une masse de gens, un peu comme la différence entre la télévision commerciale, généraliste, par rapport à la télévision spécialisée. Ce n'est pas dans le mandat de la radio commerciale d'aller fouiller dans les moindres recoins des nouvelles niches, si on veut. Donc pour répondre à votre question d'une manière très très longue, la valeur est aussi grande qu'elle l'était, elle est sur les mêmes bases, c'est faux de croire que le mandat à changer, il est le même. Et la radio va continuer à chaque jour, à chaque semaine de faire découvrir de nouvelles choses à son auditoire mais beaucoup moins nichée que les gens des niches, ceux qui font la musique de ce genre le souhaiteraient. **TC258**

TC261

Q4 : D'après vous quel est le premier facteur qui risque d'influencer le plus la volonté ou la capacité des radios commerciales à expérimenter d'Avantage avec leur programmation? (Dépendance sur annonceurs? Manque de musique émergente??)

R4:267

Les radios commerciales ne le feront jamais. Ce n'est pas dans leur mandat. La pire affaire qui pourrait arriver à tout le monde, c'est jouer dans l'ADN de ce mandat là. Qu'est-ce qui est attirant pour les artistes émergents dans la radio commerciale c'est son bassin d'auditeurs. Et le bassin d'auditeurs est relié et dû justement au type de programmation grand public que ça soit en humour que ce soit en chanson, que ça soit en

général... et de dire je veux avoir à la fois ce bassin là qui est dû à une programmation générale, au profit, au bénéfice de ma création musicale plus nichée, qu'est-ce qui se passe au bout de 2, 3 ou 4 cycles, le bassin va se réduire. Donc, je ne pense pas.... C'est pas une solution. Ce qui nous aide énormément et ce qui va nous aider au cours de la prochaine année avec nos sites web, c'est la capacité de pouvoir dire à l'auditeur, et vous allez comprendre pourquoi pour la première fois on va se permettre de dire à l'auditeur, de dire à nos auditeurs dans le cadre d'une émission, on vous présente la prochaine pièce qui est.... Peut-être à la limite du centre, qui s'en va vers la niche, mais de pouvoir dire à l'auditeur, vous pouvez aller sur notre site internet et écouter une capsule d'une heure, une heure et demi ou deux heures que nos spécialistes de notre département de programmation musicale ont préparé pour vous, comme étant ce qui se passe dans cette niche là, ou vers cette niche là, en ce moment, en Angleterre, en Australie, en Grèce, en Allemagne. Voici ce qui se passe comme courant musical. Et pourquoi c'est pas un problème de les envoyer là? C'est que par rapport à la masse, par rapport à l'achalandage qui fait partie de notre mission commerciale qui est, nous on doit créer de l'achalandage pour nos annonceurs, alors, perdre l'auditeurs sur nos antennes commerciales mais le garder sur un de nos sites, on peut vendre aux auditeurs ou à la masse d'auditeurs qui deviennent des internautes les mêmes annonceurs donc on a pas perdu notre clientèle d'auditeurs, elle se transforme en internautes, elle continue d'écouter une musique, une programmation poussée par nous, mais ça ne sera pas sur notre antenne principale. Ça c'est ce qui s'en vient. Ça on est ouvert à faire ce genre de trucs là. C'est là ou on pense que notre mandat est, notre mandat de faire découvrir encore plus que ce qu'on faisait découvrir dans le passé nous amène. Mais de là à transformer, à jouer dans l'ADN de la station ou du réseau et de dire, au lieu d'aller exactement là où notre clientèle nous attend on va les déstabiliser on va les amener un peu plus vers la niche...

J'y pense pas que ce soit notre mandat...Pire que ça, c'est le mandat de quelqu'un d'autre. Et c'est la que je pense que la radio canadienne est extraordinaire. C'est pas comme si le produit n'était pas disponible. C'est pas comme si la musique n'était pas diffusé nulle part. Radio Canada fait un travail formidable. Bande à part pour donner juste cet exemple là, à livrer une programmation, une information sur ce qui se passait en musique mais pas, il n'y a pas d'abonnement spécifique, il n'y a pas de prix spécifique. Personne n'empêche un auditeur de notre station de s'intoniser une autre station à côté et d'aller la chercher cette découverte là. Donc à chaque fois que des groupes de pression nous demande de jouer avec l'ADN de notre réseau, je me demande toujours pourquoi! Pourquoi ça n'est pas disponible ailleurs? Qui empêche un auditeur de s'informer? Qui empêche un auditeur d'écouter Radio Canada, personne! Si ils sont chez nous, c'est pour une programmation intégrée, une programmation qui se tient autant en humour qu'en musique et en personnalité, on a un show du matin avec des humoristes, un animateur etc qui a une personnalité propre ... les auditeurs qui vont écouter ça s'attendent à ce que l'animateur propose tel genre de chansons. Le jour où il ne propose pas tel genre de chanson, l'auditeur ne sera plus au rendez-vous.

Évidemment le lobby de la musique dit, ce discours là est faux. Que l'animateur est suffisamment puissant et l'antenne est suffisamment puissante que l'auditeur va accepter n'importe quoi. **TC313** Mais ici on ne croit pas à ça. Tous les essais qui ont été fait dans

le passé nous prouvent que l'auditeur est plus fort que notre capacité marketing de lui vendre n'importe quoi. L'auditeur sait très bien ce qu'il veut, il a un choix exceptionnel sur la bande FM, il y en a encore plus en Internet, il y en a encore plus en satellite, il peut aller où il veut, si il est chez nous c'est parce qu'il nous a choisis. Et ce qu'il a choisis c'est un type précis de programmation, autant au micro qu'en musique et c'est ce qu'on lui donne et ce que l'on va continuer à lui donner. **TC317**

TC318

Q5 : Quand vous parlez de votre public, le voyez-vous comme étant un public âgé de 12 ans et plus, où le fragmentez-vous d'avantage? Est-ce que vous vous dites, woops, là le public qui nous suit est plus vieux et il faudra essayer de rattraper les auditeurs plus jeunes?

R5 :TC322

C'est sûr que, il y a juste les autruches, qui ne voient pas qu'il y a toute une génération qui est en train de passer à côté de la radio commerciale. Malheureusement, cette génération là, elle est typée, et pas juste dans son goût radiophonique. Je ne pense pas qu'il y ait. D'abord ce n'est pas tous les jeunes mais seulement une partie des jeunes que l'on ne rejoint pas maintenant qu'on rejoignait avant. Mais les jeunes qui ne sont pas rejoints en ce moment par la radio commerciale, j'ai le goût de vous dire qu'ils sont à peu près pas joignables. Ils ont un comportement qu'on a jamais vu dans le passé, qui s'assimile un peu, si on remonte 20 ou 25 ans auparavant, à l'écoute d'albums dans les sous-sol. Il y a quelque chose qui ne se fait pas dans la vie, on ne peut pas écouter deux choses en même temps, on ne peut pas écouter deux albums en même temps, on ne peut pas écouter la radio ni un album en même temps.

Moi je suis de la génération quand les gens se regroupaient pour écouter un nouvel album ou des nouveaux albums, dans un sous-sol, puis on ne s'en remettait pas et on le réécoutait sans arrêt. Bon, pendant que je faisais ça, je n'écoutais ni CKOI, ni CKMF ni rien, j'écoutais ça. Il y a je pense une partie importante des gens qui ont déserté la radio commerciale, qui sont devenus citoyens du monde, qui sont sur Internet, qui sont dans leur univers aussi, à cause du iPod, à cause des autres moyens d'écoute musicale, qui pour mille raisons, n'ont pas nécessairement besoin d'être branchée sur ce que la radio commerciale donne. Moi il y a des jeunes de la génération plus jeune autour de moi, il me ressemble beaucoup, à 15-18 et 20 ans sauf qu'eux ça continue 22, 24 et 28 ans. Moi je suis parti de chez moi à 18 ans et on a encore un enfant de 26 ans chez nous, donc, il y a quelque chose qui a changé.

Mais ils n'écoutent pas la météo avant de sortir, ils sont habillés pareil, été comme hiver, ils vivent à Montréal puis y'en a pas de bottes. Il n'y a pas besoin d'écouter la météo, il n'y a pas besoin, les nouvelles ils les ont par Internet. Ce sont des jeunes plus bilingues que jamais. Ouvert, plus par tout que jamais. Moi je viens d'une génération quand il y avait 4 postes de télévision à Montréal, là il y en a 300 aujourd'hui ou en tous cas 65 surtout les téléviseurs. Ils sont pas à la radio commerciale mais je suis pas sûr qu'ils soient gagnables par la radio commerciale. Par rapport à cette partie de génération là parce que c'est faux de dire, toute la génération n'est pas joignable.

(flip from A side to B side)

Ils vont éventuellement rejoindre la radio commerciale quand leurs besoins vont changer. Si un jour ils s'en vont en couple, ils ont des enfants, etc. la mentalité va changer, ils vont avoir une voiture et dans la voiture le matin, oui très bien ils vont avoir la radio satellite, le ci, le ça, mais, pour savoir si le pont Frédéric-Martin est bloqué, bien il y a un moment quand c'est ce que la radio commerciale te donne, tu commences à l'écouter.... Woops, il y a une personnalité à l'antenne.... Ça te convient qu'est-ce qu'il dit, un truc d'humour, la chanson que tu connais, ... soit qu'on les regagnera, soit qu'on les aura jamais!

TC012

Alors non, notre public cible ne vieillit pas vraiment, parce que, comme toujours, depuis 30 ans, on est continuellement en train de rajeunir notre public au fur et à mesure qu'on rajeunit nos animateurs, notre équipe d'animation, la musique en ondes etc. et par ailleurs, sur le vieillissement de la population qui écoute la radio, bien, elle ne vieillit pas plus vite que la population elle-même. C'est-à-dire que, moi je suis d'une génération où si les gens qui avaient 60 ans; c'était de vieilles personnes. Aujourd'hui, pour moi, quelqu'un de 60 ans, qui voyage, qui fait du ski dans la même cabine que moi à Tremblant, qui achète une décapotable, 60 ans c'est pas le même âge en 2007, 2006 qu'en 1975. Alors, faut être prudent avec l'interprétation des chiffres, de toute façon les agences de publicités sont nos meilleurs garde-fou de ce côté-là et eux ils veulent parler à un groupe d'âge spécifique, pour rejoindre ce groupe d'âge là. **TC031**

Q6 : TC036

Comment la compagnie Astral radio songe-t-elle se servir d'Internet? Faites vu du streaming en copie conforme au contenu terrestre ou bien vous engagez-vous dans la production et la distribution d'un contenu spécifiquement conçu pour la web?

R6 : L'Internet a été jusqu'à maintenant une espèce de vitrine complémentaire des ondes. Oui il est en streaming. Par Internet on peut être exactement en même niveau que si on écoutait la radio. Donc jusqu'à maintenant c'est une vitrine complémentaire. Les concours de gèrent par internet. Le contenu mentionné en ondes, les références, etc. Ça c'est ce que j'appellerai la Phase I pour les stations de Radio Astral. On rentre, là à l'automne, en Phase II, avec un contenu propre au web, donc un contenu qui ne se retrouvera pas sur les stations, pas à l'antenne. Donc on arrive au moment là où les opérateurs des sites web ne sont plus opérateurs d'un département utile à la radio mais plutôt opérateurs d'un médium propre. Évidemment, en visant la même communauté. L'idée c'est de plaire à une communauté d'Internautes qui doit ressembler, lorsqu'elle est auditeurs, à la communauté qui écoute la station en tant que telle. Donc ce n'est pas un contenu similaire, c'est un contenu familier. La personne qui est bien à l'antenne d'énergie devrait être bien en naviguant le site d'énergie. Mais elle ne retrouvera pas nécessairement le même contenu. Il aura son contenu propre. Et, les sites.com et de radio, vont être dans l'Air du temps aussi et vont permettre de plus en plus aux internautes de s'exprimer, de partager avec la communauté, ce qu'ils expérimentent en ce

moment, quelles sorte de vacances il a eu, quels sont ses plaisirs, etc. Donc Phase II, avoir du contenu propre, Phase III accepter le contenu des internautes.

Q7 : TC074

Est-ce que vous pouvez m'en dire un petit peu d'avantage sur la Phase III?

R7 : TC076

Euh, non pour des raisons de stratégies commerciales. Mais en même temps on n'inventera pas rien, c'est vraiment le Web 2.0 Donc le ciment du contenu provient de l'utilisateur lui-même.

Q8 : TC081

Quelles sont vos impressions vis-à-vis les radios satellites? Sentez-vous une menace des radios satellites?

R8 : TC084

Ah c'est sûr c'est une menace. C'est sûr que c'est une menace. Le degré de dangerosité de la menace c'est un autre dossier. Mais on ne peut pas prendre à la légère deux entreprises qui investissent des centaines de millions pour s'implanter au Canada, on a une relation privilégiée avec une des deux parce que l'on fournit parce que l'on fournit deux canaux francophones à SIRIUS; maintenant, pour nous, c'est aussi une opportunité. À partir du moment où les gens vont commencer de plus en plus de matériel audio ailleurs que là où on a traditionnellement consommé de la radio, ça crée des opportunités.

