

The Development of Radio and Radio Research

Perspectives Towards a New Order

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In the past, broadcasting was controlled and regulated by the state and most radio channels were reserved for public service broadcasting. Today, all European countries allow private radio and tv. Within this change public service broadcasting has been going through a crisis. Radio research methods relevant in the times of monopoly radio are less effective in understanding this rapid development. When choosing the perspective for studying present and future development of radio becomes necessary to put greater attention on the *industrial-commercial* aspect.

The new situation has become familiar with media researchers. For instance Dennis McQuail and the Euromedia Research Group have described the shift from "the Old Order" to "the New Order". While trying to look at the evidently new media possibilities "It only gradually became apparent that something different and perhaps more fundamental was at stake – a degree and kind of change which could not be easily fitted into established models and frameworks of research into mass media communication and media structures" (McQuail et. Al. 1990, 313)

By "the Old Order" the writers describe the time when public service monopolies were national, political and non-commercial in nature. When the writers formu-

late an analytic model of what is happening today, they end up examining the commerce driven change. They choose a perspective which highlights two main features of current change: firstly the degree to which it is *externally* driven; second, the element of *conflict* between old and new players over the establishment of "the New Order". The authors state that

The new politics is clearly very much concerned with industrial and commercial matters, just as the old politics was primarily cultural and ideological. The new is supranationally oriented, while the old was almost exclusively national. The new is less dominated by established political parties and a broadcasting elite.

Later a third feature of change is added: *fragmentation* (McQuail, de Rosario, Tapper 1992, 15) to the toolbox of "the New Order" radio research.

In this new order there is a change of perspective. Traditional radio had a tendency of seeing things from the senders point of view; in the modern radio, the role of the listener has become more important. The listener is seen more and more as a consumer, whose needs radio tries to satisfy. If this principle is taken as a postulate, it follows that "...broadcast markets, like other markets, are likely to do better job of

satisfying consumer demand efficiently if they are competitive” (OECD 1993,12). But there is also the opposite point of view. For instance, Gustafsson (1992, 73) referring to Icelandic experience states that ”generally speaking, it seems that the likelihood for diversity in media output is greatest where advertising is not the dominant source of revenues”

There are different angles to choose from when analysing the process of deregulation, whether it is a cultural or an economical process. In many countries the forces of change correspond to democratic and cultural values. In Finland communications policy was liberalised in the name of implementing free speech. As international communications expanded there was a desire to steer the main focus of mass communications towards national and particularly local communications. Expectations toward democracy now focused on the spontaneous organisation of citizens’ societies and on the ”democratic potential” offered by new communications technology. Hujanen describes the phenomenon as an unholy alliance for which the motivating force was on the one hand spontaneous citizens’ movements and on the other the developers of new communications technology, its producers and sellers and also communications researchers and advertisers (Hujanen 1991, 35). According to Hujanen, it was the utopia of participation and public access that made the concept ’democratising communications’ so useful in the deregulation of PSB half way through the 1970s. The democracy of communications changed from a positive utopia to an ideology. The concept that originally organised emancipation of subcultures and marginal groups became a tool in the organisation of consumption. In the new context the concept lost its spontaneity and became ideologised. Huj-

nen emphasizes that although the indications local radio operating licences towards the democratisation of communications have remained a dead letter, they have had an important significance in the production of the political legitimacy, without which the breaking down of the public service radio monopoly in the Finnish radio system would not have been possible. ”When the political choice has not had to be made between open economic liberalism and public service public radio operation, but between the democratisation of communications and the old public radio concept it has been easier for politicians to hide their heads in the sand.” (ibid., 43)

Quite soon it was noticed that the liberal principles did not hold. In a study by the Ministry of Transport and Communications (LkM 30/1990) which supervises radio operations, it was stated after five years of local radio activity that it was apparent that ”some of the expectations which relate particularly to extending the implementation of free speech or promoting national culture have not yet been realised”. In the same study it was already observed that Finland should be prepared for the arrival on the home market of foreign media companies.

