1. Concentration Trends in Twelve U.S. Industries
A. Print
U.S. Book Publishing -- Concentration Trends

- C4
- HHI
- Noam Index x10


Graph showing concentration trends from 1984 to 2009.
U.S. Local Mass Media Concentration

HHI

Local Newspaper
Local Magazines
B. Film & TV
U.S. Radio Stations & Networks -- Concentration Trends

C4

HHI & Noam

C4

HHI

Noam Index

U.S. Radio Stations & Networks -- Concentration Trends

C4

HHI & Noam

C4

HHI

Noam Index

U.S. Television Stations & Networks -- Concentration Trends

- C4
- HHI & Noam Index

Graph showing concentration trends from 1984 to 2009.
U.S. Local Mass Media Concentration

HHI

Local Radio
Local Television
Local Multichannel
U.S. Multichannel -- Concentration Trends

C4

HHI & Noam


C4

HHI

Noam Index x5

1000 1200 1400 1600 1800 2000

0 10 20 30 40 50 60 70 80 90 100

C. Telecom
U.S. Mobile Cellular Service -- Concentration Trends

C4

HHI & Noam Index

U.S. Mobile Cellular Service -- Concentration Trends

C4

HHI & Noam Index


HHI & Noam Index
D. Internet
U.S. Internet Service Providers -- Concentration Trends

- C4
- HHI
- Noam Index x5

Graph showing concentration trends from 1999 to 2009.
U.S. Search Engines -- Concentration Trends

- C4
- HHI & Noam

Graph showing concentration trends for U.S. search engines from 1997 to 2009.
E. Vertical
Major De-mergers

- Viacom- CBS
- Time Warner-AOL-Time Warner Cable
- Clear Channel
- Reader’s Digest
- Tribune-Times Mirror
LESSONS AND OBSERVATIONS

• #1: the concentration in distribution is higher, and growing higher, than in the content side of the business.
• #2: the two positive values, localism and diversity, can be easily at conflict with each other.
• #3: The trend one can observe—concentrated markets in distribution, and competitive markets in production of media.
• #4: where deconcentration is based on regulation, the market structure is temporary. If the difference of natural equilibrium and regulation is too large, it will not be stable.
• #5: expansion that is financially based on high debt will be temporary, and be followed by contraction.
LESSONS AND OBSERVATIONS 2

• #6: monopolies are becoming rare, but oligopolies are becoming common, down from monopoly, up from competition
• #7: the major public conflicts over media concentration are not where the actual problem is the greatest, but instead where there exist regulatory tools.
• #8: left to itself, the telecom market will become a duopoly of telecom and cable TV.
• #9: The natural equilibrium for mobile wireless is a. national footprints rather than regional ones; and b. the number of such national companies is 2.5–two large firms and a niche player.
• #10: The internet may be an engine of competition for established markets. But when it comes to the internet industries themselves, they are highly concentrated, both in infrastructure or in central applications.

• #11: Economies of scale often exceed the economies of scope—there are greater advantage of specialization than in conglomeration or vertical integration.
• Lesson #12: Do not talk too long.
End of Presentation

Thank you

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