Jamais l'humain n'a consommé autant de musique qu'en ce moment. Jamais dans l'histoire de l'humanité, jamais. Là on est dans une période charnière où l'humain ne paye pas nécessairement la musique à sa juste valeur. Mais le temps va provoquer les mécanismes pour que... C'est pareil avec la radio, elle va bénéficier, au moyen terme, du fait que les gens s'habituent de consommer de la radio, à consommer du matériel audio, poussé par ce qu'on appelle le médium de la radio (radio Internet, radio satellite mais radio quand même) et comment on va faire, nous, les radios commerciales pour tirer notre épingle du jeu dans ce cadre là, ça fait partie des réponses comme je vous disais tantôt, que je n'ai pas. Les incertitudes qu'on a qu'on monitor, qu'on observe, il y a un engouement certain pour la radio satellite, mais qui est pas si fou que ça. Il y a un engouement certain, mais qui n'est pas prouvé comme étant porteur à long terme. Je vous en donne un exemple, la radio satellite ne répond pas à une réalité communautaire, régionale, proche de l'auditeur.

Alors, est-ce que l'auditeur de la radio, satellite, jazz fusion quatre, fusion spécialisée, est-ce que cet auditeur là quitte la radio commerciale pour migrer vers la radio satellite, je ne crois pas. Je crois qu'il n'a jamais été en radio commerciale. Tu ne peux pas aimer aujourd'hui la radio spécialisée de fusion et avoir écouté hier la radio commerciale. T'étais déjà pas là. Probablement que tu écoutais tes CD dans l'auto ou que tu charriais ton coffret de CD ou que tu écoutais Radio-Canada, ou que j'sais pas. Mais tu ne peux

pas passer des Grandes Gueules de Radio Énergie au Jazz, impossible. Donc je sais pas où on va perdre réellement. Par contre, quelqu'un qui écoute le baseball sur radio satellite, il était au AM et il écoutait le baseball avant, il était quelque part, donc, ce n'est pas absolu comme jugement. **TC129**

Q9 : Avez-vous des spéculations, une idée, sur ce à quoi ressemblera le business model, le modèle ou la structure d'affaires de la radio Astral d'ici quelques années pour assurer sa pertinence?

R9 : Une chose est certaine, tout passe par la mobilité. Le pari qu'on prend, évidemment on abandonne pas l'Internet, mais la conviction qu'on a, en fait, on donne foie on accorde toute la crédibilité à l'opinion des observateurs, selon laquelle, au tournant de la prochaine décennie, l'outil cellulaire, l'outil mobile va être l'espèce de carrier de l'information audio-visuelle. Ça c'est définitivement un cap général qu'on prend à Astral Radio donc nos stratégies mènent toutes vers ça. Ça ne néglige pas l'importance de l'Antenne demain matin, ça ne néglige pas l'importance du site Internet moderne, street, proche de nos gens, mais nos actions sont délibérément axées vers la mobilité.

Q10 : TC149

J'ai une question spécifique sur la valeur des contributions au CTD Fund par rapport aux quotas de 35% musical CanCon. Est-ce que pour vous, faisant partie du secteur de radio commerciale, est-ce que vous pouvez plus facilement contribuer au fond de développement que pour certains genres musicaux, maintenir les quotas de 35%?

R10 : C'est définitivement plus facile de faire un chèque que de programmer de la musique canadienne. Nous on est pas dans un marché où le quota de musique canadienne est problématique. Parce que de fait, je pense qu'on doit diffuser autour de 53 ou 54% de musique canadienne donc euh, à cause de la musique francophone. À cause du fait que la musique francophone internationale ne colle pas à la réalité québécoise donc on est obligé de jouer d'autant plus de musique québécoise, la musique québécoise étant de la musique canadienne, la musique québécoise francophone étant de la musique canadienne, nous le quota de musique canadienne n'est pas un problème. Je ne peux donc pas témoigner comment, des difficultés d'un radio diffuseur collègue, dans l'Est. Mais comme un ancien acteur de l'industrie de musique canadienne, je peux dire que les citoyens canadiens n'étant pas au rendez-vous que leur offre les artisans de musique canadienne, c'est assez discordant d'exiger les radios diffuseurs de diffuser une musique que l'auditoire n'achète pas.

À la limite, au Québec, 25 ou 30% de la musique achetée par les Québécois est de la musique québécoise. On est obligé d'en diffuser, 65% musique francophone, avec un peu d'Européen, peut-être qu'on en est à 55% 57% on est en bas du double de l'acte d'achat québécois. Mais la part de la musique canadienne dans la consommation dans le reste du Canada, est à quoi 5 ou 4% si on enlève la musique québécoise de la part de l'Achat. Et on oblige un diffuseur à diffuser 5, 6, 7 fois ce que les Canadiens achètent comme musique. Je peux pas voir là-dedans une grande logique. Par ailleurs il faut comprendre pourquoi. Le Québec bénéficie, à cause de la barrière linguistique, le Québec

à une infrastructure dans son star système qui lui permet de bâtir des vedettes, de les faire vivre, de les faire communier et communiquer avec l'auditoire, ce qui ne se passe pas au Canada.

Quand un consommateur canadien va faire son épicerie chez Loblaw's, les magazines qu'il voit en s'en allant à la caisse c'est des magazines avec Tom Cruise, avec Britney Spears avec le vedettariat international. Quand le consommateur va dans un Loblaw's mais à Ville-St-Laurent, ce qu'il voit c'est Marina Orsini, c'est Marie Chantal Toupin, c'est Eric Lapointe. Un star système adapté à la région qui n'existe pas dans le reste du Canada. Tout ça pour vous dire que, je ne pense pas que les radios diffuseurs du reste du Canada soit de mauvaise fois quand ils disent que les quotas sont déjà très problématiques.

Q11 : TC211

On entend parlé de cette *clip culture* qui est renforcée par tout ce qui se passe au niveau visuel. Pour moi, c'est comme si le monde audio se rapprochait de plus en plus du monde visuel. Et je me demande, d'après vous, quels sont vos commentaires, vos impressions à ce niveau là, sur la culture clip et sur son impact éventuel à la radio commerciale.

R11 : TC208

Vous parlez d'un Youtube? (oui). Euh, en fait, c'en est une des menaces de la radio commerciale, le fait qu'elle n'est pas d'image qui accompagne l'audio. Traditionnellement, l'image a été extrêmement lourde à transporter, non seulement comme signal, mais aussi comme signal à arranger. Les images il faut les traiter, les mixer, alors que le son est beaucoup plus simple... Un animateur va commencer son émission de radio, il est en jeans, il n'est pas peigné, pas rasé, on s'en fou. Un speaker à la télévision, il y a beaucoup plus d'aspect à voir que la simple voix. Euh, mais c'est vrai qu'avec toutes les capacités d'alléger le signal, en digitalisant, en compressant, et par ailleurs même dans l'acceptation des téléspectateurs, les audio-visuels téléspectateurs qui acceptent de moins en moins de qualité, ils sont de plus en plus ouverts à un truc de moins bonne qualité ce qui est assez bizarre, et ça, ça constitue une menace. Autrement dit, bon, dans l'histoire la radio qui est capable de donner la situation d'un homme qui menace de se lancer en bas du pont Jacques Cartier.

Ça c'est l'histoire de la radio. Facile. Ils envoient un seul reporter, au téléphone, il est capable de faire son reportage. La télévision donne l'image qui va aller avec. Mais c'est déjà plus lourd, il faut envoyer une caméra, il faut que le signal se transporte. Et bien, c'est comme si les internautes avaient une capacité d'accepter un signal de moins bonne qualité pour qu'ils aient l'information audio-visuelle tout de suite. Donc c'est une menace avec laquelle la radio devra composer. Maintenant est-ce que le phénomène va durer? Est-ce que le phénomène des sites d'hébergement de vidéos va durer? Chose certaine, on est à l'aube d'une période assez mouvementée. D'abord parce que les droits sont assez régulièrement bafoués parce que toute la structure de droit, droit à l'image, droit à l'honneur etc. C'est que l'audio peut difficilement être témoin de quelque chose à distance. Pour... plutôt que de citer quelqu'un, de rapporter un enregistrement de ses propos, il faut quand même se rapprocher assez près de la personne au centre de l'affaire.

Alors que, avec une caméra, on peut capter les agissements de quelqu'un, on peut les mettre sur Internet rapidement, et je ne sais pas jusqu'où, comme société, on va tolérer ces intrusions là, je ne sais pas combien de temps ça va prendre à qui pour faire combien de procès qui vont décider de quoi. C'est quand même une espèce de *free for all*, et les gens parlent de liberté soudaine, de communication, de liberté d'information, alors que, depuis longtemps, on s'est nous-même interdit cette liberté là dans les journaux. C'est pas d'hier qu'un journal se retient lui-même de publier des photos, sans la permission des gens, sans... les télévisions c'est pareil. Ce n'est pas tout le matériel qui puisse être diffusé. Il y a des règles qui ont été déterminées et tout à coup l'Internet fonctionne sans règles. Qu'est ce qui va se passer?

Est-ce qu'on va tolérer un de nos médiums sans règles ? Est-ce que tout le monde va essayer de vivre sans règles? Ou est-ce que ce médium là va éventuellement être réglementé? Je n'ai pas la réponse. Mais, je ne suis pas certain que la société pourra être bien servie dans l'anarchie. Je ne suis pas certain. **TC255** on va tous, tôt ou tard.... Et l'arroseur risque d'être arrosé! Si... c'est beau que demain matin un site héberge telle ou telle personnalité en train de manger dans un restaurant, mais le jour ou quelques personnalités se mettront ensemble pour financer un site qui lui fait une enquête sur les propriétaires de sites, dans un party, est-ce que l'arroseur sera arroser ce jour là? Je pense que oui, je pense que, on va assister, pas maintenant, mais assez rapidement, à un rétablissement de l'équilibre, là on est dans la période *free for all*, mais qui ne durera pas, c'est impossible. .

Q12 : TC266

Deux questions finales, je vous les pose toutes les deux :

La première c'est: est-ce que dans votre Phase II, vous envisagez, ou vous seriez intéressé par la possibilité de faciliter l'achat de musique en ondes par mp3? Est-ce que c'est quelque chose qui mérite d'être enquêté par Astral Radio?

Et la deuxième question: et dans votre Phase II, Phase III, Aurez vous la chance d'expérimenter avec différents annonceurs que ceux que vous auriez normalement sur vos ondes?

R12 : la réponse c'est vraiment oui et oui, aux deux questions.

TC272

On s'en va définitivement vers la transaction commerciale du contenu, y compris dans chansons diffusées et absolument que tout ce qui modifie le modèle d'affaires on met à contribution nos annonceurs, au fur et à mesure de notre manière de faire. Notre plus bel exemple est que, la semaine prochaine, on va mettre à la disponibilité de nos écouteurs et de nos internautes, une sonnerie de téléphone qui est en fait un extrait du nouveau single, d'un nouvel album d'un artiste montréalais qui va sortir quelques semaines après mais qui, pour faire la promotion, la publicité de cette opération là, on a sensibiliser un de nos annonceurs majeurs, et son agence de placement et son agence de création, ils ont

investit de l'Argent sur nos ondes et en affichage, pour faire savoir à la communauté que cette sonnerie là existe et qu'ils en sont les promoteurs exclusifs.

Donc, on va voir sur les panneaux Astral, sur l'antenne de Radio-Énergie, une publicité de Budweiser, une publicité annonçant que SuperSexMe, qui est le nouveau single de Jonas, est disponible en sonnerie téléphonique via le site de Radio Énergie.com. Alors c'est un bel exemple de l'intégration avec notre clientèle de ce qu'on fait de nouveau.

TC290

Transcription 2

2) Corus

Interview with Alan Cross

Programming Director

102.1 The Edge

November 13, 2006, Toronto

1 Dundas Street, Suite 1600

2:30PM

Q1) Are you familiar with the submission presented to the CRTC, by the CAB, regarding the changes facing terrestrial commercial radio in the context of emerging and competing technologies?

R1) Yes, I was actually part of the CORUS entertainment contingent. I was at the hearings, in Ottawa, and I did participate in the hearings.

Q2) Do you find that the submission represents your concerns?

R2) I don't think it was far enough. It was on the right track but I don't think it was urgent enough.

Q3) What directions would you have liked to see the submission take?

R3) I think a lot of broadcasters, a lot of traditional terrestrial broadcasters underestimate the speed at which we are seeing things move into the digital world. And that, although, part of the problem, is that they may not understand the geekiness of it, and how quickly there are people who are willing, small nimble companies, that are willing to push things into a much more on-demand, end-user customizable digital world. So I would have preferred well, our company believes that we really need to pay attention to this and pay attention to it now, not in 3 years from now, not in 5 years from now, not an evolving thing, no, now.

Q4) I was surprised when I read through submission, that there was not more of a specific focus on the digital world, on the pressures from converging technologies. It was more a prologue tone but not very specific references were made throughout.

R4) Well, you have to separate everything here. The issue is, first of all, that traditional terrestrial analogue radio is, has to operate under a tremendously onerous regulatory environment when compared to what we have on the Internet and with satellite radio. The fact that we have to have a Canadian content quota, the fact that we are heavily regulated because back in the day, bandwidth was very very scarce. And now it is infinite. I mean why should we continue to play on an unlevelled playing field with satellite and Internet?

Q5) Do you feel like there are two environments co-existing, one regulated and one unregulated?

R5) Absolutely! I mean the Internet is completely unregulated. You can do what you want over the Internet and not have any sort of government regulation get in the way of what you want to do. Satellite radio for example, has an effective CanCon requirement of 15% or less, we have 35% and we have people pushing us to 40, 45 and even 50%. So how could we operate against these new and up and coming technologies that are faster, more nimble and targeted to people who demand end-user customizable media, with such onerous regulatory issues? And the fact too is that these issues are now artificial. They were put in there for necessary cultural protectionism, for necessary insurance that the radio industry would take care of the airwaves which they leased and perform service for the public good. We still do that but our main competition, and our up and coming competition doesn't have to do any of that stuff. So, c'mon, let's even it out!

