

Eli M. Noam, **Media Ownership and Concentration in America**, Oxford University Press, 2009, 489 pp., \$79.20 (hardcover).

Reviewed by
Jonathan David Aronson
University of Southern California

Eli Noam occupies a unique place among leading communication and media academics. He is prolific, insightful, and wide-ranging in his explorations. Again and again he provides snapshots — landscapes really — of the state of play in critical geographic and functional areas relating to communication, media, and information technology and policy.

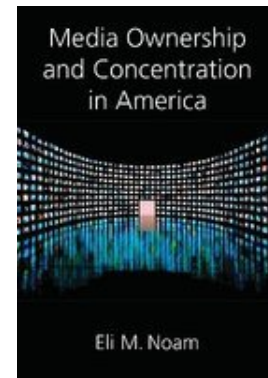
Prior to the current volume, I count eight books that he wrote and another 11 that he co-edited just since 1990. The eight books he authored are:

- *Telecommunications Meltdown* (in Japanese), NTT Publishing, 2005.
- *Interconnecting the Network of Networks*, MIT Press, 2001.
- *Telecommunications in Africa*, Oxford, 1999.
- *Telecommunications in Latin America*, Oxford, 1998.
- *Public Television in America*, Bertelsmann Foundation, 1998.
- *Telecommunications in Western Asia*, Oxford, 1997.
- *Telecommunications in Europe*, Oxford, 1992.
- *Television in Europe*, Oxford, 1991.

And, this list does not include another half dozen or so books in preparation or numerous articles, chapters, commentaries, testimony, and columns for the *Financial Times*. This avalanche of research and ideas has shone an important light on the field but Noam's productivity also is profoundly humbling and depressing for the rest of us.

The current volume, *Media Ownership and Concentration in America*, is especially ambitious, with its origins going back more than a decade. Noam's goal is to examine "whether, where, and how American media are becoming more (or less) concentrate" (p. 4). He begins by presenting a model of the dynamics of media concentration. He defines the markets of concern and shows his methodology for measuring concentration. Having laid out his approach, Noam turns to his analysis of media, information, telecommunications, and Internet industries, providing a comprehensive data analysis of the market shares in each segment.

Four caveats are in order. First, Noam focuses on the United States and avoids losing focus by trying to globalize his study. Second, he has resisted the temptation to make policy recommendations and instead concentrates on the data and its analysis. Third, there is data in abundance. I counted almost 350 tables, graphs, and figures spread across nearly 450 pages of text laid out in double columns of small



print. The bibliography is extensive and notes carefully document Noam's research. And finally, few readers will read this volume sequentially from start to finish. It is a compendium of research on about 100 subsectors of the U.S. media, information, telecommunication, and Internet media sectors. As Noam recognizes, readers are likely to pay particular attention to the sections on segments they care about and skim over or skip altogether other sections of the book.

Noam's central finding is that from 1984 to the mid-2000s, the overall non-mass media sector concentration followed a "U-shaped path." In many sectors, concentration declined markedly from 1984 to 1992, during the second Reagan and George H. W. Bush administrations. During Clinton's presidency (1994–2002), concentration rose again, though not quite to the levels of 1984. Between 2001 and 2005 concentration again declined slightly. Nonetheless, only a few sectors are approaching a monopoly situation with more 60% market control by a single firm. Oligopoly is far more common. These finding may surprise those who presume that Democrats are tougher on big business than Republicans.

By contrast, Noam finds, most mass media industries experienced gradual, but continuing increases in concentration during the two plus decades under review (from 13% controlled by the top five firms in 1984 to 26% in 2005). Despite a significant number of mergers, mass media concentration remains lower than in the information and telecom realms, but the gap is closing. Media subsectors that have greater electronic and digital emphasis tend to be more concentrated than in those that are less dependent on electronic and digital tools. The level of concentration has not yet reached the high tide marks some outside critics fear, but Noam believes concentration is likely to continue to increase so that in the future media is likely "to be dominated by a few relatively focused integrator firms that put together elements provided by numerous smaller specialist firms" (p. 6). Throughout the period, regulators struggled for relevance trailing behind the transformation of the mass media, information, and communication industries.

During the two decades, Noam studies ownership by "insiders" (founders, their families, and top managers) declined steadily while institutional ownership grew apace. Institutions, in general, now own a few percent of many firms and do not concentrate their ownership in a few firms. And, despite the incessant buzz about growing convergence, Noam concludes that few firms active in one part of the information technology world (mass media, telecom, and IT) have moved aggressively into another part of the industry. The exception to this non-compete finding is that firms from all three parts of the information market have moved strongly into the Internet space.

