

Satellite radio: a closer look

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The twenty first century marked a new turning point for the radio industry. In 2001, satellite radio was introduced to the public by Sirius and XM companies. The two companies remain to be the leading players in the satellite radio industry. Sirius and XM companies obtained their lead when they were awarded in an auction with the license to utilize the frequencies developed by Digital Audio Radio Service (DARS). The said radio service was commissioned in 1992 to establish radio frequency segments for satellite broadcast in the radio (Kevin). Among the two broadcast satellites initially launched by XM radio are Rock and Roll.

The launching was made in San Diego and Dallas last September 2001. After the successful turnout of the launching, XM radio decided to introduced satellite radio to the entire nation in November 2001 (Satellite Radio USA). Through the satellite radio, listening to one's radio while traveling has become more convenient. Radio frequency is a common problem among radio listeners who are traveling. Oftentimes, they need to change stations because the frequency of the radio stations which they initially listen to has limited frequency. The average frequency of traditional radio is 0 to 40 miles from the source. The radio satellite on the other hand can reach to as far as 22, 000 miles from the source. Thus, a traveler need not frequently change the radio station that he is listening to. How Satellite Radios Work Unlike the analog radio which broadcasts radio frequency to local stationary transmitters and thereafter to the listeners, satellite radio utilizes mobile satellites in order to transmit programs to the listeners. The use of mobile satellites allows the radio system to cater to a wider audience since satellites have the capacity to transmit signal from all over the globe.

Satellite radios allow the radio frequency transmitted to bounce off and reach the listeners (Walker). Interested listeners can avail of the service after they have purchased the necessary programming service. A device is given to the client to enjoy the service. The said device is programmed into a database in order to allow it to receive radio transmissions from specific radio satellites. Entry into the database allows the sending of signal to the device in order to decrypt the satellite frequencies and give the listener radio reception (Walker).

In contrast to traditional radio which can be accessed for free, satellite radio needs subscription before one can enjoy the use thereof. Satellite radio companies do not earn money from advertisements but through subscription. Just like cable television, programs on satellite radios are not bombarded with lengthy advertisements. One can enjoy the comfort of listening to his favorite music or programs without any interruption. Benefits from Satellite Radio Since satellites allow a more liberal way of listening to radio programs by extending the limit of the coverage, there are more benefits that can be generated from it.

Among the benefits is the wide array of radio programs that could be accessed. Listeners can choose to listen to many different programs. They have the liberality to choose which is more adept to their taste and interest for the day. There are more than 60 music channels and 50 other channels dedicated for news, sports, weather, traffic and talk (Satellite Radio USA). Satellite radio is recommended for people who have a penchant for listening to

the radio for long hours and for those who are in search for specific programs such as ESPN, FOX or BBC among others.

The subscription paid for such services is cheaper compared to cable television. Thus, satellite radio does not only provide specialized program listening but it also gives the pocket a breather. If one is only after news in cable television or sports, then he could just opt for this service. The same amount of information could be generated at a cheaper price. Jobs Created
Aside from the wider coverage that satellite radio provides to listeners, it also gives an avenue for more jobs in the broadcast industry.

Since there is a growing market for the satellite radios, there is a need to employ people who will maintain the system and update the devices that the listeners utilize. People from the engineering department as well as those who are knowledgeable with technical matters, can find good jobs in this field. In addition, people who man the broadcast are also given job opportunities. Among the jobs opportunities are: writer for news, sports, talk programs and many others. Proof readers, editors, news readers, news anchors and assistants for such individuals can have fulfilling jobs in this industry.

They have an avenue to exercise their skills and interests in their field of interests. With the rising number of subscribers, there is a possibility that employment in the satellite radio industry will continue to prosper. More programs and maintenance of the existing programs will need more people to man it. If the satellite radio reaches worldwide then there will be more job

opportunities for the said field. However, if there are jobs that are created in this industry there are also jobs which are lost or on the verge of being lost.

Jobs Lost Among the jobs that are being threatened by the satellite radio industry are those which are related to the terrestrial radio industry especially those who are employed in small radio companies which only have limited coverage. Each city has its own radio company which caters news and other events to the locality. Due to the satellite radio innovation, these companies are being threatened with the possibility of closing. They can hardly compete with the satellite radio which provides an array of program line up.

Through the said innovation, people are no longer left with merely an AM or FM radio. They have the capability to explore other genres and listen to the type of program which will suit their taste. The growing interest of the people for such programs make cause the local radio companies, especially those which are only operating on a small scale, to collapse and be erased in the radio industry. Disk Jockeys or DJs, radio commentators and technical support of such companies may kiss their jobs good bye if the advertisers would see that there are only a few people patronizing these programs.