Q6) If you could have the answer to any question regarding the future of radio, what question would you ask? What do you find yourself asking yourself about the short term or long term survival and existence of terrestrial radio?

R6) I think the answer is in: "What are the economics of any media, including radio, in an age of unlimited choice?". It is now possible, or with the way storage is becoming cheaper and more ubiquitous, it is now possible to store everything that has ever been made. It is also possible through sophisticated indexing software and algorithms, such as Google and everything that is going to come beyond Google, to access any of that stored material, at any point, from anywhere, by any one. How the heck does the world adapt to what is called long-tail economics? There is a book by a guy named Greg Anderson by the name of Long-tail Economics, read it. Basically, what it is, in terms of... Here is a story I like to tell. When I was in Grade 10, there were 30 people in my class. 5 of them were pop fans, 5 of them were country music fans and the other 20 were KISS Fans. So you had a major consensus, a hit in a band like KISS. That is because access to this type of rock culture was very limited; the stuff that got big was the stuff that got pushed or the stuff that had the greatest mass appeal. It is not to say that KISS was a bad band, or a great band, it was just that they were the ones that were able to create this consensus, and build themselves into superstars and sell millions of records and concert tickets and t-shirts. These days, if you have 30 people in a grade 10 class, you have 30 different sets of individuals each with 30 different favourites that go across time, genre and even language, whatever. So, the idea of infinite choice, infinite individual customization is having a large effect on people who depend on hits for a living. Movie studios need hits; record labels need hits. Movie theatres need the hits that are manufactured by the movie studios. Radio stations need the hits that are created by the record labels. But with less and less popular consensus because people do not have to go with the herd anymore, the idea of the hit is, where you sell one thing to a lot of people, is being turned around. So it is all about providing a million things to one person.

Q7) So then, do you consider yourself as being in the business of mass media?

R7) Well, absolutely. Analog radio is extremely a mass medium. However, there is going to have to be an adaptation where traditional analog radio, which is a broadcaster in every sense of the term, is going to have to turn that model upside down so that we can offer a billion things to each individual so we can be the person that anyone individual can turn to get anything they want.

Q8) How are you going to do that? Is that going to be something through converging technologies?

R8) Yes, I think what is going to happen is that there are going to be some technological advances whereby radio, video, and Wi-Fi and probably cell phones or some kind of hand set are all going to converge and it is going to be about content. See, right now, radio is both in the content creation, and the content delivery business. We do very good things when it comes to creating very cool programming. We also deliver this programming by virtue of a transmitter and a tower. We are going to get out of this business of having a tower that broadcasts from a defined single point to a defined geographical area. That is going to go away with the Internet. Because geography, space, time disappears with the Internet. But we will continue to create content. This content will certainly find different ways to get to the end user. Whether it be through cell phones, whether it be through wi-fi enabled devices, or over a desktop computer, whether it be... somehow, we will continue... Content will remain king. It is just that we will probably see a blurring of video content and audio content. Audio content may stand on its own, or it may be blended with complementary video content or it may not. And video may come apart in the same way but may also be able to broadcast together, see what I mean?

Q9) Yes, yes absolutely, absolutely.

R9) This is a really hard thing for a lot of people to get their heads around. There is always going to be a market for audio content. Because one of the things about audio content is that you can enjoy it while doing something else. While driving, while doing housework, while jogging, whatever it is that you are doing. You cannot necessarily enjoy video, or you shouldn't be enjoying video while you are driving. But, if the option was there to augment audio with video at an appropriate time and place, you should be able to do it which is why, if you go to our website, we have tons of video.

Q10) What do you think radio will continue to offer that isn't available through other audio options. What do you think is the sellable characteristic of radio?

R10) Companionship. 95% of the people who listen to radio are alone or might as well be. And one of the reasons that radio has such a strong emotional attraction to so many people and has for its hundred year existence is the fact that there is another person there. You have somebody who is talking to you, who is telling you things, who is entertaining you, who is making you laugh, who is making you mad, who is somehow making your

life richer. Telling you the weather, telling you the news, giving you the traffic, telling you the sports scores, delivering you right to a ball game that you can't go to because you are 1400 miles away, telling you about, acting as a filter for all the music and news and information that is out there because you don't know where to start. I mean, if you, we get 50,000 new releases every year, where do you start? What is the must have? I mean just give me an idea of where I should start? Should I be into world music with a Spanish bent or should I be into indie rock from South Florida. Help me. So that is what radio can do. Act as a filter and act as a companion and act as a touchstone to your community. This is why satellite radio leaves a lot of people cold. Because, you know what, it's great, I get music coast to coast, if I'm a long-distance trucker and I want to stay in touch with certain things, I can do it, however, in a restricted radio, satellite radio cannot tell me what the weather will be like tomorrow, local radio can.

Q11) If this is a characteristic of radio, and it's a sellable characteristic and it makes it unique and strong, do you think the future of radio lies in increasing the amount of its exclusive content as opposed to music. I mean upping the amount of personality, of personal commentary, of content produced by the station as opposed to just broadcast?

R11) Well, yeah. There is going to have to be a lot more varied content. And I think what you are going to find is that you are going to have people, certain starts, that develop, certain personalities, certain popular filters who are going to be available cross-platform, on-demand.

Q12) And the personality may play a bigger role than it has in the past?

R12) I think so. I think so and again it's because the market place is demanding to be engaged on a deeper level. Radio used to be this way in the 1960s and the 1970s but then the public changed and demanded different things, so we went through a whole period of more rock less talk or more music less talk... and that extended through almost 20 years. Because that is what the public wanted, that is what delivered ratings. Now, people want what they want when they want it, wherever they happen to be. So if they want personality, they will be able to get it. If they don't want personality and they just want straight music, they will be able to get it. If they want a specific type of music or a specific type of information, or a specific type of talk or even a specific person, they will be able to get it, wherever they are and whatever they want.

Q13) From the perspective of the artist, the emerging Canadian artists, what value do the airwaves have now, compared to the value they used to have?

R13) Well, they are still important because right now we are still in a mass medium situation. And you get a band like Bedouin Soundclash or Alexisonfire, if they get any kind of mass radio airplay, they are going to sell concert tickets, you have to get the word out! **TC202.** So, I mean, we have a million listeners a week, which is, like, huge! We are the second highest new rock station of its kind, second most listened to rock station in the world, um, and we can sell a lot of records and we can sell a lot of concert tickets. But again, we are seeing, if you look, 5, 7, 15 years down the road, how this is going to

evolve and change into the next thing. Radio has been basically the same thing since 1906. You turn it on and you either accept what comes out of the speakers or you don't. There is nothing you can do about it. You can turn it off or turn the station... that is it. Today, for example, an eight year old will be going with dad down the street and a song will come on the radio and he'll go, hey dad, I like that song, play it again, well... I can't because it's on the radio... well that's stupid! That's the kind of generation that is coming next! They are going to want, what they want, when they want it, wherever they happen to be. I keep coming back to that same thing but that is where it is going. I am so totally convinced by this long-tail economics... let me just go back to that... Let us look at a music retailer like itunes. Itunes will sell the big hits, they will sell the Nirvana and the Christina Aguilera. (Alan draws a graph: number of hits or sold units is on the y (vertical), and number of artists is on the x (horizontal). Alan explains that the long tail comes from the fact that before we had a high amount of artists and few releases. Now however, we have many artists and many hits, which give a long and narrow tail to the graph.)

So very few artists sold lots of hits.... So sell a lot of records of very few people... Now very few hits, lots of artists.... This is the long tail. Then you have a lot of artists selling very few records, catering to the variety and the individual and the disappearance of the mega hit. If you have enough people buying one or two or three records at a time, the number this way soon exceeds the number this way... and this is called the long tail economics. This works with movies, books... Books, movies, art, especially. What we are seeing here... how do I explain this a little bit better? If you were to talk to Amazon.com, how many of these books do you think they sell at least one copy per quarter.... 40 or 50%..... 98%!!! 98% of the individual units that make up the tail sell at least 1 unit per quarter. You have enough one-copy sales in one quarter; that is a big number!

(chatter) it's an excellent book. It's again, how do industries, especially cultural industries, movies, tv, music, books, how do those industries survive in the world where the economics surround infinite choice?

Q14) Well what does that do to your business model?

R14) Turns it upside down!

Q15) Well yes, you are an advertiser-supported medium—typically, listeners will accept ads, in radio, because it is part of the experience and we come to it knowing that it is part of it...

R15) Let's talk about ads for just a second! People will say commercials suck but most of us in the world are consumers so we want to hear about the cool new gadget, um, we will pay attention to the commercials that tell us about the cool new gadget or whatever, as long as they don't suck! But the only way that these commercials cannot suck is if we allow manufacturers and advertisers to collect data on who is actually out there—but that is an invasion of privacy! So how can we create great commercials, that don't suck, that tell you about things you really want to know about without you telling a little bit about

yourself and about what you want to know! So until we get through that privacy barrier, it's gonna be a bit of a long haul but it will happen.

Q16) We saw what TiVo did to TV and what it did to primetime, to not having to necessarily watch the commercials, and with the audience that is becoming increasingly capable of shifting time and place, how is that affecting your role as a Program Director in terms of trying to figure out how long your programming sets should be, your amount of programming before there is a commercial break and do you think that now, because there is more competing with radio, in terms of audio options, that you should experiment with less ads? Do you think people want less ads?

R16) People want the perception of less ads. I mean, let's face it. The only way that radio makes money is by selling commercial ad time.

Q17) How do you create the perception of less ads?

R17) Well, fewer units per stop set. Instead of running two eight-minute stop sets per hour, maybe you run 5 of two minutes each. This is what we are doing. **TC280**. All of a sudden you play 4 commercials and bang... you're back in your music. So there are more interruptions but they are shorter and that doesn't give anybody the opportunity, like with 8 minute commercial breaks, to find something else to do or to get completely turned off of the medium and go back to their mp3 players or their CD changer.

Q18) What is a typical length for a commercial and do you think it is being affected by Do you think that it is shortening?

R18) No, commercials are 60s and 30s, we rather do 30s cause we can charge more, like 1 30 second does not cost half as much as a 60s; it costs more. 30s and 60s are the currency of the realm. There are some 15s and 10s but you can only make so much of an impact with 15 seconds. So 30 seconds seems to be the length of time required. What a lot of advertisers are looking for is various types of product placement. Now it is hard to do on radio...

Q19) How do you do product placement on radio?

R19) It is very hard. That is why we have websites, that is why we have street teams, that is why we have viral video campaigns, that is why we have studios like 228 Yonge Street where you know, you want to get specific messages to specific people in specific ways. And, you juts got to be a little more clever about it. It's not like television where you can just put an Apple computer on a desk during an office scene, or see Jerry Seinfeld drink out of a can of diet Pepsi. I mean, that is powerful stuff, people pay a lot of money for that. There was a program running on Showtime called the Huff. And the Huff had some of the greatest product placement in the world (Fiji water example) (...) And you didn't even realize it because it was a meta-cultural touchstone, people were referring to something you already know about. (...)

Q20) TC308 Do you think that now it is harder to convince potential advertisers to consider radio?

R20) no, no at all, radio considers to do well in terms of revenues because it is efficient and it is relatively cheap compared to television, or billboards or direct mail, or any other media that is out there right now.

Q21) For national and local advertisers?

R21) No, radio is very ... we take in almost 2 million dollars worth of beer business every year... between two brewers, Molson and Labatt's. It is very very efficient; it is extremely efficient. And it can be targeted because radio stations now are segmented by demographic. We promise our advertisers that we will deliver to ears that belong to men between the ages of 18 and 34. We can do it on a regular basis, that's the demographic they want to reach, so they advertise with us.

Q22) Well, on that topic then, this brings in the question of audience measurement, having the numbers to prove that you have people listening, right? So you have a segmented public with a lot of niche interests, and you are still broadcasting in a mass way, but you are diversifying through various media, so you are using technical convergence to your advantage, and creatively, probably more so than many other stations, so how do you measure? How do you find your ratings? People meter? diaries?

R22) TC323

Right now we are using the old, outmoded, completely outdated and quite useless BBM (Bureau of Broadcast Measurements, a not for profit organization owned by all the broadcasters and they collect ratings data about radio using a diary method) diary measurement, it's all we have to go with right now. They actually send out a diary to a household with a 2 or 5 dollar token, asking people to record what they listen to, on the radio, in the course of a week. It is really outdated. But it is the only thing we have right now. It is all that I out there. We live and die by this methodology, which is highly flawed and everybody realizes it, everybody knows that it is highly flawed, but it is the only semi-reliable measurement device that we have.

That being said, there is a movement towards the portable people meter, which is about the size of your cell phone. It clips on to your belt, you are supposed to have it with you all the time and every 5 minutes it detects an ultra-sonic signal signature that tells you, that picks up audio from your environment and makes an accurate record of what you actually listened to. So whether it is you listening in the car, the clock radio, the kitchen, the mall, walking down the street, they will have a real time record of what you actually listened to and we are looking forward to that. Because in our particular case.... If you are an adult contemporary station to that people listen to in offices, chances are you have a larger female demographic, females are not like guys, if you send them a diary with some money it, they feel obligated to fill it out and if they work in the service industry, whether it be in a bank or dentist office or a restaurant where they have this station on in the background, when the diary comes they will probably say, well you know, I was at

work, this radio station was on all day, I listened to it all day, just put a line through it and send it in, and this is how adult contemporary stations have huge ratings. A rock station has 21 year old guy that doesn't remember what he had for dinner yesterday, let alone what radio station he listened to at 7:15 yesterday morning, unless it is part of an ingrained habit. What we ask people to do with diaries... what radio station did you listen to from 1 to 2 o'clock last Thursday? I guess it was the Edge... I'll put that there...