Each substantive section provides a brief history and description of the market structure of the various segments. Noam presents a picture, one sector after another. The sections, chapters, and sub-chapters that make up more than half of the book (pp. 53–294) are far too extensive to be captured in a short review. However, each sector is briefly, but meticulously, presented. Readers focused on some sectors more than others will concentrate their attention accordingly. In the spirit of the volume, an outline, covering more than half of the book provides a fine overview of the scope of the industries covered and also a thumbnail map of the mass media, information, communication and Internet terrain:

I. Mass Media

- A. Electronic Mass Media: Retail Distribution
 - 1. Radio
 - 2. Broadcast Television
 - 3. Cable TV Distribution
 - 4. Direct Broadcast Satellites
- B. Program Networks
 - 1. Radio Program Networks
 - 2. TV Program Provision
 - 3. Cable TV Program Networks
 - 4. Program Networks Combined
- C. Film
 - 1. Film Production
 - 2. Movie Theaters
 - 3. Home Video
- D. Music
 - 1. Music Industry
 - 2. Licensing Rights
 - 3. Music Production and Distribution
 - 4. Music Retailing
- E. Print and Publishing
 - 1. Newspapers
 - 2. Books
 - a. Book Distribution
 - b. Online Book Retailing
 - 3. Magazines
 - a. Individual Magazines
 - b. Academic Journals
 - c. Local Magazines and Periodicals

II. Information Technology

- A. Consumer Electronics Media Devices
 - 1. Television Sets
 - 2. Home Video Equipment
 - 3. Camcorders
 - 4. Satellite Receivers
 - 5. CD and MP3 Players
 - 6. Audio Systems
- B. Computer and Software Sector
 - 1. Computer Hardware: Computers
 - a. Supercomputers
 - b. Mainframe Computers
 - c. Midrange Computers and Work Stations

- d. Microcomputers
 - e. Video Game Hardware
 - f. PDAs and Handheld Computers
 - 2. Computer Hardware: Peripherals and Storage Devices
 - a. Disc Drives
 - b. Printers and Copiers
 - c. Modems
 - 3. Computer Hardware: Semiconductors
 - a. Memory Chips
 - b. Central Processors
 - 4. Computer Software
 - a. Systems Software
 - b. Software Services
- III. Telecommunications
- A. Telecommunications Services and Equipment
 - 1. Telecommunications Services
 - a. Local Services
 - b. Long-Distance Services
 - c. Mobile Services
 - 2. Telecommunication Equipment
 - a. Customer Premises Equipment
 - b. Network Equipment
- IV. Internet Media
- A. The Internet
 - 1. Backbone Infrastructure
 - 2. Service Providers
 - 3. Broadband Service
 - 4. Navigational Software
 - 5. Web Directories and Search Engines
 - 6. Web Portals
 - 7. Internet Telephony Applications
 - 8. Media Player Software

After plowing through sector after sector, Noam pulls together the data and turns to trends in national concentration across the sectors: horizontal, vertical, cross-industry, and local. His comparative analysis is dense and detailed, relying on almost 100 tables and figures, comprising more than half of the page-length in the section. He paints a textured picture of concentration spanning about 100 separate subsectors, showing highs and lows as well as trends in concentration. Overall, he concludes:

the popular belief that convergence in the information industries has resulted in a small group of media moguls is not an accurate one. A better description is one of a large

number of fund managers owning, on behalf of their fund investors, narrow slices of a big pie. (p. 407)

Noam turns to policy choices and implications only in the final three pages of text (pp. 443–446). He lays out six policy options available to regulators:

1. Laissez-faire: Hope that competitive market forces do the job
2. Access requirements: Assure “access of alternative voices, technologies, and providers.”
3. Public service institutions: “Create new public-service vices, networks, or institutions that enable them.”
4. Nonprofit providers: “Marshall the *civil society* sector.”
5. Behavioral regulations: “Establish behavioral requirements of content diversity on private media.”
6. Structural rules: Intervene in media markets in order to make them less dominated by a few large participants.”

Government will have to decide how to adapt and combine these approaches to deal with information industry in which the mass media sector has grown in concentration even as other information sectors have dropped slightly in concentration since 1984. The concentration of mass media, in particular, was not as great as critics feared in 2005, but it continues to grow raising challenges for would-be regulators.

Media and Concentration in America is a remarkable volume. Noam sweeps away theories, claims, and innuendo, replacing it with a cross-cutting model and evidence and insight about the evolution of the information economy in America during a critical two-decade period. It is the best and most comprehensive volume on the state of media concentration as of 2005 and nothing of this scope is likely to emerge again anytime soon. Researchers will find it extremely valuable to refer to it and build on it going forward.

At the same time, Noam has knowingly undertaken a project on an industry that continues to evolve and change rapidly. Further, each year that the global economy impinges on the U.S. industry makes it increasingly difficult to project trends into the future. Whether the trends noted by Noam will continue on in the future is impossible to say.