Local radio industries operate based on the number of people who listen to their programs. They adjust to the tastes of the listening public in order to convince companies to advertise their merchandise in their programs.

Advertisers will only waste their resources if there are no significant number of people who are listening to their programs. Aside from employees of the local radio companies, people who specializes on advertisement for radio may

also lose their jobs. They will have to shift their interest for television advertisement or print advertisements.

Effect on local terrestrial broadcasters As indicated earlier, satellite radio threatens the existence of local radio companies. The existence of which may not be significant for avid listeners of satellite radios however, for those who are interested in listening to local news, traffic and talk programs, the lose of local radios has a great weight. The advantage of local radios is their regionalization or focus only to a specific locality. News, traffic updates and issues pertaining to the locality are widely aired by such radio companies.

Their limited jurisdiction allows them to have better focus with the issues as well as with the programs that they create. Most likely, they will adjust their programs based on the interest of the most people in the locality. They will try to please their market as much as possible and give them the satisfaction that they long for a radio station. They also have an advantage in terms of advertisement since they reach their the people locally and regionally. Local companies can advertise their products with such radio stations, unlike in satellite radios which caters to a wide area.

Another advantage thereof is the fact that it is free. There are no special devices or subscription fees that needs to be paid. One only needs his radio in order to have access to the programs (Colliano¹). Despite these advantages, terrestrial radios are still on the verge of losing their space in the radio industry. Such phenomenon cannot solely be attributed to the introduction of satellite radios but also because their have lost their edge which is to provide the latest song in the music industry. Through the

introduction of MP3s, internet downloads and other music gadgets, the edge of radio continued to fade.

The latest songs can be availed of easily through other means than by listening to the radio. This reduces the anticipation from the clients to listen to the latest songs. In addition, radio industries have also abused their good will by infusing too many commercials between their programs (Colliano2). Although advertisements are meant to inform while providing entertainment, too much of it in between programs may irritate the listeners. It suspends their eagerness to listen to the program and thereafter leads to the lose of interest to listen further.

Effect on other industries Through the development of satellite radios, other industries are also affected, some positively and others negatively. Among those industries which can benefit from the introduction of satellite radios are cable programs and channels. Aside from television they can have a new avenue to simulcast their programs. Technical and manufacturing industries can also benefit from the manufacture thereof especially if the number subscribers have increased to greater numbers. More subscribers would mean more devices which will ensure the working of the system.

The industry which are feared to suffer, aside from local radios is the radio advertising sector. They will have no avenue to market their products if the local radio are abolished by the society. Another industry is the music industry. The local radio provides a good avenue for musicians to advertise their music. The wider the avenue for the launching of their music, the

greater is their chance of topping the charts. Rising singers or musicians have lesser chance of introducing their music to a larger audience.

Profitability of the Satellite Radios It has been predicted that the two companies which have licenses to operate satellite radios will start to generate great profits by the year 2009. Although it is enjoying profits now, it is still small considering the high cost of maintenance and operations of the system (Seeking Alpha). Financial writer Robert Walberg (2006), indicated in an article that Sirius, one of the two licensed companies to operate satellite radio is in serious trouble with its finances.

The company fails to gain significant profit during the p of years that it has been operating. Walberg fears that if the trend continues, then Sirius may face serious financial burdens in the future. The company, however, aims of increasing its profits and presumed that more money will be credited to the company as radio satellites continue to be known globally. Among the factors which contribute to low profit are the high costs for product marketability, limited number of subscribers and the high cost that it pays to those who maintain their radio programs.

Compared to the traditional radio which does not pay much for its maintenance, satellite radio operators have more to lose and to earn in order to survive. If the trend continues then, the two companies, Sirius and XM may also face downfall. Sirius intends to increase it market and gain more subscribers in order to generate higher profits and more investors in the future. Nevertheless, financial analysts still maintain a positive view regarding the viability of satellite radios in the market.

The introduction of satellite radios in the market both have its positive and negative effects, however, more than just providing strong competition in the radio industry, satellite radios shows the ingenuity of man and its unending quest for improvement. The use thereof and the elimination of local radios is left to the public to be decided on. Only the people can determined which type of radio broadcasting should dominate the airwaves. The pros and cons should be adequately waived in order to determine the best system which will serve the public at large and at a more beneficial state.