Q23) Hmm, I didn't think of how diary ratings could be skewed in favour of, for example, adult contemporary radios stations...

R23) Why do you think the people meter is really really slow to roll out?! Do you think that the companies who own lots of adult contemporary stations are dragging their feet a little bit? Meanwhile, stations like us, we know that when the people meter comes in, our ratings will double! We know it! There is no other way we can attract tens of thousands of people to a concert or hundreds of people to our studio and not have double the reach that we have. It's just a gut feeling we have. We have no proof; it's just something that we feel.

Q24) TC358 Youth demographic, Generation Y, Millenials... a lot of radio stations seem to think that there may be a decrease of the younger market listening in.... they may be turning off or bypassing the radio now more than other generations have...

R24) Now it's true, some of the studies we see that. Other studies seem to say that no, erosion from younger listeners has stopped and stabilized. And then there are those that say no, it's just under-reported. So we are not sure. We do know that people can play their Xbox, IM their friends, watch TV, all at the same time, multi-tasking, all at the same time. Are they listening to the radio? Some of them must be because they are showing up at our studios! Some are filling out ballots or at least their moms are filling out ballots on their behalf. But the truth is those people are gonna be tired of non-end user non customizable on-demand content. I want what I want, when I want it, wherever I happen to be. That's gonna be the demand of the marketplace and we need to be ready to respond.

Q25) Are you watching what some television stations are doing? Are you looking at the correspondence between audio and video? We kind of talked about it earlier; I am really interested in looking into the gap between audio and video narrowing. The influence of video and clip-culture on radio?

R25) Yeah, I think (**TC384**) watching for example, watching the short attention span of user-generated content we see on websites like U-Tube, how Apple makes stuff available for download and all of a sudden CBS and NBC and ABC all make stuff available for download on their sites and suddenly U-Tube and NBC have a deal and U-Tube has reached out to talk to all the music labels so they could have all the music videos ever made available for on-demand streaming on their sites. So yeah, we are watching to see how people are responding to this "I want it now!" culture. It's fascinating.

Q26) Do you think that the CBA and the Telecommunications Act, do you think that some of the terms should be redefined or maybe looked at again?

R26) As it is set up now, it is not flexible enough. I think it is going to be very interesting... I mean we made some pretty and passionate pleas to the Commission when we were there in May and it should not be too long before they hand in their recommendations as to how radio should be regulated in the coming years. The Radio act is supposed to be reviewed every 5 years but it was put off because of Napster and everything that was happening with the Internet and downloads and now we went in with this passionate plea saying look things are changing and you made exceptions with satellite radio and you already said you are not going to regulate the Internet so, look at this way... What if we, in the next couple of years, if not less, we will have wi-fi enable handsets which will, or wi-fi enable radios, wi-fi is defined as broadband Internet at a distance, so on a wi-fi enabled radio you'll be able to drive down the 401, from Toronto to Ottawa, listening to the BBC. Because you are streaming it through a website. Not over the air, not through wires, it is a wi-fi Internet stream directly to your car radio, and when that happens, all bets are off! **TC424** Because suddenly, instead of your 30 pre-sets you have on your presets now, you have 3 thousand.

Q27) Do you think the radio sector may do more lobbying with manufacturers to ensure that some technologies are included, or not?

R27) Yeah, it's... that's a really interesting thing. There is lobbying going on. In the States, there is something called HD radio, which is a digital. (IBOCH) they call it HD radio, which is a digital sub-carrier to the analog system. And it is not doing very well. In Britain they have digital audio broadcasting (DAB) which is what Canada proposed but because the USA went with IBOCH, it failed here. I mean we, right now, this very second are broadcasting in DAB but nobody's got receivers. Meanwhile in the UK and Japan and in other parts of the world, there are a lots of DAB signals. It is a clearer signal. It is additional bandwidth on a different spectrum. If you go to the BBC website, or BBC 6 music, it is an over the air DAB signal. It sounds better but it is still not customizable, but rather than being AM or FM it is DAB. The signal sounds better it is CD quality as opposed to near CD quality and there is information that is encoded, for streaming information on a display for a radio.

Q28) Do you think that radio will continue to be free? To the mass user? Do you think the model will change to subscription or...?

R28) No, you still need to broadcast, so I think what there will be is levels of service, like cell phones or Internet access, so for 12.95 you get cheap dial up but for 69.95 you get 5 MB downloads, we may see that. We are making this up as we go along and technology and the market and the audience is dictating where things will go. We have a slightly better idea of where things are going than we did 3 years ago, but we will wait and see where things are in another 3 years.

Q29) So will radio continue to be reactive or will it get a head of change?

R29) It depends what you are listening to. Some of it will be reactive some of it will be proactive. Again, it is infinite content. If you want something to be leading edge, well, you'll just seek out the content that is leading edge! If that is too far ahead of your own personal curve, well, you'll go with the reactive stuff. Or you will go with the stuff that doesn't ever change.

Q30) One final question for you! I know that the CAB suggested the consolidation of the commercial radio sector funds for emerging talent development initiatives. How do you see the role of commercial radio evolving or how do you negotiate the tension between having to please an audience, promote emerging talent and be non-threatening to advertisers?

R30) We have a cultural industry in this country that uses the money we give them to lobby us to give them more money! There is a sense of entitlement amongst some areas of cultural industries in Canada. Just because we are Canadian and just because you are next to the big bad USA, it is incumbent upon you to give us lots of money so that we do not have to compete. It is books.... I am a published author and I know exactly, you know, if you get 20 Canadian authors on your roster, as a publisher, you get an automatic grant from Ottawa, and it doesn't matter if these books are any good or not, you just need these 20 signed authors, if you sell one copy or a hundred thousand copies, you get a grant just by signing these people.

Now look, we do live next to the USA, the biggest exporter of pop culture on the planet. We do have to do something to keep from having to be completely overwhelmed by American culture, we have to; and that being said, we have done a very good job at supporting our own. And we have spent lots and lots and lots of money creating an industrial infrastructure that has, that churns out more quality music and more quality culture, except maybe movies, that a country of our size and population has a right to. Music is the greatest example. Yet there are people that say we should devote half of our playlist to Canadian music. The Canadian music industry accounts for maybe 2% of the world market. You want us to focus 50% of our time on 2% of the market? When somebody can go simply online and get 100% of the world market, 100% of the time? That's the kind of thing we are being faced with. And they want us to pay for the privilege of having our hands tied behind our backs.

Now we believe that we need to continue to responsibly continue to support the arts inside this country. If you did not do that, then you are really cutting your nose off despite your face. But we have to do it smartly and you have to do it evenly and equitably. And we,, for example, just because you are in a Canadian band, that doesn't give you an automatic free pass to get played on the radio or get your movie on the multiplexer or get the Factor or get the StarMaker. No no no no no....

FACTOR, what we believe, is that there should be a certain amount of musical Darwinism that takes place. The weak get weeded out and then you have this layer of

really strong, really talented and really self-aware, and motivated and ambitious in advance, and that are preparing to do what it takes to make it in the commercial music business. And as soon as they reach that level, again, the cream rises to the top, we are ready for the great. But you know just because dude down the street has a couple of buddies in his garage, that they are going to get mass exposure on the radio.

Q31) Is that sort of the logic behind having the government look more into recording and Star Maker look more into marketing, promotions, distribution?

R31) TC539 Yeah, I mean Star Maker, the money would be given to those that survive that Darwinism. Factor would be given to people that are really starting out. Now I have sat on FACTOR boards and I see what they give the money to and all the money goes out the door to things that have absolutely zero or less commercial potential.

TC548 End.

Transcription 3

3) CHUM Radio Sales
Interview with Leslie Conway-Kelley
Vice-President, General Manager
Astral Média
November 13, 2006, Toronto
1331 Yonge Street
11:00 AM

Q1) TC014

Are you familiar at all with the CAB submission on future of radio to CRTC?

R1) I was not part of our submissions, however am aware of our position.

Q2) Do you feel like the submission covered your main concerns regarding the evolution of radio in an increasingly digital media (entertainment-information) environment?

R2) One of the concerns for me, to be honest, until the ruling comes out, it doesn't affect me. I'll tell you the CAB tends to have a very top-down view with a lot of masters, and a lot of the radio companies, with the exception of us are involved with satellite offerings and other ventures where we are not. So while there is the overhead discussion points we are not always covered off in terms of our specific concerns and certain points may not come across as strongly as we would like them to, so I just want to make sure we are talking about the same thing.

Q3) Okay, well, I meant it as a broader lead-in question to have a better understanding of where, right now, CHUM is standing with regards to the future of terrestrial radio or if it is looking more towards satellite and digital radio?

R3) Absolutely! When satellite got licensed in this country, you know we also had a submission for a digital service that would open up digital channels to all our competitors as well as to a subscription radio service. Part of our application was that it was going to take us some time to get things up and running so we were hoping that they would stall in terms of the length of time that the satellites had to answer for their lack of Canadian content before allowing them access to the country. They didn't do that and we told them that if they didn't do that and give them a certain length of time that we would be unable to launch. We do have a license of a very valuable spectrum of digitally based service however at this point we have not launched it. So we are big believers in it, we do broadcast digitally, all our CHUM terrestrial stations are broadcasting in digital, in the major markets, I should say, but people need to have the digital receivers to get it, but it is out there.

Q4) Given emerging techs that are making radio, according to some, just increasingly another audio option, do you think that terrestrial radio will continue to have relevance in a society that is going digital (and everything that that digital lifestyle means!)?

R4) Yes. I do. I think especially right now, everybody says it is its death.... Television was going to be the death of radio, there are so many things that have come in the face of radio... there was going to be the death of radio and it has survived. And it survives because radio has a very personal place for people, it has a personal connection, it is interactive, and people are drawn to it. You get local stations, local personalities that really connect to people that listen to radio for more than music, they listen for that interaction. And most of the other options do not offer that. So, when you look now at the satellite offerings, iPods are the biggest challenge to satellite radio. Because nobody is a better radio programmer for you than you, and if you are not going to put anything else there than music, then really, you can provide your own content. You can go and you can download any number of comedy shows and that sort of thing, that you like, and your preference and when you want to hear it, instead of listening to a 3-hour loop.

I don't know if you have Express View or Star Choice or any of the digital channels that have the music captioning, if you listen long enough it sort of loops... you get a similar feeling, not all but on many of the options that are out there that are pre-programmed. But with radio it is not like that, you have that human interaction, that human contact, that touch point that is in your market, that is giving you day-to-day, minute by minute information about what is happening for you. If you think about some of the best examples where radio really comes forward and shows you its relevance, shows you what it still has to offer, do we need to move digital?...probably, we do, but will new offerings be put out there to make people want to pay to have that?

Think about the ice storm, the blackout, radio, all you need is a set of batteries to find out what is going on, where it is going on, even with the mass panic of the ice storm, we were able to convert our towers even in markets where we are not news-based programmers, we converted our tower to allow news-based programmers to be able to broadcast and be able to talk to Canadians about what was going on, and keep them connected. It's a lifeline, really, in so many ways. Now those are extreme circumstances, but everyday, like going to work, people really consider like a Roger, Rock and Marilyn from CHUM FM, they invite them into their home in the morning, they are a touch point and there are very few mediums that offer that. Especially in the emerging technologies that are answering more the immediate, could you go online and get some of that information, yes... could you get it for your specific area, yes.... But it is a little more difficult, it is more challenging for you to sort of read the images that you are seeing rather than just tune in, every ten minutes, at a very specific time, you are going to tune in and get what you are looking for.

And you are gonna get the highlights of the news and just start your day cause nobody has time anymore. And radio is a travelling medium and it goes with you and it gives you so much of what you need, just to function with some sort of societal connectivity.

TC114

Q5) Does CHUM have any radio holdings in QC?

R5) One in Montreal.

Q5.1) I know that what I heard from the French side, refers to a different reality, but their musical radio seems to be going more and more towards exclusive content, music radio vs talk radio has very little exclusive content.

R5.1) Everybody can play the same songs but how do you differentiate yourself.

Q5.2) Do you think that what these other audio options will do is increase radio's interest in developing its proprietary content?

R5.2) Absolutely! I think that for us, (...) radio really has two sides: there is programming and there is sales. There are some companies that are very sales-driven. So sales will drive promotions, sales will drive everything. And then there are companies that are very programming driven. We are programming-driven to the point where it sometimes becomes a detriment to some of the things that we could do in sales and some of the money that could come in the door. But people would not want to spend that money with us if our content was not that good. We are so specific and tight with our programming, and what we will be putting on the air and how we sound....

The money that we spend and the time we invest in just the sound of our radio stations I don't even mean the music, just the technology in terms of sound and the clarity of our station, of when we broadcast... we have stuff in place that allows us to say, I am just that much better than our competition, when you listen to CHUM FM vs any of the other stations in the market, you will hear a difference in the clarity of sound that you are receiving to our positioning lines, to the small sound bites in and out, and the content worked on by each of our jocks during the day to be able to connect with their audience is of such importance to us, we will sacrifice sales for programming.

Q6) What stations would you say out of CHUM'S radio group would be most appealing to a youth market and how would you define a youth market?

R6) Youth market is really difficult and it is really difficult to measure in radio. In terms of where youth is going now for their media, what their approach to media is, radio is not a very prevalent medium for them. And I think it is sort of ... it is tough to define how it happened and how it recaptures them later on, but advertisers spend money against the adult 25-54 demographic. Which is really not a demographic but that is really a whole other debate. That being said, the tweens, the 12-17s and the 17-24 year olds really get bypassed in terms of servicing them and we are a company that really targets an older audience. We target women for the most part, in every market across the country, we service females and we service the 20-40 demographic if you want to really encapsulate it down.