The Choice of the Public Broadcasters: Adapt, Adopt or Perish?

When radio operation became a market in Europe public radio also had to transform. The pressure from commercial entrepreneurs and some regulators forced the public service broadcasters to start thinking about different strategies. The business approach towards radio emphasizes the role of listener. This is new to the public service companies. What is the fate of the old public service broadcasting, or as it is posed by Brants and Siune (1992) will PSB

adapt, adopt or perish? What is its position in "the New Order"? In this new context the PSB has to define its tasks and its place. The tasks can be seen as two contrasting options for the Public Service Broadcasters (PSB): (1) a "core service" option, in which public broadcasters concentrate on filling the gaps left by the private sector or (2) a "wider service" option, in which public broadcasters provide much broader programming services in direct competition with private operators (Foster 1992, 49). The dominant strategy of PSB is, according to Hultén and Brants (1992, 128) not to adopt the same strategies as commercial competitors, but rather to try to do what public broadcasters define as the essence of their tasks: to offer a full range of programmes and the best of their kind. In order to reach and hold the audience it wants it must re-evaluate its programming and develop it into types of programme product that interest the listener. The traditional structures of mass media will be changed, but Dries and Woldt (1996, 25) see that Public service broadcasting will have to adapt to these changes. Competition will grow, but the new technologies will offer new possibilities for it to fulfil its public mandate.

There is also an idea of polarisation of radio to international and local levels which leaves the role of PSB unclear. For instance, Wallis (1995,14) sees that national radio channels have, with a few exceptions, no *raison d'être* in the future. For a radio operating within the framework of a small national language this type of threatening scenario does not seem as realistic as in the countries of Central Europe. In countries like Finland with a relatively small language area the task of national radio is different. There is increasing need for national services in native languages.

Adopt? No; the tasks and status of the public service do not permit the copying of the commercial concept as it stands. At least not yet. Some better functioning features of commercial radio may be accepted, but not the concept of commercial radio as a whole. That leaves us adapt. This is precisely what has occurred in the bulk of European PSB radios, but without adhering to the core service option referred to by Foster.

The PSB is still going strong. Without losing their traditional public core service tasks the companies have offered new wider service programming in which channels are profiled and the mode of expression is renewed. In encountering competition the established radios have increased the amount of programmes they provide and some have taken up advertising. Programmes have become less patronising and increasing consideration is being given to public taste. It has been necessary in a number of companies to cut production costs, but this has not decreased the amount of output even though for instance Gronow, Lannegren and Maren (1992) perceive some indicators that companies are cautiously cutting down some of their most expensive programme types, such as live music, radio plays and documentaries.

The Act on Yleisradio (1993) consolidated and strengthened the position and financing of public service Yleisradio (YLE) as well as its autonomous programme policy of a full service based on statute in Finland. The law states that the company shall be responsible for the provision of comprehensive broadcasting services for all citizens under equal conditions. One can therefore say that in Finland the wider service option for PSB was chosen.

At stake are not only programming, formats and audiences, there is also the ques-

tion of doing things in a new way. The entire radio operation has begun to move towards a new structural model which public service national radios are tending to follow. This new model is characterised by ever more flexible practices in employment contracts, the use of freelance and temporary workers and by mobility. This can be seen also in Finland. Along with commercial radio a new integrated production culture came to YLE's radio operation as well. Work is done with less staff and the traditional boundaries between duties are being brought down. (see Foster 1993)

The change from traditional thinking into market orientation has not been easy or unproblematic inside the PSB companies and when they finally start changing, there is a danger of overacting. One can see many of the newcomers to the radio broadcasting business and even some of the current management of traditional radio broadcasting as a class of fools who "know the price of everything and the value of nothing", as Wallis (1995, 11) sarcastically describes it, borrowing the worlds of Oscar Wilde.

