**Chapter 4**

**Chapter Overview**

The chapter begins by providing an overview of the recording industry before considering its distinctive functions and its history. A discussion of the state of the recording industry today and its business model, based on creation, promotion, distribution, and pricing, follows. A description of the outlook for the recording industry concludes this section. After defining broadcasting, the second part of the chapter, focused on radio, develops largely the same topics outlined in the preceding format, namely an overview of radio, its distinctive functions, its history, its current condition, its programming, and its outlook.

After reading the chapter, you should be able to do the following:

* Describe the nature and functions of the recording arts (i.e., music).
* Discuss the history of the recording arts.
* Describe how the recording industry works.
* Identify the changes digitization, the Internet, and file-sharing services have brought to the recording industry business model.
* Describe the nature and basic functions of radio.
* Discuss the history of radio.
* Describe how the radio industry works.

**Review/Essay Questions**

1. Define the three main activities of the recording industry business model, and think of ways the Internet and activities like crowdsourcing could transform these. Consider how your innovations may change the pricing structure of the recording industry.

2. Summarize how satellite radio works and what you think it holds for the future of radio. Will radio be exclusively satellite someday, or will satellite always be a subset of what we call radio?