And we do have a station in Windsor, 89X which is a very youth oriented station, more similar, to the Edge here, but I would say it is even a little bit younger and is a top 10 performing station against the Detroit market which is one of the top 10 US markets. So is it a good youth channel, absolutely! What does it do? It is edgy, it is very relevant to kids, it flips around on things very quickly, it tries to answer their needs and their media needs as well in terms of radio, and keep things that are relevant to them in their specific time, just like us, we want to get our weather or our traffic or our news or whatever it is that we are tuning in for, or our laugh with Roger, where we know exactly what we are getting, well they too program their station so kids know exactly what they are getting when they tune in.

Whether it is specific shows on Saturday night or be it as it may, it tried to answer their needs in their mentality. But radio needs to start answering, how do we approach teens and the youth market. It is out there, they are listening with our current system, I mean we are still measuring with diaries, you are not gonna get a 17-year-old or a 20-year-old to fill out a diary; it's just not practical. You need to have something online, you need to have something that they can wear, like a little electronic device that is going to hook into the medium that they are getting... before we really know how much radio is or isn't affecting them. With the people meters and the tests on people meters, in Montreal, we know that they are listening a lot more than we thought or expected that they were. But until we can prove it, so that we can garner revenue against that demographic, to be able to program to that demographic, it is sort of a circular argument because there are stations that have programs to that target demo or that thought they were programming to that demo can't make money off of it so they cannot support it financially.

TC186

Q7) There is talk of technical convergence and media that are supporting one another. What sorts of services are available online from CHUM? Are you diversifying, adding more exclusive content by having niche interviews researched, podcasts, and then posted online?

R7) Certainly we are exploring. Obviously our major market stations explore it, more proactively at first, because there is more revenue there to do so. We've done and we are continuing to do podcasting and that kind of stuff, promotions on the Internet, surveys on the Internet. We are doing a lot with measuring what our audience likes; doing music meetings online so that we know when we are programming certain programming and stuff it is what is requested by our audience and people can proactively go on, our database is secure, we don't sell it to anybody, we do not compromise our listeners and we are looking at new ways to use the technology to enhance the terrestrial but for right now, terrestrial radio is still where the money is.

Converging mediums and crossover content we have explored it, have we been successful with it? On some level, I think that we learned our lesson quickly and I'm talking about, as a medium, and as an industry, we learned our lesson quickly, that if you present it, when people buy it, all they want to do is get the lowest common denominator.

So all of a sudden, when you package radio, television and the Internet, they just think they should get a discount on it cause, hey we're already buying television so if we buy radio and Internet then how much lower, what is the discount on it? And we are not here to discount our medium. We are not here to say, just because we can sell with TV, that it should be worth less. So we kind of backed out of that now and we are looking specifically at where can the content we have on television, or the content we have on radio, or the content we have on the Internet actually accentuate the content we have in the other areas?

So, if there is something we are doing online that can accentuate what we do on radio, we'll use it. Or something that we have on television that can help us with radio, we will use it. Unfortunately when the whole convergence started it began in the sales end, which is not usually the philosophy that CHUM uses. The heart of what we do is really driven by content and programming. So, it's still coming through, people are always trying to be on the leading end of what we can be but we do not like to sacrifice our content for anything.

Q8) TC 224

CHUM owns Much Music, an extremely influential station in the youth market and what I am interested in knowing is if through that station CHUM radio is learning anything about the youth market? If you go on the Much Music website, you can design your own ring tone, I mean, it just screams convergence. So can you continue to operate in radio without always taking the pulse of what is happening in television and with youth and tech convergence?

R8) We operated very separately in tv and radio for a number of years until the convergence platforms came through. Convergence started to get big in the late 90s. Probably 2000 or 2001 is when things started gelling and we started taking a step back and saying, let's not sell it for the sake of selling it but taking a look at what it is, at where the marriages are, at the learning experience so far, and move forward are we losing money by doing this or are we actually gaining money and when we are pulling these different mediums together we need to do so, so that it is to the most benefit of the client and of the most benefit to the company and look at something that is of benefit to all the parties not just for the sake of selling it because you are not going to have long-term revenue. And we are not in this for the short-term gain. It is a long-term partnership is sort of how we approach our client.

So we like to put things in front of them that make the most sense for them. And we do a lot of evaluating of that ourselves, and what we do is make sure that there is that marriage there before we put it out on the table with our client. That being said, it is interesting that you would say, what is radio learning from Much Music. When you look at Much Music, it is radio on television. And radio was able to come to television with the advent in the eighties of the music video, there were some in the 70s but really the 80s.

The music video that is radio on TV so what did TV do, TV learned a lot from radio and held that youth demographic and programmed to it, and has tied the Internet with it very

well, with ring tones.... Are we learning from them in terms of ringtones and the rest of it for our offerings in the online sector? Absolutely! But, that being said, we are not going to compromise the CHUM FM audience to become the much music radio cause that is television, not television moving to radio. And we have to be true to what is that female listening to CHUM FM or that 89X what is that listener getting at 89X? And are there more crossovers there? Absolutely.

Do we have revenue that much more closely mirrors what much music does? Yes. But with television we have to remember that Much Music is a specialty service, it's a national network, so that that local advertiser is not going to have any benefits going to Much Music and part of what radio is, is a local medium. It is that medium where the Mom and Pop shop can afford to be on-air and talk to specific people in their market and have people be interested in their offering.

Where mirroring television and radio, some of the challenges we have is, radio is not a national platform, it is in the sense that you can speak to each of the markets across Canada, but the way we speak to them is very different because it is very much speaking to a local community. And so, you can't talk to a Brockville community the way you talk to a Toronto community. You cannot talk to a Winnipeg community the way you talk to a Vancouver community. There are inherent differences there and that is part of what radio celebrates, is the beauty of the local market, and some of the Internet stuff that that we are seeing now, as part of the Internet emerging technologies is, Internet is now becoming more localized, in a lot of places where the portals are community portals.

So people are looking for, and we are trying to build CHUM radio like that where our radio station becomes the community portal on the Internet as well, so people come on to our station in order to find things out and use our station as the yellow pages of the local area. And the revenue being generated there is fantastic for a local community because, unless you are a Yahoo, an AOL, or a Google where you have the critical mass online, you can't get those advertising dollars and the 5 million dollars that is being spent right now in advertising online, that is where it is being spent, is on the critical mass. So as a group, as CHUM radio do we have critical mass? Yeah, absolutely, but then who are we selling to? Because if we go to that national advertiser and we have them on our site, where is that benefiting the local listener? So it is a real quandary for us in terms of things that we struggle with everyday, and sort of say, what is our biggest strength and how do we continue capitalizing on that biggest strength in the face of emerging technologies and in the face of local needs and where does that converge and what can we offer and how do we offer it best to our listeners?

Q9) TC292 How do you see the business model of radio evolving? If there is an increasing amount of experimentation with programming, with emerging artists, where is the balancing of risk lying with advertisers?

R9) Radio, with the exception of the newspapers, is one of the earlier mediums. And it has always been the death of radio and radio will not be able to have any revenue because television is going to swallow it up or whatever Internet is going to swallow it up and we

constantly hear it and radio constantly prevails. We are always looking for new and non-traditional routes to find revenue, to generate radio, new offerings, as you say, that marry the technologies up, but at the end of the day, we are still a measured medium. We are still a mass medium. Even though we are locally based, it is still mass because we are everywhere, in terms of the local transmitters that are out there. And as long as we are measuring ourselves and we have a predetermined means of monetizing those numbers, the rating points and the rest of it, do I think there is a call for that, yeah, because it makes it easy for a client to attach a value to a rating point.

How we generate rating points then comes down to our programming side especially, you know, in a diversifying world where audiences are just fragmenting everywhere. So are we using emerging technologies to highlight it and to find new ways to generate revenue out of it? Absolutely. Are we going to put all of our eggs in one basket with a new business model because there is a new technology on the market? Absolutely not. We have managed to sustain ourselves for a very long time, we are very good at what we do, and keeping an eye, always on what it is that we do, and who we service and as long as we do that, as long as we are localized, as long as we are servicing that local market, as long as we know our points of differentiation, no matter what we evolve into, those communities that we hold onto, and we keep together, and we service still have to be at the root of what we do, or we are no longer radio.

Whether it is terrestrial based, satellite based, digital based, Internet, it really doesn't matter, what the mode is for getting it to people, at the end of the day you still have to remember what we do and why we are getting it to people and what they are getting out of it. So, do we look at podcasting, at Internet? Yeah, we are doing tons; we are starting to generate more and more revenue out of there. Is it more than 10% of what we do? No. Will it be? Possibly. But that is really... that is the sales side, without thinking about the programming side and you really have to think about the two of them together when I say, we still service community; that is what radio does. Part of the heart of radio. So if we evolve too much, then we leave radio.

TC321

Our radio stations, how we are starting to use the Internet, how we are seeing people use the Internet is becoming like using our radio sites, still to stream media and to talk to people all over the world that log into our site, but, the content there is still servicing the local community, it is still servicing you as a Kitchener person who within the tri-city area, you go out and need to know what is available to you in Kitchener, Cambridge and Waterloo and driving, highway construction, personal voices, people that you know everyday that you can come to, that are having that same experience, that tell anecdotes about on the weekend being at such and such a park or being at Canada's Wonderland or Charity BBQ we do community events calendars on our website, we super-service those community events and that sort of thing to ensure that it is always there.

Now how are we moving that into the next level, we are creating it as a portal so while people are streaming media they can also click on to other sites through our site, they can go and research other sites, they can go looking for flowers, florists, well there you have

a listing of all the Kitchener Cambridge Waterloo florist shops that you can visit online or you can walk out and walk down the street and use that florist shop. So it's using the media but using the media to service the local community. And I think that if you... we always have to monitor why it is we are successful, and we have been successful for so long, for good reason, that I don't know that we are going to let go of that.

Q10) If you could have any question answered about the future of radio in the context of emerging technologies, what would be your question?

R10) TC345

That is tough, wow... really, that is a great question. Probably I would go down the road of... I want to look more.... If I could dive into one part of radio more, I would want to look more at how, those teenagers, who are not necessarily showing up as being serviced, we feel they are being serviced on some level but they are not showing up as being serviced in ratings, if they were, when they hit 30, are their media habits that much changed because of what they experienced as a youth or at 30, when they move into a 9 to 5 schedule and it is more pre-determined and they are working, will they come back to radio? Because our experience so far has been that, yes they do... 10 or 15 years from now when you are part of that next evolution that is such heavy Internet users, they just change from second to second, who have been so fragmented and whenever they can get it and the latest and greatest technology, will they, how will that have changed their media habit? Ten or 15 years from now?

Because that is really what we need to look at in terms of building that next business model, is servicing those people when they come to an age and a stage that is a lot more radio-heavy users, now and will that continue? We believe people sort of become more community driven, set timeframe, however what does that look like? what are the effects of having that Much Music ring tone text-messaging generation that just blows us away?.... Like our Commodore 64 in the eighties... the relic...

TC365

Q11) Do you find that the type of ad that is being placed be it through the format of the ad, the length of the ad, the tone of voice, how is that evolving from what it was before?

R11) For us, part of our dedication as CHUM, and like I said, not all are like this, we tend to be very militant in our programming, so as I said we will sacrifice sales for our programming, because we believe in what we put out there. There is a reason why we have all of our stations are in the top 3 in every marketplace that we are in.

There is a reason for that and we believe it is because of the programming. And from the sales side and the programming side, there is a sound to our radio station, and there is a reason why it connects with our listeners and we want to be able to give that same appeal to our clients so that when we do deal with direct clients, often time we do work with them on their creative. And creative is very very important to us. Our sales people are very in tuned with good creative, we recognize good creative, we put out good creative and we will help anybody and assist anybody with being good with their creative because

there is a way to speak to your listener and there is a way to connect with your listener and we are experts in connecting with our listener, so who better to ask and help you with connecting to those listeners than us in terms of the creative that you put out there. So, I think, that the dedication to finding out how to connect with listeners have evolved in terms of commercials. Commercials, sound and content, the radio marketing bureau whom I do not know if you have spoken to but whom you should get in touch with, Garry Belgrave, at the radio marketing bureau, he is our new President, 416-922-5757 (ext 24).

He will be a very good resource for you. And they have dedicated a lot of time and the RMB website is fantastic and the creative space in there is fantastic and when you see how much time is being dedicated not only to opening of the eyes and minds of creative people in agencies who do not find radio sexy in their portfolio, also for clients. It is so imperative, not just for the programming and the sound of the station but for a message to connect with the listener. And people are getting much better at doing that. Is the length a difference? In the US most creatives are 60 seconds that come out of agencies and here in Canada, it's more 30 seconds but we are also seeing people now wanting to go into product placement, product placement in television is much easier, because can be drinking like that the American Idol judges with their Coca Cola boxes....

It is very difficult to do product placement on the radio without it being an endorsement. Well we can run endorsements but we are very careful because as I said, sales doesn't drive the programming, it has to make sense for the listener, it can't just make sense from a numbers, wow we are getting a million dollars out the door, you have to do this...I mean no, if it doesn't make sense we don't care about that million dollars because it will sacrifice all of the listeners. But, so, there are different things people are coming up with like flashes in terms of 10 or 5 second media flashes that come in between songs, a background, it's like product theme and maybe a tag line... On the airwaves.

Different people are experimenting with different things to give that appeal, it can be through promotion, in terms of getting much more in depth in terms of the promotional thing, like going after specific clients that marry with your listeners, to sort of bring that element in too, to sort of bring in that heritage programming on that station. Like we do breakfast in Barbados, we have been doing it for 20 years, how do we bring them in to Breakfast in Barbados and make them sound like they have always been there? So it is very difficult, that is one of the challenges that is being put in front of us by clients now is doing product placement radio without it being visual, it is very difficult to do.