Is it true that the great quantity and variety of programmes and channels actually increase freedom of choice? Jauert and Prehn (1994) give a negative answer. They talk about a media policy paradox in which consumer-oriented argument for deregulation, i.e. great diversity in terms of programming and thus more scope for choice by the audience, now in fact turns out to have changed to its opposite: a standardization and simplification of radio output. According to this reasoning there is actually less choice with more channels. This can be compared with how competing journalists making thoughtful and often very personal choices can produce such similar news as Bennett (1996, 375) points out.

In the last half of this decade radio operations have been experiencing the greatest change since the transfer from the AM to the FM band. The transfer to digital radio (DAB) and the digitalization of the entire production chain and programme transmission technology will bring with it a new overall scenario. The activities of commercial radio are shared out within the framework of the conditions set by the new digital operating environment. Wavebands were allocated in 1995 in Wiesbaden where Finland was given two band blocks, one for national and one for regional broadcasting operations.

Has the development in the field of European radio towards commercialism reached its peak? Could there possibly be a trend shift towards PSB? Or has the reorganisation of radio emphasized the traditional tasks of PSB? The answer depends on how you look at it. Do you have favour of the Competition Directorate or that of the political decision maker. The answers are different. Certainly, nowadays you certainly find more defenders of the PSB than in the 80s.

At least, the question of freedom of speech has temporarily vanished from the agenda of European radio policy as it was discussed in the mid-80s, when the radio field was originally deregulated. Even the most vehement defenders of democratic radio no longer claim that a radio network that churns out nothing but hit music represents the highest degree of free speech. On the contrary, in the debate between nations anxiety about the position of PSB has begun to emerge. At their Fourth Ministerial Conference of the Council of Europe on Mass Media Policy held in Prague on 7-8 December 1994 the participants adopted a resolution on the future of public service broadcasting. This Resolution No.1 marked a turn away from the steady

trend at the European level towards the de-regulation of broadcasting. Porter (1995) points out, however, that this is a non-binding resolution and that even though they have signed it governments can still act in a different way from what is said in the final resolution.

As for the European Union, the problem of regulating media is, according to Kaitatzi-Whitlock (1996, 455), attributable to the EC's 'impotence' in dealing with such problems, notably due to its institutional and political development which is inadequate to withstand the pressures of global competition and global capital integration". Being also sceptical on the Prague-statement, Raboy (1996, 2) sees that the questions concerning the structures of broadcasting are anyhow increasingly global ones. "In the new broadcasting environment, the issue of public service broadcasting can be reduced to this: What social and cultural goals attributed to broadcasting require a specially mandated, non-commercially driven organization, publicly owned, publicly funded to extent necessary, and publicly accountable?" And Raboy answers that "the challenge is not to defend any particular institutional territory, as it is often framed. It is rather how to invent something new, remembering that broadcasting service is first of all a public good" (ibid.,14).

The question remains, can public service broadcasting survive in Western Europe. Lowe (1992) has a dual answer: "Yes and no. Yes it can survive, but not in the form(s) with which most of us have become accustomed. The conditions and contexts in which European public service broadcasting exists have changed so thoroughly that a complicated process of adaptation is necessary". Another approach is to open a wholly new page in the question of public service by trying to reformulate

the tasks of public service broadcasting, which i.e. Raboy is aiming at.

Regarding the overall development of radio operations, the crucial position is however occupied by the authorities who oversee that operation: in Finland the Ministry of Transport and Communications. It is not likely that radio competition on completely free market terms will be seen in any European country. The issue is one of the degree of deregulation: should the regulator ensure as in Britain that there are not too many similar products at the same time in one market, or should he give a freer hand and then look to see after one year who is still alive.

