Media and culture chapter 12

Economics, Money

Monopoly: in media economics, an organizational structure that occurs when a single firm dominates production and distribution in a particular industry, either nationally or locally Oligopoly: in media economics, an organizational structure in which a few firms control most of an industry's production and distribution resources Limited Competition: in media economics, a market with many producers and sellers but only a few differentiable products within a particular category; sometimes called monopolistic competition Direct Payment: in media economics, the payment of money, primarily by consumers, for a book, a music CD, a movie, an online computer service, or a cable TV subscription Indirect Payment: in media economics, the financial support of media products by advertisers, who pay for the quantity or quality of audience members that a particular medium attracts Economics of Scale: the economic process of increasing production levels so as to reduce the overall cost per unit Hegemony: the acceptance of the dominant values in a culture by those who are subordinate to those who hold economic and political power Synergy: in media economics, the promotion and sale of a product (and all its versions) throughout the various subsidiaries of a media conglomerate Cultural Imperialism: the phenomenon of American media, fashion, and food dominating the global market and shaping the cultures and identities of other nations How are the three basic structures of mass media organizations–monopoly, oligopoly, and limited competition–different from one another? Monopoly occurs when a single firm dominates production and distribution in the particular industry. It's more common on the local level when talking about grocery stores or newspapers. An oligopoly has a small few firms dominate an industry. This is found in book publishing companies, broadcasters, telephone companies, etc. Oligopolies often add new ideas and product lines by purchasing successful independent companies. Limited competition characterizes a media market with many producers and sellers but only a few products within a particular category. Ex. Radio stations that only play one genre because becoming a commercial broadcast radio show requires an FCC license and major capital investment. What are the differences between direct and indirect payments for media products? Direct payment involves media products supported primarily by consumers, who pay directly for a book, CD, movie, or an internet or cable TV service. Indirect payment involves media products supported primarily by advertisers, who pay for the quantity or quality of audience members that a particular medium delivers. Through direct payment, consumers communicate their preferences immediately. Through the indirect payments of advertising, " the client is the advertiser, not the viewer or listener or reader." What are some of society's key expectations of its media organizations? Key expectations include introducing new technologies to the marketplace; making media products and services available to all economic classes; facilitating free expression and robust political discussion; acting as public watchdogs over wrongdoing; monitoring in times of crisis; playing a positive role in education; and maintaining the quality of culture. Why has the federal government emphasized deregulation at a time when so many media companies are growing so large? Deregulation returned media economics to nineteenth-century principles, which suggested that markets can take care of themselves with little government interference. With new cable channels, DBS, and the Internet, broadcasting was no longer regarded as a scarce resource - once a major rationale for regulation as well as government funding for noncommercial and educational stations. How have media mergers changed the economics of mass media? Until the 1980s, antitrust rules attempted to ensure diversity of ownership among competing businesses. What has occurred is that media competition has been usurped by media consolidation. Most media companies have skirted monopoly charges by purchasing diverse types of mass media rather than trying to control just on medium. How do global and specialized markets factor into the new media economy? How are regular workers affected? Global firms have sought greater profits by moving labor to less economically developed countries that need jobs but have poor health and safety regulations. Continuous outsourcing of many U. S. jobs and the breakdown of global economic borders. Most workers in these countries cannot afford what they are making. Coincides with rise of specialization to counter TV's mass appeal. Niche marketing began even by TV. Using Disney as an example, what is the role of synergy in the current climate of media mergers? Synergy is the promotion and sale of different versions of a media product across the various subsidiaries of a media conglomerate. The role of synergy is extremely important in the current climate of media mergers because synergy creates the most money. Throughout the history of Disney, it wasn't till they began to expand and synergize that they began to make large amounts of profits. Synergy allows markets to earn profits and advance technological innovations. What are the differences between freedom of consumer choice and consumer control? Consumer choice: options among a range of media products. Consumer control: power in deciding what kind of media get created and circulated. Consumers have very little control of the latter. What is cultural imperialism, and what does it have to do with the United States? Cultural imperialism is the phenomenon of American media, fashion, and food dominating the global market and shaping the cultures and identities of other nations. This puts a huge burden on countries attempting to produce their own cultural products. This creates a global village focused on American values, which also destroys other nation's culture. What do critics and activists fear most about the concentration of media ownership? How do media managers and executives respond to these fears? The harshest critics say that this hampers the development of native cultures and negatively influences teenagers, who abandon their own rituals to adopt American tastes. Supporters argue that a universal popular culture creates a global village and fosters communication across national borders. Media managers fear political fallout: " the revolution of rising expectations." What are some promising signs regarding the relationship between media economics and democracy? A promising sign is the media reform movement. To try to reform media control and conglomerate power. Even in the face of so many media mergers, the general public today seems open to such examinations, which might improve the global economy, improve worker conditions, and also serve the public good.