TC448

Q12: What is the value of live radio and is there still an interest from your advertisers for a certain timeslot? In television, since the TiVo for example, the idea of primetime is changing... is anything like that happening in radio?

R12: Well that is why product placements are becoming important (from an advertiser's perspective). Well radio goes with you, it is a portable media, so there is a big difference there. And radio people are really tolerant to commercials, recognizing that there are commercials in there, they do not tune out. It's not something where we find people

channel surfing because of commercials. There is definitely a number, like a length of time that commercials can run before people go... ahhhhh... and recall, if you have like twenty commercials... somewhere around ten... even if they are tolerating to the commercials, they are not listening to commercials. So those are the things that we have studied, we have researched and you know, how many stop sets we can have an hour, how long can they be.

Q13: Do you find that the tolerance has gone down for commercials because of things like podcasting?

R13: You know what? The research, there is no research to back up a change. And there is a lot of research that has been put out there... in terms of what is the tolerance. There is a tolerance to a certain number of stop sets, a tolerance to a certain length that people want to hear in an hour, um, but there is also a perceptual, like what is the content of a stop set... so... A stop set is a commercial island. So you hear songs and then it comes out, the jock talks and then it goes into a stop set of commercials. Some people do it based on the number of commercials and others do it based on time, like 2.5-minute stop sets. Five thirty seconds, or one sixty, one thirty, one sixty, or whatever it is, whatever that time is. For a lot of companies, that is proprietary information, so I'm just giving you an example, I'm not telling you what our stop-set length is, or anything about how our clocks work cause everybody is really protective of their clocks. Now a PD can listen to another station and sort of determine how another's clock works, and get a real feel for it, however, they are really specific about it and that is property of the station.

(...) Because of the portable medium and because of who we are programming to and the way people fill out their diaries, it will change with people as we get to a different way of measuring people and we know that breakfast drive and afternoon drives can be as prevalent as they have been in the past because people are like oh... I listened to the morning show, I got up at 7 and I got to work at 9, so from 7 to 9 I listened and they block that off in their written diary, with the People Meter, where it electronically, based on a signal that it detects, it registers it on your People Meter we know, for the Montreal test, that people are listening longer than they think they are, but at different times than they believe they are listening, so... there is the perception, when you are writing it a diary that oh, well I drove home, I left work at 5, I got home at 7, so from 5 to 7 I was listening to the radio.

Well, somewhere in there, maybe you stopped off at Mac's Milk for 15 minutes, and whatever was on the speakers at Mac's Milk, probably hit you, in the morning you were in the shower for 20 minutes, did you have the radio on when you were in the bathroom...? These are things that our measurement will know more. But that being said, we have an at-work listenership from 9-5, really from 6 in the morning to 7pm tends to be prime-time for listeners. And then you get, the evenings tend to be less listened to because you have television, people are watching television. And we know from the electronic measurements we got back, we have much more higher listening rates than we thought on the weekends. At-work listening is pretty consistent.

Q14: TC527 Your overall impression for the future of radio?

R14: I think that it is bright; I do not think that it is a dying medium. I think that it is our responsibility to keep up with the technology and ensure that what we do translates appropriately within that technology and within ... and still touching our community, and still servicing our local listener cause that is who our listeners are.... But once we recognize that I don't see us going away.

End

Transcription 4

4) Canadian Association of Broadcasters
Interview with Pierre-Louis Smith
Vice-President Policy & Regulatory Affairs (Radio)
Astral Média
November 3, 2006, Ottawa
350 Sparks
15h30

Q1: TC014

How was this CAB submission different from other CAB submissions to CRTC in past?

R1: TC021

La première différence est assez fondamentale.

C'est la première fois, dans notre histoire, qu'on a préparé un mémoire en abordant la réalité des deux marchés linguistiques. L'ACR est une association nationale, donc on intervient à l'échelle nationale. On représente, dans le secteur de radio tout près de 80% des stations de radio au pays, dont des radios franco, anglo et ethniques. Mais c'est la 1^{ère} fois qu'on a préparé un mémoire en abordant les problématiques dans le contexte propre de chaque marché.

La réglementation en matière audiophonique diffère quelque peu entre le marché anglophone et le marché francophone. Essentiellement il y a un niveau de quotas supplémenaire du côté francophone qui est un quota de diffusion de musique vocale de langue française. Donc on a voulu aborder, puisque l'essentiel de notre intervention dans le processus politique du printemps dernier portait sur le cadre réglementaire applicable à la radio, on a voulu regarder l'état de la situation des stations de radio dans chacun des marchés, et l'impact de la réglementation sur leur fonctionnement. Et donc on a développé un mémoire général sur des sujets comme la réglementation en matière de quotas et les politiques, les initiatives en développement de talent canadien avec un regard propre à chacun des marchés. Donc ça, c'est une différence qui est fondamentale. L'autre différence importante du côté radio par rapport à un exercice similaire qui avait été fait il y a 7 ans, c'est qu'on a focusé vraiment sur deux sujets, la question des quotas et les cadres réglementaires en matière de développement de talent. Plutôt que d'avoir une approche, essayer de couvrir différents enjeux. L'ACR représente un nombre important de radios qui ont des intérêts différents et fonctionne par consensus. Alors on a réussi à dégager des consensus sur ces deux enjeux majeurs là, on s'est limité, on a limité notre intervention principalement sur ces deux enjeux là. **TC060**

Q2 : TC061

Si le cheval de bataille du côté de l'industrie de la musique et des artistes était celui de la diversité, cette fois quel fut le cheval de bataille du côté des radio-diffuseurs?

R2 : TC070

En fait, le focus principal a été de faire comprendre au CRTC qu'on évolue maintenant dans un univers qui est très différent que l'univers qu'on connaissait aller jusqu'à très récemment. L'univers dans lequel les exercices réglementaires ont lieu précédemment. Au Canada la réglementation en matière des médias, en radio particulièrement, s'est faite sur la base suivante. Puisque les entreprises de radio utilisent des fréquences et que les fréquences sont du domaine public, donc c'est régi par une loi. Et en échange à un contrôle à l'accès au marché, par l'attribution de licence, en échange de quoi les entreprises qui détiennent des licences ont à rencontrer des exigences en matière de diffusion du contenu canadien, et du contenu francophone pour les stations de langue française et de soutenir la création de produits canadiens dans le cas de la radio, essentiellement de la musique canadienne. Donc, l'angle que, nous, nous avons pris, c'est de dire, avec l'avènement des nouvelles technologies, par le biais d'Internet, par le biais de iPod, et la radio par satellite qui a été autorisée l'année dernière, on constate maintenant qu'il y a deux univers qui se côtoient. Il y a un univers qui est réglementé, c'est la radio traditionnelle. Il y a un univers, soit, non réglementé, la radio par Internet, les iPod, comme je disais tantôt, ou réglementé de façon différente, la radio par satellite, qui a un cadre réglementaire nettement moins exigeant à l'égard de la diffusion du contenu canadien et du contenu francophone. **TC103**

Donc on dit, il y a deux univers qui se côtoient, il n'y a plus de barrières à l'entrée, et donc le conseil ne peut plus réglementer comme s'il contrôlait l'ensemble de l'offre radiophonique offerte au public. Ce que ça veut dire, ce que ça implique c'est qu'il faut adapter la réglementation de façon à ce que le consommateur qui est en mesure de court-circuiter la radio, de faire en sorte que le consommateur ne va pas être amené, par la réglementation, à s'en aller vers d'autres plateformes. Qu'il faut permettre à l'industrie de la radio de pouvoir continuer à offrir aux consommateurs des produits ou une programmation qui corresponde à leurs goûts et à leurs intérêts. Et donc on a mis de l'avant des approches qui étaient tout en respectant l'importance d'avoir des quotas. Et l'importance de soutenir la production de musique canadienne.

La mise en place de mesures qui sont plus, je dirais, des mesures incitatives que coercitives, et vous faisiez référence tout à l'heure à la diversité musicale, nous aussi on juge que c'est un élément qui est important, et on a proposé nos mesures en fonction d'assurer une plus grande diversité musicale à l'antenne, mais en prenant une approche qui est plus incitative que coercitive. L'image que je vous donnerai c'est la chose suivante. C'est une image... on ne peut pas... les quotas ont eu une utilité, certes. On a bâti un système, on a bâti une industrie de la musique et on a bâti tout un système en s'appuyant sur ce genre de mécanisme là. Les quotas ont eu un effet positif, maintenant il

faut les adapter de façon à ce qu'ils puissent évoluer de façon à ne pas nuire à l'industrie de la radio, et d'atteindre quand même les objectifs de politique. **TC145**

Q3: CBA and Telecommunications Act, are they the basic pieces of legislation?

R3 : TC139

C'est les lois fondatrices. Du côté de la radio, évidemment c'est la loi de la radio-diffusion qui a évolué avec le temps. La plus récente incarnation date de 1991. Et 1991 c'est déjà il y a 15 ans. Et on constate, on voit maintenant que comme la loi ne pouvait pas prévoir les évolutions technologiques que l'on connaît maintenant, et...

Q3.2 : Est-ce que vous pensez qu'une révision est en ordre? Même de la terminologie, de la définition des termes?

R3.2 :TC147

Vous voyez, on est dans le cadre d'un processus, à l'heure actuelle, ou la ministre de patrimoine a demandé à l'industrie de faire part de commentaires, c'est un fact-finding pour connaître l'état des lieux, l'état de l'industrie de l'audio-visuel, alors c'est la radio, c'est la télé, c'est la télévision spécialisée, et l'impact des changements technologiques sur la capacité de l'industrie audio-visuelle et du système canadien de radio-diffusion, d'évoluer et de croître et de s'épanouir. Je ne serai pas surpris que ce genre d'exercice là conduise ultérieurement, advenant le cas qu'il y aurait un gouvernement majoritaire conservateur, que ça conduise à entreprendre un exercice de révision de la loi sur la radio diffusion. Ce qui ne serait pas...étonnant, au bout de 15 ans, de revoir les paramètres et de les adapter à la réalité d'aujourd'hui. C'est ce que l'on attend mais évidemment dans un contexte de gouvernement minoritaire, c'est pas le genre d'exercice que le gouvernement actuel va souhaiter de mettre en place parce que ça, c'est le genre d'exercice qui risque de créer des tensions, ou en tous cas, d'amener des point de vue différents et de créer des turbulences si vous voulez, et un gouvernement minoritaire souhaite le moins possible d'avoir des situations de ce genre. Mais dans la perspective où un jour, ce gouvernement là devienne majoritaire, ça ne me surprendrait pas qu'il y ait un exercice comme ça, mais au moment où on se parle, on spéculé!

Q4 : TC171

Différences de perception de la menace des tech émergentes envers radio entre le Québec franco et le Canada Anglo?

R4 : TC181

Il y a effectivement des différences très profondes entre le marché anglophone et le marché francophone. Vous avez soulevé la question du star système, vous avez soulevé l'attachement profond du public francophone par rapport au produit local, francophone d'ici, puis c'est vrai!

Je vous dirai que, la radio québécoise évolue différemment de la radio de langue anglaise. Entre autre, du fait qu'elle se démarque davantage par son contenu exclusif. Une des différences fondamentales, c'est qu'il y a beaucoup plus d'émissions de contenu verbal à

la radio de langue française, talk radio mais même dans les milieux de stations à prédominance musicale comme avec les stations Énergie, l'auditoire est d'abord et avant tout attiré et est généré, par des émissions à prédominance verbale. Un bon exemple, les Grandes Gueules. Alors les radios privées francophones ont investi beaucoup au cours des dernières années, particulièrement au cours des 4 ou 5 dernières années, pour se démarquer entre elles, par le biais du contenu exclusif, et ça a un impact sur leur rapport avec leur auditoire et c'est très différent des stations anglophones qui sont encore, les stations musicales anglophones sont encore largement à prédominance musicale. Avec peu de contenu exclusif, si ce n'est du morning show ou chaque station cherche à se démarquer, je vous dirais que c'est une des caractéristiques fondamentales du marché francophone que l'évolution qu'on voit au cours des dernières années, c'est une emphase, une grande emphase sur les contenus exclusifs.

Ça s'explique par deux raisons: ça s'explique d'une part parce que les stations francophones fonctionnent en réseaux. La logique d'un réseau en radio est propre au marché québécois. Le marché anglophone... la radio par définition c'est un médium local, et au Canada anglais, il n'y a pas de stations qui fonctionnent en réseaux. Alors c'est différent de la télévision en ce sens là. Mais au Québec, à cause de l'étroitesse du marché, la radio s'est développée à partir des années 70 en réseaux. C'était d'abord les stations AM qui étaient dès les années 70, à prédominance verbale, ce qui n'existait pas ailleurs en Amérique du Nord, et qui à cause des coûts de programmation, et pour amortir ces coûts là, se sont répartis en réseaux. Ça a été le réseaux AM de radio mutuelle, le réseau AM de télé médias qui en 95 ont fusionné ensemble pour créer Radios Médias, donc, c'était de la nécessité d'amortir les coûts de programmation, qu'on a décidé de fonctionner en réseaux. Ce que l'on avait pas anticipé c'était que le FM allait aussi se développer comme ça.