Radio Goes Commercial in Finland

The history of adaptation in Finland did not begin in 1985 with the start of commercial radio stations. The background of the change was influenced earlier by dissatisfaction with public service monopoly radio. In the 60s and 70s this dissatisfaction was channelled through pirate radio stations. The European radio scene was characterised by a lack of entertainment programming (see: Prehn 1992, Kempainen 1992). In Finland the one year long existence of Radio Nord, a pirate in the Baltic Sea, led to the establishment of the Melody radio in the Finnish Broadcasting Company (YLE) in 1963. This meant a rapid increase in the amount of light music on radio waves. At the beginning of the 70s, music programming aimed directly at the young was increased by commencing a daily programme named Rockradio. However, this did not change the nature of the overall programming in Finland, and at the beginning of the 80s young people began to abandon YLE even before the advent of commercial local radio stations started

in 1985. In their idealism and enthusiasm the first commercial stations appealed especially to the young audience. At the end of the 80s, there were 66 local commercial radios around the country. YLE had developed its regional services largely by the mid 80s and had partly profiled the two existing channels, but this was only preliminary action towards a more profound reorganisation.

YLE's major radio reform took place in 1990. The preconditions for YLE's new channel allocation were already created four years before the actual change in a strategic memo by the YLE administration (1986) that decided on the construction of a third FM network. The programming character of the channels was delineated when the decision on the system of three profiled channels was made (The main lines of YLE's reorganisation, 1988). The startingpoint of YLE's radio strategy was clear division of labour between the channels: the culture channel, the news & regional channel and the youth channel (Kempainen 1993). The basic solution resembles the division of channels implemented in many PSB companies. Regarding the youth channel however the aim was to create a full service channel for the target audience in which the entertainment elements, the form and the music are important in themselves, but also function as a carrying wave for the thematic content and substance. A substance perspective was also linked to the music programming, the music policy line of the youth channel was defined in good time before the start (music profiling group, 1990).

The youth channel got a controversial name: Radiomafia. The channel was a national solution and closely linked to its time: aggressive, lively, intelligent and opinionated. Traditionally Finns have studied the model of Britain and Sweden in radio.

But now the BBC's Radio 1 was too light and British to be an example. Swedish Radio's light channel P3 was very middle-aged, although very professional in its production. In Finland the new channel had to take the initiative at one blow. The idea was that young listeners must be taken by storm, they had to be given the message that the old bureaucratic fossilized and slow YLE had changed. (Kempainen and Soramäki, 1995,35) PSB's battle for young listeners was centrally a battle against images and in this sense the job succeeded – at least temporarily. Young people accepted the new channel, which was strongly committed to their lifestyle, their values and popular culture and had the advantage having the name disliked by parents. The fact that Radiomafia became the favourite channel of 15-24 year-olds was not however entirely due to its own efforts. Commercial radios had passed the phase of initial enthusiasm and the economic operating conditions had also narrowed. The severe economic depression which hit Finland in the beginning of 90s forced the commercial local radio stations to face harsh realities. In order to stay alive they had to revise their format and resort to adult listeners where shrinking advertising money was to be found.

YLE's rehabilitation among young people remained only a temporary phenomenon in the Helsinki region, which was the most competitive market at the time. Gradually, the new music format radios have now turned the power relations in all the big cities back in favour of commercial radios in the demography of youth.

Internationalisation, Concentration and Networking

Over the last few years the nature of commercial radio operations has been chang-

ing. Commercial radio is concentrating, forming networks and becoming internationally owned. Classic FM, which broadcasts popular classical music, has a licence in 28 cities. Kiss FM which broadcasts pop hits aimed at teenagers has begun operations in the capital city area and in the other big cities Turku, Tampere and Oulu. The same holding company also owns a local radio station in these cities.

The advent on the market of large foreign companies has continued. The most important of these are SBS which is part of the Walt Disney/Capital Cities group (Kiss FM and local stations), the British Classic FM and the French NRJ, which in a few years has thrust its way to being the leading commercial radio chain in France. In Sweden the company has a chain of 19 stations. In Finland too the company has announced that it is striving to extend its operation around the country.

