

Abstract

As digital convergence becomes mainstream, the operation and development of the radio broadcasting not only faces fierce competition within the industry, but is also being affected by a range of other factors. Changes in society and consumer habits, economic conditions (economic prosperity), changes in government policies and regulations, such as the revision of the Radio and Television Act, and last but not least, a plethora of technological developments that are transforming communications and facilitating new media all are having a significant impact.

This study first adopts a literature review method to analyze current conditions of radio broadcasting in Taiwan, as well as other nations, with view to assessing the impact digital convergence has had and providing an overview of both the current situation for industry and government's policies. Secondly, through use of a survey, the study ascertains the operating conditions of broadcasters and program production of radio stations, and audience's listening behaviors.

To follow, domestic broadcasting operators, listeners, scholars and experts, and various stakeholders are invited to join in-depth interviews and focus group symposium discussions, with the aim of compiling and analyzing relevant suggestions, in order to tackle relevant issues and map the best path forward.

Main findings

1. Current status of the radio broadcasting industry: Radio stations in Taiwan recruit

on average six to ten regular employees; operating income has fallen to 10-30 million NT dollars per year, making the scale of industry small and insufficient. For revenue, 40% is obtained from advertising fees and another 26% from time-slot fees. The age of their target audience is generally for older people; 24% of overall listener population are aged 50-59, and listeners between 40-49 and over 60 years old account for 23% and 21% of overall listenership. Without a doubt, the biggest dilemma radio stations face today is from "new media encroaching in market competition", accounting for nearly 30% of stations.

As for the content production and broadcasting of radio programs and radio news, more than 50% are dealt with in-house staff, and among them, live programs and pre-recorded programs are the most common at about 20%; nearly 30% of the broadcasters also outsource radio programs to personnel non-standard employment. Most of these programs are also made to be presented as live shows and pre-recorded programs.

In response to the operation transformation strategy of digital convergence, the overall industry performance received an 'average' evaluation, but 23% industry also rated 'good', showing that the industry is satisfied with its overall operation. As for the use of new media technology to promote business, 48% of the broadcasters have adopted cooperation with social media or used related technologies, while 38% answered that they currently had no relevant plans. More than 30% of broadcasters use "social media platforms" to expand their target audience, and those with official websites accounted for 26%. However, more than 50% of radio

stations do not use innovative technology at all, and the usage of video streaming applications accounts for just 40%, indicating that the broadcasting industry has somewhat stagnated in response to digital convergence.

In terms of government regulations and policies, about 42% of radio stations wish to relax control on the proportion of simulcast programs, while 38% hope to maintain the status quo; 46% of the broadcasters would like control on the proportion of business equity to be relaxed, while 41% replied they hope it could remain as it is. As for shareholding ownership restrictions, 'deregulation' accounted for 44% of responses, and 'maintaining the status quo' accounted for approximately 43%. Thus, we can note that most broadcasters would like supervision on restriction and regulations to be relaxed.

(2) In terms of listening behavior, listening to traditional terrestrial radio has declined. In addition, cross-industry competitive pressure has become a major concern. Survey results show that apart from 'lack of time', the main reason why people do not listen to the radio as often as before is that they prefer watching television or online media.

As for the future of broadcasting industry, survey results showed, in fact, most people still listen to traditional radio when they drive to work in the morning; most listening to music, traffic information and news. As for increasing listenership, high-power radio stations mainly operate community platforms to increase reach, while medium-power radio stations mainly use their own websites to do so. As for low-power radio stations, due to lack of labor, equipment, and resources, they generally

cannot develop a specific digital transformation plan to cope with the threat from emerging media.

(3) As for operation status and service model of the broadcasting industry, the study analyzed the broadcasting industry's transformation through five indicators evaluated from the industry's value chain:

- (1) perception of radio;
- (2) content development production;
- (3) acquisition and placement of advertising;
- (4) technical distribution; and
- (5) marketing and distribution.

(4) As for the broadcasting industry supervision guidance policy, In view of the impact of the development of digital convergence on the radio broadcasting industry, most governments are gradually relaxing regulations to encourage the industry.

Key Recommendations

1. Suggested short-term policies:

- (1) Encourage broadcasters to combine platforms to expand domestic and overseas markets;
- (2) Strengthen guidance of the radio broadcasting industry by the government; and

(3) Enhance the authority of the Radio Broadcasting Association.

2. Suggested medium and long-term policies:

(1) Gradually relax restrictions on shareholding in broadcasting businesses;

(2) Relax simulcast restrictions on radio stations;

(3) Strengthen the industry to fulfill social responsibilities; and

(4) Actively encourage the transfer of management rights among broadcasters.