À partir de la fin des années 80 et début des années 90, les stations FM se sont regroupées en réseaux aussi, ça a donné naissance à Énergie, ça a donné naissance à Cité Rock Détente, et on voit, depuis les années 2000, rythme FM qui s'est constituée en réseau, et on voit RadioNord qui a maintenant couleurs Jazz de Montréal qui cherche également à se développer un réseau de diffusion. Et ce que ça fait c'est que, encore une fois, ça permet aux stations FM d'aller chercher du talent et d'amortir les coûts d'acquisition de ces talents là, sur l'ensemble du réseau. Pourquoi? Parce que dans le marché de Montréal, principalement, la radio de langue française privée, rivalise avec la radio anglaise privée, qui n'a pas, évidemment, les mêmes obligations réglementaires, n'a pas l'obligation de diffuser de la musique de langue française, donc les stations francophones ont tendance à se dire, l'élément qui va nous permettre de nous démarquer, ça va être de se développer du contenu exclusif.

Pas parce que il y a un engouement pour le produit québécois, musical québécois, mais ce que sondage après sondage on constate, c'est que le public francophone va préférer le produit de musique francophone produit ici, par rapport à la musique de langue française étrangère de France, Belgique ou Suisse, mais lorsqu'il a le choix entre l'anglais et le français, surtout chez les jeunes, la tendance est d'aller vers l'anglais, alors, pour les

stations de langue française, le moyen d'atténuer cet engouement là vers l'anglais, a été de se développer des contenus exclusifs. **TC251**

TC257

Les radios de langue anglaise ont historiquement... n'ont pas. Je vais faire une analogie entre la télévision et la radio. En télévision dans le marché anglophone, les stations de télévision de langue anglaise ont à rivaliser avec les stations américaines, spécialisées, ou les réseaux comme ABC, Fox etc. Et au niveau de l'écoute, les Canadiens ont tendance à aller beaucoup vers le produit américain. En radio, on n'a pas ce phénomène là. L'écoute des stations américaines au Canada représente moins de 5% de l'écoute donc ce n'est pas, sauf dans des marchés spécifiques, Windsor, et des phénomènes près de la frontière Canado-Américaine, il y a peu de pénétration de l'écoute des stations de radio américaine. Au Québec, dans le marché de Montréal et dans le marché de Gatineau-Hull, Montréal et Gatineau c'est à peu près 50% de la population du Québec. Donc dans deux marchés importants, des stations de langue françaises ont à rivaliser avec des stations de langue anglaise, locale, qui sont là pour servir un auditoire principalement anglophone mais qui attire beaucoup d'auditoire de langue française.

Donc la réalité n'est pas la même et la radio de langue française a dû à ce moment là trouver d'autres moyens pour conserver son auditoire. Ça l'a amené à adopter des stratégies de programmation assez différentes, donc, ce que je vous disais, d'aller vers la création de contenu exclusif. Et nous ce qu'on pense c'est que ce que l'on observe dans le marché francophone c'est un élément avant-coureur de ce que nous allons voir à l'échelle nationale à mesure que les nouvelles technologies vont prendre prise au près de l'auditoire, où les stations de langue anglaise vont à avoir à rivaliser avec, bon, par le biais d'Internet, c'est le monde entier qui est accessible et ce que les technologies font c'est qu'elles placent le consommateur dans le siège du conducteur. Ils peuvent créer leur propre programmation musicale.

Alors, ce qu'on entrevoit c'est que la musique qui a été pendant des décennies, le principal matériel de la radio, (prend plus une place arrière à un contenu qui est exclusif), peu importe quel est ce contenu, parce que par définition la musique c'est, l'expression anglaise, *ubiquitous*. La musique elle n'appartient pas à personne, je n'ai pas l'exclusivité de la diffusion d'une pièce de musique, mon voisin peut la jouer également, tandis que d'avoir les Grandes gueules, il y a un contrat d'exclusivité.

Et donc on s'interroge sur ce que sera la place de la musique, dans l'avenir, à la radio commerciale. Et le phénomène que l'on voit c'est que, la radio, en tous cas, de langue française, se développe de plus en plus en misant sur ses contenus exclusifs, et à cause de ce phénomène là, l'impact des nouvelles technologies, bien sûr, il va avoir un impact, mais on pense que la radio va être en mesure de conserver son caractère, ses particularités qui vont faire en sorte que l'auditoire va continuer d'aller vers la radio. Ce que l'on veut éviter c'est que grâce à la dimension musicale de la radio, qu'on mette des paramètres réglementaires rigides qui auraient pour effet, non souhaités, auraient pour effet d'entraîner des auditeurs qui eux écouterait la radio pour la musique, de les amener à vouloir aller vers des plateformes qui n'auraient pas de réglementation. **TC310**

C'est délicat et complexe parce qu'il y a un rôle de politique publique qui est important à maintenir, il y a un rôle, une mission de la part des diffuseurs de soutenir un système qui s'est créé au fil surtout des 40 dernières années et l'objectif c'est à la fois assurer une bonne santé financière pour l'industrie de la radio qui ne se finance uniquement par le biais de la publicité, autant faisant en sorte que la radio va continuer à jouer un rôle de soutien, de développement, pour ce qui est de, que nous on appelle, les partenaires du système, qui est justement les créateurs de l'industrie de la musique.

TC321

Q5 : Est ce que vous pouvez spéculer sur l'image qu'aura le modèle d'affaires futur de la radio? Comment est-ce que l'on peut continuer d'assurer, avec l'émergence des technologies, comment on peut leur faire concurrence et continuer à attirer les annonceurs, sans leur faire peur mais plutôt trouver un juste milieu entre l'expérimentation ...

R5 : Mais ce dont vous parlez c'est le modèle de la radio par l'utilisation d'autres support? Ou si c'est le modèle, comment va évoluer le modèle d'affaire de la radio?

Q5.1 : Pour moi c'est la même chose, c'est la même question. Je ne suis pas en mesure d'envisager comment le modèle de la radio puisse évoluer sans absorber jusqu'à un certain point les-certaines technologies émergentes.

R5.1 : La radio, sa caractéristique, c'est une force marketing. Le terme anglais c'est, c'est un branding. Et, le rôle de la radio ça va être de suivre son auditoire là où il se trouve. Quand on voit certains groupes radiophoniques, Astral c'en est un bon exemple, avec l'initiative de radio-libre, où on essaie d'aller rejoindre les auditoires sur d'autres plateformes.

Q5.2 : Je ne connaissais pas radio-libre.

R5.2 : Radio libre est une initiative d'Astral de développer des contenus spécifiquement adaptés à la consommation sur Internet qui s'apparente à une.... Rhapsody par exemple qui est un site américain qui essentiellement offre au consommateur qui s'abonne au service, vous tapez le nom d'une chanson, ou le nom d'un artiste et on va vous faire une programmation musicale en fonction, qui s'apparente à cette chanson là. Donc qui vous guide un peu dans l'ensemble de la diversité musicale possible. Donc avec Radio-Libre, Astral a entrepris de.... (switch sides of tape) a tenté pour le marché francophone de développer le même type d'approche. **TC338**

Le modèle d'affaire pour développer cette extension là du modèle d'affaire d'Astral radio, leur approche était de faire, d'avoir un modèle basé sur l'abonnement et c'est un modèle qui n'a pas vraiment fonctionné alors ils l'ont adopté plus avec ce qu'ils connaissent, c'est-à-dire le modèle publicitaire. C'est encore en phase de démarrage, en phase d'expérimentation, mais l'objectif de ça c'est de s'assurer que, par le biais des différentes technologies, on garde le contact avec le consommateur, de façon à ce qu'il

n'oublie pas d'aller à la radio, traditionnelle, hertzienne. Parce que c'est encore le gros de l'activité économique de ces stations là, donc l'avenir du modèle économique de la radio, pour le moment ça ne se finance que par le biais de la publicité, et d'ailleurs, l'auditoire s'est habitué à avoir accès à la radio gratuitement.

Maintenant, le modèle d'affaire va certainement évoluer. Je vous donne un exemple. Toutes les plateformes technologiques avec lesquelles la radio concurrence, maintenant, que ce soit la radio par satellite, que ce soit la radio par Internet ou autres, ont des modèles qui fonctionnent avec des revenus d'abonnement. **TC269** et ces technologies là sont numériques. Donc l'avenir de la radio hertzienne passe par sa conversion au numérique. Le problème auquel on est confronté c'est que les manufacturiers de produits électroniques maintenant ne se contentent plus de faire un produit, un récepteur et de le distribuer dans les magasins. Ce qu'ils veulent maintenant c'est que les fournisseurs de programmes contribuent à subventionner les appareils de façon à ce que ce soit plus abordable pour les consommateurs.

Un modèle d'affaire de la radio, fondé juste sur la publicité, ne peut pas subventionner l'achat de récepteurs de radios numériques parce que, par définition, on a besoin d'avoir une masse critique de personnes qui consomment le produit, et donc, le fait d'avoir des revenus d'abonnement permet de subventionner des récepteurs, on le voit en radio par satellite, SIRIUS et XM par exemple, subventionnent lourdement l'achat d'appareils de réception. La radio conventionnelle ne peut pas se permettre de faire ça. Donc on va devoir se trouver d'autres moyens de pouvoir développer la radio numérique hertzienne de façon à ce qu'on ne soit pas désavantagé sur le plan de qualité de réception des produits. **TC296**

Q6 : Dans les années 30, frères Galvin font première radio Motorola pour l'auto. Il faut que les technologies périphériques, de soutien, soient développées de façon à ce que la radio ne soit pas bypassée. Le CAB agit-il parfois en tant que groupe de lobbying ou groupe de pression face aux manufacturiers automobiles pour développer des partenariats? Transmettre l'antenne AM et FM dans les autos. Moins la radio est accessible, moins les gens vont la vouloir, moins elle sera pertinente.

R6 : TC315

C'est une fichue de bonne question!

Ce qu'on constate d'abord c'est que il y a une problématique majeure concernant l'accès de la radio numérique dans, par exemple, les véhicules. Au Canada, en moyenne, les gens écoutent, 27% de l'écoute de la radio se fait en voiture, et c'est une grande augmentation par rapport au 20-21% il y a à peine 10 ans de ça.

Donc il y a eu une croissance de l'écoute en voiture et ça s'explique notamment par l'étalement urbain, le fait que les gens passent de plus en plus de temps dans leur voitures, ils habitent dans des banlieues, et passent de plus en plus de temps à voyager de la maison au travail et vice versa, donc on voit une augmentation sensible de l'écoute en voiture.

1) Premier problème, bon, les manufacturiers de voitures vont continuer à avoir des récepteurs de radio analogique dans les véhicules car ça fait partie de l'équipement. C'est plus vers la technologie numérique que les choses sont en train de changer. Deux phénomènes.

GM est actionnaire par exemple de XM aux États-Unis. Alors GM n'a pas intérêt à ce que, bon, a intérêt à ce que ses véhicules soient équipés de façon à recevoir le service de XM aux États Unis et de l'étendre également au Canada par le biais de ses **TC343**

Il n'est pas intéressé à avoir une technologie qui concurrence ce service là dans ses véhicules.

2) Autre phénomène, et ça c'est tout récent, Apple a annoncé récemment avoir conclu une entente avec Ford, GM et Mazda, pour équiper les véhicules, à compter de 2007, pour avoir un récepteur pour que le iPod soit installé de façon standard dans le véhicules. Pour l'instant, c'est assez compliqué installé son iPod dans la voiture et donc il y a eu beaucoup de pression pour faciliter ce processus là. Ce sont des technologies qui viennent concurrencer avec la radio dans l'habitacle des voitures et, de plus en plus, les manufacturiers d'automobiles vont vous dire que la façon de démarquer un manufacturier par rapport à un autre, c'est par ce que l'on peut offrir comme différents gadgets à l'intérieur, donc, l'environnement sonore.

Donc ça c'est un problème pour les stations de radios.

L'autre problème c'est dans les bureaux. La réception dans les édifices, dans les tours de bureaux, est très mauvaise. La réverbération des sons contre le béton fait en sorte que, à moins d'avoir une fenêtre, c'est très difficile de s'intoniser la radio dans les édifices à bureaux. Ce qui amène les gens de plus en plus à écouter la radio par l'Internet, or, les ordinateurs ne sont pas équipés avec des récepteurs radios, ça fait pas partie de l'environnement. Donc ça veut dire que les gens qui consomment la radio par le biais d'Internet c'est vraiment l'accès à des chaînes qui viennent de tout partout dans le monde, pas seulement leurs chaînes locales.

Alors oui, on fait des recherches en ce sens là, on, si vous voulez, on fait une sorte de veille de voir l'évolution des technologies et leur impact sur les produits manufacturiers, maintenant ce n'est pas le rôle de l'association de guider ses membres dans le choix d'une technologie par rapport à une autre. On cherche à dégager des consensus, un exemple, pour la technologie de la radio numérique, le Canada a adopté une technologie qui est différente de celle des États-Unis. Nous on marche avec une technologie qui s'appelle le DAB, et aux États-Unis on marche avec une technologie qui s'appelle le IBOCH, donc qui est une technologie qui est différente, et l'ACR, au moment de l'élaboration des politiques publiques sur la radio numérique au début des années 90 avait favorisé ou donné son aval à la technologie DAB, mais on se rend compte maintenant que cette technologie là ne parvient pas à développer le marché parce qu'il n'y a pas suffisamment de récepteurs, qui sont disponibles auprès des consommateurs, donc on doit aller vers essayer d'expérimenter vers d'autres types de technologies. Est-ce que

c'est d'aller vers le système américain d'IBOC, est-ce que c'est d'aller vers des technologies européennes, qui sont en train de se développer.

Nous on pense que c'est en développant des appareils qui vont avoir des chips, qui vont pouvoir reconnaître les différentes technologies et les décoder au bénéfice du consommateur, que va se trouver la solution, mais on est encore à quelques années de ce côté là et on cherche avec les membres de radios de l'association de prévoir de quelle façon la tendance va se diriger, de façon à ce qu'on puisse avoir une recommandation industrielle sur cette question là.