The first nationwide commercial radio operating licence was granted to Oy Suomen Utisradio Ab (Finnish News Radio) to begin broadcasting on the first of May 1997. The station has a news and music format with extensive news coverage, current affairs programmes and Finnish music. Utisradio is owned by the commercial television company MTV Finland and the country's second largest daily newspaper Aamulehti Group, and the communication companies of the three biggest political parties. The granting of a nationwide commercial radio operating licence to MTV with Aamulehti is part of an integrated policy package in which the new TV-channel Ruutunelonen was granted a fourth nationwide television channel concession. The main owner of Ruutunelonen is Helsinki Media which is one of the Erkko family companies. All these decisions have consolidated the national media policy favouring domestic operators. Gustafsson (1996,

181) is not surprised that Helsinki Media got the tv-channel instead of Luxembourg based CLT. It was the secure domestic capital that won the competition. Gustafsson sees that almost the same thing has happened in Norway with Schibsted publishing house and is going to happen in Sweden with the Marienberg Group.

So the FM band is starting to look pretty lively. In the final analysis, it seems that the direction of development will tend towards internationalisation and syndication. Direct and immediate financial profitability is only important for those commercial local radios which are not backed by a large foreign or domestic company, and which have the resources to maintain unprofitable radio operation for a long time if it is perceived to be important for future scenarios. Large conglomerates can also buy the stations they want. Finnish commercial radio may also form into large supranational chains of companies. The question is, whether the whole sector will make up, instead of a free market, an oligopoly of large firms. This development would lead a long way from the democratic utopias of the pioneer times of commercial radio in Finland ten years ago.

In Conclusion

All these rapid changes bring us back to the questions of plurality, quality, similarity and democracy. Opening up to competition has brought a new dynamic to the radio field and this has clearly also affected publish service YLE's operations. The company, which was accustomed to being a monopoly has had to look in the mirror and try to make a critical assessment of itself and its operations. It has had to join in the competition in order to preserve an adequate share of the audience. This was vital in order that it should not lose its ac-

countability and thus the basis for collecting licence fees.

As radio operations become commercial and international, it is important to see that radio is only one media among others and part of wider business operations: Kinnevik, Marieberg, SBS and CLT are among the companies that carry out a variety of activities in many countries and in many medias. Many supranational media conglomerates also maintain radio operations partly as pilot activity for future television operations. One should also keep in mind that when talking about electronic media, the main stage is television and radio is in most cases a side stage.

This brings us back to the observations that McQuail et.al. outlined in the beginning of this chapter. In a rapidly developing operating environment the researcher is always obliged to draw a boundary at some point in development and at the same time to realise that the data collected becomes out of date in a trice. In spite of this it is easy to join with McQuail and the Euromedia Research Group in stating that: "There is one imperative to which it is easy to respond – the need for descriptive information about what is going on."

The changed situation implicates changes also in radio research. The traditional methods audience research naturally have their place in the future. But there is also room for improvement. Spogård (1996, 23) talks about measuring audience appreciation in television, but the same argument goes for radio as well. "In a new world

with many narrow programmes with equal ratings, the audience appreciation figures will become and more important both in commercial terms and in terms of obtaining a better understanding of *why* people are watching and not just whether they are watching." Similarly, it is more important to focus on *who* is listening, rather than how many.

It is, however, not enough to improve existing research traditions. To the radio researcher in the new situation, it is a challenge to balance the traditional field of media research focusing on audiences, contents and media functions, and the aspects relating to radio as one part of the growing field of media business. Until now the new situation has been approached with the tools of market research. This includes studies on lifestyle (Monitor, RISC), daily allocation of time, music taste, audience satisfaction and channel image (Brand Metrics and Radio Profile). These are the tools of a single operator when finding a niche in the competitive field of radio.

If the research community has the ambitions to analyse the development from a macro perspective, these methods will not be sufficient. One must create a new perspective and acquire additional analytical machinery for use in sketching the development. The *radio industry* is a European media sector of business which will continue to be divided into public and private sectors. Researching it will be fruitful when consideration is given to both the industrial perspective and the media perspective.

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