

Remarks to Int'l Broadcaster's Conference in Dallas-September 2011

Good morning...it is a privilege and an honor to address such a distinguished group of international 'content delivery folks' such as yourselves! I could have said broadcasters, but when you think closely about it, we are really in the content delivery business.

I come from a background in domestic media in the United States. I started in commercial broadcasting at age 13 when I started doing weekend janitorial work at a small medium wave station in the state of Kansas. I have been a licensed Amateur Radio operator since I was 11 years old. By the time I was 15 I was doing engineering and air work for a group of radio stations in the mid-western part of the U.S. So I feel a real affinity for our meeting together.

May I address three trends I see emerging on a Global scale? I'll address these from several perspectives. In the last 3 years I have visited 30 countries and observed media platforms. I speak as the leader of a global organization that speaks to 160 countries in over 200 languages. And as a concerned world citizen, who is interested in seeing content delivered in effective ways.

1. The fractionalizing of Media.

Content is delivered on so many platforms these days... everyone is fighting to have their voice heard on their platform. Video vs. Audio platforms. Local vs. Regional Platforms. National vs. International platforms. Digital vs. traditional platforms. Social media vs. traditional long-form media. Generational shifts in the way the next generation vs. the current generation consume content. The list is expanding every day.

Because of this fractionalizing of media. Everyone is shouting louder to get the attention of consumers to consume their content.

In the U.S. the PPM meter tries to watch almost instantaneously people's response to various platforms. The platform or outlet that shouts the loudest or is the "coolest" gets the most ratings. This is driven because of the commercial nature of broadcast platforms in the U.S. But other countries are struggling with these dynamics regardless of the mode of funding employed.

The same is true on a global scale. Digital vs. Traditional Broadcast platforms are vying for audiences. Medium Wave vs. FM vs. Shortwave...the list just gets bigger every day.

We live in a world where change and competition for the media consumer is getting fiercer monthly.

For those of us who are involved in Global Broadcast platforms this affects budgets, perceptions and morale of our staffs.

In short...it seems Media is nearing schizophrenia!

How in the world do we cope, much less strategically plan for the future? When it seems like the 'long-term future' is somewhere around three months in the digital world.

If I may make an observation on the Global Broadcast community...we have not helped ourselves by taking a business as usual approach. It is NOT business as usual!

I have watched over the last 5 years the DRM discussions. Windows of opportunity have been missed and missed again! The inability to provide inexpensive receivers has taken the industry to the brink of

extinction. This is not smart, and certainly is not going to keep this viable platform alive. Wake up and smell the coffee...it's time to not do things "business as usual!"

Short-wave platforms will remain viable with new awareness campaigns and cross promotion from the digital platform being employed. Quality content and quality delivery can help keep this multi-national content delivery platform viable and appreciated. There will always be a mystical feeling about short wave and a globalness that captures the imagination of the listener.

2. There is a trend toward localization rather than globalization of Media platforms.

This is interesting with the drive toward Globalization of economies and cultures. Governments, technologies and the marketplace are driving to "localization."

Local FM stations deliver clear, high fidelity, non-fade signals vs. the fading, lower quality audio of medium wave and short wave. Thus the listening public in high-density population areas migrates to FM or high-powered medium wave stations for local programming. If DRM can deliver on it's promise of a quality signal over a large section of geography it will have a future, but it will require creating "buzz" and excitement about a new delivery vehicle.

Governments tend to favor localization because of public perception management. Short wave and high power medium wave outlets can help fill in information vacuums due to unique situations.

As a global community, the ability to move content over geographical borders is necessary to preserve human dignity and, in some cases, physical well being.

In our particular organization's application, we believe that our content is global in nature and is beneficial to more than just one country with universal applications for all of mankind.

3. The economics of media are changing!

The millennial generation has been raised on Napster, a somewhat "free" internet and an expectation that content should be provided at low or no charge. This is having a huge impact on the monetization of digital platforms.

Most digital platforms make money on the information they collect on those who use those platforms, an interesting commentary on how to create cash flows from the personal privacy of individuals.

To stay relevant we must "price point" receivers so that people will be willing to pay for them. They have to be simple, inexpensive and accessible! For the developing world this is probably at or under \$20.

In the case of DRM receivers, we need to begin to think smaller margins over mass markets, rather than recouping development costs through large margins from "early adapters." As a friend of mine in the chip industry recently told me, "We have to think in the millions of low cost units rather than high margins on thousands of units." I returned from India in July and I would have to say that this seems to bear out in reality.

We must also emphasize to potential users the ability to create impressions on listeners over large geographical areas on a low 'per-person' cost.

Chris Anderson's book, "The Long Tail" seems to set the rules for moving into media distribution over the next foreseeable future.

We at this conference are facing a number of challenges! Everything is changing. While we crave stability and a return to the comfort of the past. Unfortunately, that will not be the case. Short wave has a future...if we are willing to once again make it an attractive platform that is easily accessible to the general public that are cross-promoted from other media platforms.

Broadcast platforms are still the most cost effective way to reach large numbers of people at a relatively low 'per individual' cost. Even the most prolific "Twitter" or "Facebook" users may have 1 million followers, a million listeners on a broadcast platform is a small listenership. Every digital content provider dreams of having something that "goes viral." When in reality, only one piece of content in a millions ever attains viral status and a broad exposure.

Broadcast platforms, every day, touch the masses without the "fickleness" of the digital platform and consumer.

We do have a future, but it is time we begin to envision, articulate and program to reach a whole new broadcast audience with new delivery methods, new exciting content and being agile to capture a moving audience.

Thank you for your attentiveness and the privilege to address you today.

Lauren Libby