Malheureusement, au moment où on se parle, c'est trop tôt. On a pas de consensus, certains groupes radios au Canada sont plus enclins à partager la technologie américaine, d'autres préfèrent garder la technologie DAB, parce que c'est une technologie, ça a une meilleure capacité d'écoute, donc au moment où on se parle, on est plus dans la phase de collecter de l'information pour pouvoir faire une recommandation cohérente auprès du membership, et auprès des décideurs publics et du CRTC, et de l'industrie, qui vont faire en sorte que l'on va pouvoir développer la radio numérique au Canada, avec succès au cours des prochaines années. **TC414**

Q7 : J'en reviens à votre dernière soumission au CRTC. Vous avez recommandé que soit instauré un Bonus System pour la reconnaissance de diffusion de musique émergente et d'artistes émergents. Pouvez-vous m'en dire d'avantage sur ce système?

R7 : Ça part de la logique qu'on partage, avec l'industrie de la musique, le constant qu'il est important d'accroître la diversité musicale à la radio. Comme la radio ne se finance que par le biais de la publicité, il y a un bon vieux dicton qui dit que la radio vit et meurt avec ses cotes d'écoute. Elle vit avec le tune in et elle meurt avec le tune out. Et les stations de radio conduisent des tests, des focus groupes très régulièrement pour déterminer quelle va être la programmation musicale qu'elles vont mettre en ondes. Quelles sont les nouveautés qu'elles vont mettre à l'antenne?

Le public de la radio a tendance à aller vers ce qu'il connaît donc il y a un risque supplémentaire à diffuser de la musique que le public ne connaît pas, et c'est particulièrement vrai du marché francophone, vers des artistes qu'ils ne connaissent pas. Donc on est parti de cette logique là on s'est dit, pour accroître la diversité musicale, ça va passer par une plus grande place pour les artistes de la relève de façon à ce qu'on crée un pool plus important d'artistes et d'oeuvres qui vont jouer à la radio. Et le meilleur moyen c'est de mettre en place des mesures incitatives, donc de donner des crédits à la diffusion de ces oeuvres là.

C'est pas je vous avouerai, un modèle nouveau. On s'est inspiré d'un modèle en télévision, où on donnait des crédits supplémentaire de contenu canadien au dramatique, par exemple. Au dramatique parce que le dramatique coûte plus cher, donc il y avait un phénomène de risque plus grand à la mise en ondes de dramatiques canadiens. On est

parti de cette logique là et on l'a adapté à l'univers de la radio en développant un système qui donne des crédits; si je prends l'exemple du marché francophone, qui donne un crédit de 150% applicable au quota de diffusion de musique de langue française pour la diffusion d'une oeuvre d'un artiste de la relève. En définissant un artiste de la relève comme un artiste qui n'a pas publié plus que 2 albums sur une durée de 48 mois, à partir du moment où l'artiste a publié sa première pièce. C'est pas une définition parfaite.

L'industrie du disque ne partageait pas notre définition mais l'idée pour nous c'était de se dire, il faut que l'on se développe un mécanisme pour faire en sorte que l'on va accroître et qu'on va pouvoir mesurer la présence d'une plus grande diversité de l'offre de musique particulièrement des artistes de la relève. Il y a d'autres pays comme la France qui ont développé un système qui marche par quotas, qui prévoit que les diffuseurs doivent atteindre à la fois un niveau de diffusion de musique de langue française et de diffusion soit de nouvelles oeuvres ou d'artistes de la relève. Nous on a préféré prendre une approche qui est plus fondée sur des mesures incitatives que sur des quotas. Et donc de donner un crédit supplémentaire à la diffusion.

Q7.1 : Ça c'est un crédit qui compte vers le 35% canadien?

R7.1 : Sur le marché anglophone c'est applicable sur le quotas de 35 % de contenu canadien parce que le défi au Canada anglais c'est la diffusion de contenu canadien par rapport au contenu étranger. Sur le marché francophone la problématique n'est pas en matière de diffusion du contenu canadien parce que en moyenne les stations francophones de radio privées diffusent 55% de contenu canadien. Pourquoi? Parce que près de 85% de la musique vocale de langue française qu'elles diffusent est canadienne et québécoise. Sur un quotas de 65% de musique de langue française, c'est ce qui explique, comme... La difficulté, si vous voulez, pour les diffuseurs c'est d'atteindre le quotas de musique de langue française qui est très élevé, qui est le plus élevé au monde, il n'y a pas de quotas musicaux qui exige une proportion de musique soit de contenu national, soit de contenu linguistique, c'est de loin le plus élevé... alors pour les diffuseurs de langue française, là où c'est important d'appliquer les mesures incitatives c'est vers les quotas de musique de langue française. Alors on l'applique, dans notre proposition, le système d'application de bonus est différent dans le marché anglophone que dans le marché francophone. Sur le marché anglophone c'est sur les artistes canadiens de la relève, sur le marché francophone c'est sur les artistes francophones de la relève.

Q8 : Il y a le StarMaker Fund et le CTD fund (Factor) là ce que je me demande c'est que dans la soumission, on parle d'une consolidation des fonds... pouvez-vous m'expliquer d'avantage ce qui en est?

R8 : Il existe 4 fonds d'aide à la musique, deux sur le marché francophone, deux sur le marché anglophone. Marché anglophone, FACTOR qui est un partenariat entre le gouvernement fédéral et les radio-diffuseurs privés qui sert essentiellement à l'enregistrement sonore et qui soutient uniquement l'enregistrement sonore par des maisons de production indépendantes, canadiennes. StarMaker Fund qui est un fond

uniquement commercial, c'est-à-dire qui est financé exclusivement par les radio-diffuseurs est un fonds d'aide à la mise en marché. Donc à la commercialisation des enregistrements sonores, ou à la tournée des artistes. Effet miroir, il y a un équivalent francophone qui est Musicaction et RadioStar suivants exactement les mêmes paramètres. Ce que l'ACR a proposé de dire, c'est nous souhaitons consolider les contributions en développement de talents canadiens, destinées aux fonds d'aide à la musique, vers les deux fonds commerciaux, StarMaker et fonds RadioStar sur le marché francophone. Pourquoi?

Parce que la radio, essentiellement, est un outil de promotion. On estime d'après les analyses qu'on a fait, dans l'univers de la production musicale actuelle, les besoins sont d'avantage criant d'aider à la promotion, à la commercialisation des artistes que d'aller vers l'enregistrement sonore. On souhaite comme radio-diffuseurs qu'il y ait un volume cohérent et conséquent dans l'enregistrement canadien, et canadien de langue française du côté du marché francophone mais on pense que notre action à nous, notre rôle principal, c'est d'aider financièrement à développer la carrière en soutenant la commercialisation des albums ce qui est le rôle des deux commerciaux.

Ce n'est pas de se départir de FACTOR ou de MusicAction, c'est de reconnaître que le gouvernement canadien, que le ministère du patrimoine continue à soutenir FACTOR et MusicAction à des niveaux historiques, des niveaux très élevés, et par ailleurs, le ministère à créer un programme d'aide pour si vous voulez les entreprises de production indépendantes, d'enregistrement sonore, les plus performantes, donc ces entreprises là qui allaient chercher du financement à FACTOR ou à MusicAction s'en vont vers un autre mécanisme, et, ils n'ont plus besoin... je reformule. On a plus besoin d'injecter autant de ressources à FACTOR et à MusicAction que ce que la contribution des dernières années révélait. Les radio diffuseurs privés ont injecté beaucoup d'argent à travers FACTOR et MusicAction et ont souhaité pérenniser les deux fonds privés, parce que, au départ, en 99, lorsque l'on a créé ces fonds là, ils devaient recevoir uniquement des contributions découlant de transferts de propriétés.

Lorsque vous achetez des stations de radios au Canada, vous devez verser une contribution représentant un pourcentage de la valeur de la transaction au soutien de l'industrie de la musique. Et donc, StarMaker et RadioStar ont été créés dans la foulée d'une plus grande industrie de la radio. On voulait s'assurer qu'au delà de la première phase de consolidation, que ces fonds là allaient continuer à exister, parce qu'on juge que leur valeur et leur action est non seulement pertinente mais très importante dans le futur de la musique au Canada. Donc c'est pour ça qu'on a focusé notre attention sur StarMaker et fonds RadioStar, tout en laissant une contribution des radio-diffuseurs au sein de Factor et MusicAction, mais moins élevée. Et notre logique dans le fond était de dire, on ne connaît pas l'avenir, on fonctionne à partir de ce que l'on connaît maintenant et on veut s'assurer que l'argent investi par les radio-diffuseurs privés en développement de talent canadien aille au bon endroit, et soit maximisé et ait un effet de levier important, et on juge que c'est par le biais de ces deux fonds-là, principalement, que l'action va avoir le plus d'impacte.

Q9 : Votre commentaire sur comment les sites comme MySpace facilitent la promotion des artistes par le biais d'autres technologies que la radio, et est-ce que ça affecte la valeur de ces fonds là? Est-ce que la valeur change car il y d'autres moyens?

R9 :

Bien, c'est une bonne question. D'abord, effectivement, l'Internet a complètement révolutionné le modèle économique de l'industrie de la musique. Le commentaire personnel que je ferai c'est, le drame c'est que l'industrie de musique, au lieu de voir l'arrivée d'Internet et de sites comme Napster au départ, et par la suite Kazaa, et tout ce qui a découlé par la suite, au lieu de voir ça comme une façon différente d'offrir la musique aux consommateurs et de répondre aux critiques des consommateurs qui leur disaient, moi je veux continuer d'acheter de la musique mais je ne veux pas payer pour des chansons que je n'écoute pas, a tort ou a raison c'est comme ça que le consommateur fonctionne.... et l'industrie de la musique a eu tendance à plus vouloir, surtout aux E-U poursuivre ceux qui downloadaient, ou téléchargeaient de la musique illégalement, plutôt qu'à chercher des solutions d'affaires pour offrir de la musique en ligne. Ils ont commencé à le faire comme on voit maintenant ça commence à avoir un impacte important mais ils ont perdu une génération de consommateurs.

Pour l'artiste, surtout les artistes de la relève, l'Internet est un outil fascinant et merveilleux qui les libère de l'emprise du modèle d'affaires des compagnies de disques où ils peuvent se faire connaître par un public beaucoup plus large, faire connaître leur produit, par le biais de l'internet. Donc pour eux c'est un outil formidable, mais l'Internet fait en sorte que tu te perds, tu es noyé dans une multitude d'artistes qui veulent aussi se faire connaître et percer auprès d'un public, donc pour relayer sur votre question, des fonds d'aide comme StarMaker et RadioStar doivent être à l'affût de l'évolution de l'industrie de la musique, de la dématérialisation des oeuvres.

Pierre Rodrigue a dû vous parler du phénomène de dématérialisation des oeuvres, qui fait en sorte que l'on doit tenir compte de ces nouveaux véhicules là, et, dans les budgets qui sont alloués à la promotion et à la commercialisation des oeuvres, aussi d'utiliser peut-être pas des véhicules nécessairement comme MySpace mais d'utiliser, de ne pas avoir peur d'utiliser et de faire la promotion d'artistes de la relève d'ici, sur l'Internet pour aller rejoindre les publics qui vont acheter les oeuvres des artistes de la relève surtout et qui vont aller les voir en spectacle parce que pour les artistes, là où ils font de l'argent, là où ils gagnent leur vie, c'est en faisant des spectacles. Beaucoup plus qu'en vendant des disques. C'est là que si on veut soutenir le développement du talent canadien et québécois, et bien il faut qu'on puisse maximiser la visibilité de ces artistes là, et d'avoir de plus en plus de gens qui vont aller les voir en spectacle et en ayant des gens qui vont aller les voir en spectacles, qui vont connaître ces artistes là, bien quand on va jouer leurs pièces, leurs oeuvres à la radio, bien ils vont écouter, plutôt que d'aller s'intoniser ailleurs. Alors c'est le but de l'information.

End.

Appendix D
Release Forms

Appendix E
Example of 100 music tags from Last fm:

1	rock
2	indie
3	seen live
4	alternative
5	electronic
6	metal
7	pop
8	punk
9	indie rock
10	classic rock
11	female vocalists
12	alternative rock
13	jazz
14	electronica
15	hip-hop
16	singer-songwriter
17	folk
18	hardcore
19	emo
20	death metal
21	dance
22	80s
23	ambient
24	black metal
25	progressive rock
26	hard rock
27	industrial
28	punk rock
29	heavy metal

30	japanese
31	experimental
32	favorites
33	chillout
34	rap
35	soundtrack
36	instrumental
37	hip hop
38	british
39	trance
40	soul
41	indie pop
42	metalcore
43	thrash metal
44	progressive metal
45	power metal
46	90s
47	blues
48	reggae
49	acoustic
50	post-rock
51	classical
52	britpop
53	new wave
54	techno
55	ska
56	trip-hop
57	melodic death metal
58	funk
59	psychedelic
60	mellow
61	electro
62	house

63	german
64	screamo
65	grunge
66	chill
67	country
68	gothic metal
69	rnb
70	j-rock
71	gothic
72	love
73	post-punk
74	downtempo
75	albums i own
76	finnish
77	doom metal
78	j-pop
79	favourites
80	idm
81	beautiful
82	canadian
83	piano
84	awesome
85	swedish
86	60s
87	favorite
88	oldies
89	french
90	progressive
91	70s
92	female
93	anime
94	grindcore
95	american

96	ebm
97	jpop
98	folk metal
99	guitar
100	drum and bass

Source: <http://www.last.fm/charts/music/tag/>

